



## UPDATE TO STAKEHOLDERS

Miclyn Express Offshore Limited (the “**Company**”) wishes to provide an update to its stakeholders in relation to its current financial and operational position and the proposed restructuring of its existing indebtedness.

Despite the challenging environment in which the Company and its subsidiaries (collectively, the “**Group**”) have operated for the past three years, the Group has performed well in comparison to its competitors. By way of example, as of 27 November 2017, the Group’s vessel utilization rate was approximately 74% as compared to an industry average of approximately 50% due to the versatile spread of the Group’s fleet of vessels, diversity of operations across multiple markets and, critically, the unflinching support of its local and regional partners. Consequently, the Group continues to generate a respectable EBITDA and positive operating cashflow despite reduced utilization and charter rates across the industry.

However, in light of the continued difficulties across the industry in which the Group operates, the Group is prioritizing its available cash for operations and is accordingly unable to make payment of: (i) the US\$6,562,500 coupon payment due on 27 November 2017 in respect of the US\$150,000,000 8.75% Senior Secured Guaranteed Bonds due 2018 (the “**Notes**”) issued by Miclyn Express Offshore Pte. Ltd.; and (ii) the principal instalment and interest due on 27 November 2017 in respect of certain senior secured loan facilities made available under a facility agreement originally dated 27 November 2013 (“**Senior Secured Facilities**”). Failure to pay these amounts will constitute an event of default under and in respect of the Notes and the Senior Secured Facilities. The Group also anticipates breaching certain financial covenants in respect of the Notes and Senior Secured Facilities.

The Company is, however, pleased to report that its primary lender remains supportive of the Group despite the events of default referred to above. Its primary lender has also confirmed that it will, subject to certain terms, temporarily refrain from taking any enforcement action or consenting to any proposed enforcement action. The Company is working with the primary lender and the holders of the Notes to finalize a comprehensive, consensual restructuring of the Group’s indebtedness under the Senior Secured Facilities and the Notes (a “**Restructuring**”). With the support of its primary lender and its other stakeholders, the Company is confident of achieving agreement regarding the terms of a Restructuring that preserves and maximizes value for the benefit of all stakeholders.

Most recently, the Group has engaged nTan Corporate Advisory Pte. Ltd. to assist it in finalizing these discussions and implementing a Restructuring (once agreed). The Company looks forward to continuing to engage with its creditors on a transparent and good faith basis with a view to finalizing a consensual restructuring transaction in the shortest possible timeframe.

In the meantime, the Company expects to continue to operate its business in the ordinary course and does not anticipate that the ongoing restructuring negotiations will have a material impact on its ability to provide services and/or comply with its obligations to customers, suppliers and other counterparties.

The Company appreciates the support provided by its primary lender, the holders of the Notes and its other stakeholders and looks forward to working with all parties to ensure that the Group successfully navigates the difficult market conditions and is able to provide significant value to its customers and stakeholders in the coming years.

By Order of the Board

Jane Allan/Lee Siew May  
Company Secretaries  
27 November 2017