

Swiber Holdings Limited  
(Judicial Managers Appointed)  
Co. Reg. No. 200414721N

12 International Business Park, Swiber@IBP #01-05, Singapore 609920  
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**BINDING TERM SHEET IN RELATION TO THE PROPOSED INVESTMENT OF US\$200 MILLION IN THE SWIBER GROUP BY WAY OF:**

- (1) **PROPOSED SUBSCRIPTION OF NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY; AND**
  - (2) **PROPOSED SUBSCRIPTION OF NEW PREFERENCE SHARES IN THE CAPITAL OF EQUATORIALE ENERGY PTE. LTD., A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY**
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**1. INTRODUCTION**

1.1 Swiber Holdings Limited (Judicial Managers Appointed) (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company and its wholly-owned subsidiary, Equatoriale Energy Pte. Ltd. (“**Equatoriale Energy**”) have on 3 October 2018 entered into a binding term sheet (the “**Term Sheet**”) with Seaspan Corporation (“**Seaspan**”), pursuant to which Seaspan has agreed that, subject to their due diligence on the Group and the definitive agreements relating to the Proposed Transaction (as defined below) (the “**Definitive Agreements**”) being executed by the parties thereto on terms to be mutually agreed, and the other terms and conditions to be set out therein, Seaspan or its affiliate (the “**Investor**”) will invest an aggregate cash amount of US\$200 million in the Group, by way of the following:

- (a) the proposed subscription by the Investor of such number of new ordinary shares (“**Shares**”) in the capital of the Company (“**Investor Initial Shares**”), which will in aggregate constitute approximately 80% of the Company’s enlarged total issued shares (taking into account the Unsecured Creditors Shares (as defined below) to be issued pursuant to the Debt Restructuring (as defined below) and the Key Management and Professional Shares (as defined below)) immediately following the completion of the subscription of the Investor Initial Shares, at an aggregate issue price of US\$20 million (“**Initial Investment**”); and
- (b) the proposed subscription by the Investor of new preference shares in the capital of Equatoriale Energy (“**Investor Preferred Shares**”), with an aggregate issue price of US\$180 million (“**Subsequent Investment**”), following satisfaction of all Milestones (as defined below),

(the “**Initial Investment**” and the “**Subsequent Investment**” being collectively referred to as the “**Proposed Transaction**”).

1.2 The Term Sheet is intended to serve as a general basis for negotiations between the Company, Equatoriale Energy and the Investor (collectively, the “**Parties**”) on the Definitive Agreements, and does not set out all the detailed and essential terms and conditions to be incorporated into the Definitive Agreements, or upon which the Proposed Transaction may be consummated. The Term Sheet is subject to the Investor’s due diligence on the Group, and none of the Parties shall be obliged to proceed with the Proposed Transaction unless and until the Definitive Agreements, which will set out more detailed terms and conditions relating to the Proposed Transaction to be

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mutually agreed between the Parties, have been executed by the Parties. Further details will be announced in the event that the Definitive Agreements are entered into.

## 2. INFORMATION ON SEASPAN

- 2.1 Seaspan is a Marshall Islands corporation listed on the New York Stock Exchange, and is a leading independent charter owner and operator of containerships with industry leading ship management services. Seaspan charters their vessels primarily pursuant to long-term, fixed-rate, time charters to the world's largest container shipping liners. Seaspan's operating fleet consists of 112 containerships with a total capacity of more than 900,000 TEU, an average age of approximately 6 years and an average remaining lease period of approximately 5 years, on a TEU-weighted basis. The Chairman of Seaspan, Mr. David Sokol, has extensive experience in the power industry.
- 2.2 As at the date of this Announcement, Seaspan (a) does not hold any shares, directly or indirectly, in the Company, (b) is an unrelated third party which has no connection (including business relationships) with the Company, its Directors and substantial shareholders, and (c) does not fall within the category of persons listed in Rule 812(1) of the listing manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Listing Manual**").
- 2.3 There is no placement agent appointed for the purpose of the Proposed Transaction. The Company identified the Investor through its existing network and contacts and there is no commission payable to any placement agent and/or introducer.

## 3. INITIAL INVESTMENT

### 3.1 Investor Initial Shares

The number of Investor Initial Shares to be issued and the issue price per Investor Initial Share are to be mutually agreed between the Company and the Investor and set out in the Definitive Agreements.

### 3.2 Conditions Precedent

The completion of the Initial Investment ("**Initial Closing**") is subject to and conditional upon, among others, confirmatory due diligence by Seaspan, the entering into of the Definitive Agreements, the emergence of the Company from its judicial management process in Singapore, the approval of the Company's shareholders ("**Shareholders**") and creditors, Singapore regulatory and court approvals and other conditions customary for transactions of this nature.

