

UPDATE TO STAKEHOLDERS

Miclyn Express Offshore Pte Ltd (the “**Company**”) refers to:

1. The Company’s announcement dated 27 November 2017 in relation to its first informal dialogue session with holders of the US\$150,000,000 8.75 per cent Senior Secured Guaranteed Bonds Due 2018 (“**Noteholders**”) on 5 December 2017; and
2. The Company’s announcement dated 19 December 2017 in relation to the proposed establishment of an informal steering committee of Noteholders (“**Informal Steering Committee**”).

The Company appreciates the support provided by its senior lender, the Noteholders and its other stakeholders to date. The Company continues to operate its business to service its customers, suppliers and other counterparties. The Company has also taken extensive steps to reduce its expenditures and manage its working capital position with a view to preserving value for all stakeholders. The Company will provide a business activity update and share its unaudited financial results for the year ended 30 June 2018 as and when appropriate.

The Company would like to put on record its appreciation to the Securities Investors Association (Singapore) (“**SIAS**”) for liaising and coordinating with the Noteholders. The Company intends to continue to work closely with SIAS in respect of engaging and communicating with the Noteholders.

The Company also wishes to provide an update in relation to the proposed restructuring of the Company’s existing indebtedness. Key developments include *inter alia*:

1. The Informal Steering Committee was established and met with the Company’s advisor, nTan Corporate Advisory Pte Ltd on 23 January 2018 in SIAS’ office;
2. The Company and its advisor have developed a detailed set of cashflow projections and financial model to underpin any restructuring (“**Model**”);
3. The Company and its advisor have been engaging in constructive dialogue with certain Noteholders’ advisors including *inter alia* discussions in connection with the development, assumptions and contents of the Model, as well as current and forecast industry conditions;
4. The Company and its advisor have also been engaging in discussions with its senior lender on the terms of a potential restructuring of the Company’s indebtedness with a view to developing a comprehensive and deliverable restructuring proposal for all relevant stakeholders, including the Noteholders. Such discussions included consideration of a potential injection of fresh equity by the Company’s existing shareholders and/or a third party investor;
5. The Company’s senior lender remains supportive of the Company’s consensual restructuring process and has issued letters of support to the Company and is prepared to issue letters of quiet enjoyment to the group’s key customers where required; and
6. The Company and its advisors have also engaged in discussions with potential investors in the Company and continue to have these discussions.



The steps taken by the Company and its advisors to date demonstrate the Company's commitment to both preserving value for the benefit of its stakeholders and engaging with those stakeholders constructively and with a view to agreeing the terms of a comprehensive restructuring of its liabilities. The Company remains committed to constructive engagement with its stakeholders to identify a solution to its current difficulties and appreciates the patience afforded by the relevant stakeholders in this consensual restructuring process. The Company is aiming to formulate a restructuring proposal that takes account of the competing demands of the Group's various stakeholders and can be shared with Noteholders in the shortest possible timeframe.

Noteholders are advised to read this announcement and any further announcements by the Company carefully. There is no certainty or assurance as at the date of this announcement that any discussions or prospects will be successfully concluded or any definitive agreements in relation to any transactions will be entered into. Noteholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Jane Allan/Lee Siew May
Company Secretaries
7 September 2018