



EMAS Offshore Limited

(Incorporated in Singapore)

(UEN/Company Registration Number: 200702224N)

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## NON-BINDING TERM SHEET FOR PROPOSED INVESTMENT

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### 1. Introduction

The Board of Directors (the “**Board**”) of EMAS Offshore Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that on 25 October 2018 the Company and its wholly-owned subsidiary, Emas Offshore Pte Ltd (“**EOPL**”), entered into a non-binding term sheet (“**Non-Binding Term Sheet**”) with Udenna Corporation (“**Udenna**”, together with the Company and EOPL collectively, the “**Parties**”) in connection with a proposed transaction (“**Proposed Transaction**”) as part of the financial restructuring of the Group (“**Restructuring**”). The Non-Binding Term Sheet forms the basis for the entry into definitive agreement(s) for the Proposed Transaction.

### 2. About Udenna

Udenna has a diverse range of business interests encompassing six core sectors which are the distribution and retailing of refined petroleum products, shipping & logistics, property development, infrastructure development, hospitality and educational institutions. Udenna Corporation is the majority shareholder of Chelsea Logistics Holdings Corporation, which through its wholly owned subsidiaries, is engaged in the maritime conveyance and carriage of petroleum products, general cargos and passengers within the Philippines territorial waters and the high seas.

### 3. Salient Terms of Non-Binding Term Sheet

Under the Non-Binding Term Sheet, Udenna will have an exclusivity of 5 weeks from 29 October 2018 to conclude satisfactory due diligence, propose and conclude mutually acceptable terms and conditions that would be subject of a formal binding agreement in respect of the Proposed Transaction. Under the Non-Binding Term Sheet, it is envisaged that the Proposed Transaction would entail an aggregate investment amount of US\$73.29 million for:

- (a) the acquisition of certain vessels owned by the Group (“**Vessels**”) that are currently secured to various bank lenders of the Group and for the Vessels to be owned by the Group without any encumbrance, mortgage or security interest at the close of the Proposed Transaction; and
- (b) an investment into EOPL.

#### **4. General**

The Company will provide further updates in relation to the Proposed Transaction when there are material developments. Shareholders should note that there is no certainty or assurance as at the date of this announcement that any binding term sheet will be entered into or the Proposed Transaction will be completed. When in doubt as to the action they should take, shareholders should consult their financial, tax or other advisers.

This announcement is subject to disclosure in accordance with section 5-12 of the Norwegian Securities Trading Act.

By Order of the Board

Lee Kian Soo

Director

26 October 2018