### 3.3 Debt Restructuring

At the Initial Closing, it is contemplated that the Company will, subject to the satisfaction of certain conditions precedent described above, also issue pursuant to the restructuring of all debts and liabilities of the Company and Swiber Offshore Construction Pte. Ltd. ("**SOC**") (whether secured or unsecured or contingent) (the "**Debt Restructuring**"):

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- (a) secured redeemable convertible bonds to the Company's secured creditors; and
  - (b) new Shares to the Company's unsecured creditors (the "**Unsecured Creditors Shares**"),
- on terms that are reasonably satisfactory to the Investor in all material respects.

### 3.4 **Key Management and Professional Shares**

At the Initial Closing, it is also contemplated that the Company will issue to (a) the key management of the Company new Shares in connection with the Company's key employee incentive plan and (b) the providers of professional services (including without limitation judicial management, legal, accounting and other advisory services) new Shares in partial satisfaction of the payment of their fees and expenses (collectively, the "**Key Management and Professional Shares**"), which will in aggregate constitute approximately 3% of the Company's enlarged total issued shares immediately following Initial Closing.

## 4. **SUBSEQUENT INVESTMENT**

### 4.1 **Investor Preferred Shares**

The number of Investor Preferred Shares to be issued by Equatoriale Energy and the issue price per Investor Preferred Share are to be mutually agreed between the Parties and set out in the Definitive Agreements.

### 4.2 **Conditions Precedent**

The completion of the Subsequent Investment is subject to and conditional upon certain conditions precedent, including but not limited to the satisfaction of such milestones in relation to the development of the first phase of the Project (as defined below) as may be agreed between the Parties and set out in the Definitive Agreements (the "**Milestones**") and other conditions customary for transactions of this nature.

### 4.3 **Rights of Investor Preferred Shares and Conversion of Investor Preferred Shares**

The Investor, as the holder of the Investor Preferred Shares, will be entitled to such rights relating to dividend preference and liquidation preference, as may be agreed between the Parties and set out in the Definitive Agreements. The Investor Preferred Shares will automatically convert into one (1) Share in the Company following successful achievement of such events as may be agreed between the Parties and set out in the Definitive Agreements.

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## 5. OTHER SALIENT TERMS OF THE TERM SHEET

### 5.1 Management Services

Subject to the terms and conditions to be agreed and set out in the Definitive Agreements, the Investor (or its affiliates) will provide to certain entities within the Group certain management services in consideration for an annual management fee of 3% of the market capitalisation of the Company.

### 5.2 Break Fee: In the event that the Company enters into any transaction involving, *inter alia*, any sale of shares involving the Company or certain companies within the Group, any sale of all or any material portion of the assets of the Company or certain companies within the Group or any other transaction which results in a change of control of the Company or certain companies within the Group, in which the Investor does not participate, at any time prior to:-

- (a) (in the event that the Term Sheet is terminated pursuant to the terms thereof and the Definitive Agreements have not been entered into) 30 September 2019; or
- (b) (in the event that the Definitive Agreements have been entered into) the date that is six (6) months after the Long-Stop Date (as defined below) or the date of termination of the Definitive Agreements,

the Company will pay to the Investor a “break fee” equal to US\$10 million (“**Break Fee**”) plus reimbursement of the Investor’s reasonable fees and expenses, provided that no Break Fee will be payable if any uncured breach by the Investor of any of the Definitive Agreements has directly caused a failure of any condition precedent to the Initial Closing from having been fulfilled prior to the Long-Stop Date. Such obligations of the Company shall survive the termination of the Term Sheet.

“**Long-Stop Date**” means the date by which all of the conditions precedent for the Initial Investment are to be satisfied, being the later of (i) 30 June 2019 and (ii) the date of expiry of the order made by the Singapore High Court to place the Company under judicial management (as may be extended from time to time), or such other date as the Company and the Investor may mutually agree in writing.

### 5.3 Exclusivity Period: Until 31 March 2019 (the “**Exclusivity Period**”), the Company will not directly or indirectly, *inter alia*, (a) solicit offers, inquiries or proposals from any person (other than Seaspan or its affiliates) for, or entertain any offer, inquiry or proposal from any person (other than Seaspan or its affiliates) to enter into, any business combination or merger, issuance or sale of equity of the Company, sale or transfer of all or a substantial portion of the assets of the Company, a financing transaction of any type or any other transaction comparable to or similar to the Proposed Transaction or (b) conduct any discussions or negotiations, or enter into any agreement, arrangement or understanding with any person (other than Seaspan or its affiliates) regarding such transaction, provided that (i) the grant of such exclusivity will automatically terminate if Seaspan notifies the Company that it decides not to proceed with the Proposed Transaction and (ii) this shall not prohibit or restrict the Group from carrying on its business in the ordinary course.

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- 5.4 Expenses: To the extent permitted by applicable law, the Company shall reimburse the Investor in full for all of its reasonable fees and expenses (including counsel fees) incurred in connection with the Proposed Transaction, including reasonable expenses incurred in connection with the evaluation and negotiation of the Term Sheet and any Definitive Agreements, which shall be capped at an aggregate amount to be mutually agreed in the Definitive Agreements, provided that the Company shall have no such reimbursement obligation if the Proposed Transaction is not consummated due to the Investor's uncured breach of any of the Definitive Agreements that directly causes a failure of any condition precedent to the Initial Closing from having been fulfilled prior to the Long-Stop Date. Such obligations of the Company shall survive the termination of the Term Sheet.
- 5.5 Termination: The Term Sheet shall automatically terminate upon (a) the execution of the Definitive Agreements; (b) any of the conditions precedent no longer being capable of being fulfilled; (c) mutual consent in writing; or (d) the expiry of the Exclusivity Period (unless otherwise extended in writing), whichever date being the earliest.

## 6. RATIONALE FOR THE PROPOSED TRANSACTION AND USE OF PROCEEDS

- 6.1 Since the Company was placed under judicial management on 6 October 2016, the Company has been engaging with potential investors for cash injections into the Group with a view to rehabilitating the Company.
- 6.2 In view of the growing opportunities in the power sector and given the Group's engineering capabilities and technical expertise, it has been part of the corporate strategy of the Company to diversify its existing business to include the power business, particularly the liquified natural gas (LNG) segment. The Company has recognised that there is generally a growing demand for clean energy such as power generated from LNG and the Company believes that the diversification into the power sector will not only offer new business opportunities for the Company and provide the Company with new revenue streams, but will also support the long-term growth of the Group. For the purpose of such diversification, the Company had incorporated Equatoriale Energy in June 2018 to undertake the power business.
- 6.3 Given the Group's engineering capabilities and technical expertise as well as the growing demand for clean energy in Vietnam, the Parties have agreed to explore the opportunity to develop, construct and operate a LNG power plant in Vietnam (the "**Project**"), which is estimated to cost approximately US\$1 billion to construct.
- 6.4 The Proposed Transaction, if completed, will provide the Company and Equatoriale Energy with aggregate gross subscription proceeds of US\$200 million. It is intended that the proceeds from the Initial Investment will be used towards funding the development of the first phase of the Project, while the proceeds from the Subsequent Investment will be used towards, *inter alia*, funding the construction, operation and maintenance of the first phase of the Project and/or such other purposes as may be agreed between the Company and the Investor.

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- 6.5 As the Company is currently placed under judicial management, the Company is of the view that the Proposed Transaction is in the interests of the Company, as the Proposed Transaction, if completed, would be a step towards reviving the Company as a going concern.
- 6.6 Further, the Company is of the view that the Proposed Transaction and the Group's proposed participation in the Project are necessary to carry out a scheme or schemes of arrangement in relation to the Company's and SOC's existing debts and to formulate the trading resumption proposal for submission to the SGX-ST.

## 7. SHAREHOLDERS' APPROVAL

The Proposed Transaction will result in a transfer of controlling interest in the Company pursuant to Rule 803 of the Listing Manual, which requires the prior approval of the Shareholders.

Accordingly, in the event that the Company proceeds with the Proposed Transaction, the Company will be seeking Shareholders' approval for, *inter alia*, the Proposed Transaction as well as the other matters mentioned in paragraph 3.2 above, at an extraordinary general meeting to be convened.

## 8. INTERESTS OF THE JUDICIAL MANAGERS, DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this Announcement, none of the Judicial Managers and Directors of the Company and, to the best of the knowledge of the Judicial Managers and Directors of the Company, none of the controlling shareholders of the Company have any interest, direct or indirect, in the Proposed Transaction, other than through their respective directorships and shareholdings in the Company, if any.

## 9. INSPECTION OF DOCUMENTS

A copy of the Term Sheet will be made available for inspection during normal business hours at the Company's registered office at 12 International Business Park, #01-05 Swiber@IBP, Singapore 609920 for a period of three (3) months from the date of this Announcement.

## 10. CAUTIONARY STATEMENT

**Shareholders should note that the Proposed Transaction is subject to, amongst others, Investor's due diligence on the Group and the negotiation and execution of the Definitive Agreements. There is no certainty or assurance that the Definitive Agreements will be entered into, that the conditions precedent for the Proposed Transaction can be fulfilled, that the terms and conditions of the Proposed Transaction will not differ from those set out in the Term Sheet, or that the Proposed Transaction will be undertaken at all.**

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**The Company will make further announcements, in compliance with the requirements of the Listing Manual, when there are material developments in respect of the Proposed Transaction. Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Persons who are in doubt as to the action they should take should consult their financial, tax, legal or other professional adviser(s).**

By Order of the Judicial Managers  
Bob Yap Cheng Ghee  
Joint and Several Judicial Manager  
3 October 2018

By Order of the Board  
Raymond Kim Goh  
Chairman  
3 October 2018