



COSCO CORPORATION (SINGAPORE) LIMITED
(Company Registration No. 196100159G)

UPDATE ON OCTABUOY HULL AND TOPSIDE MODULE

The Board of Directors (the “**Board**”) of COSCO Corporation (Singapore) Limited (the “**Company**”) refers to its announcements on 9 April 2008, 2 October 2009, 30 May 2011 and 22 July 2014 in relation to the vessel building contract for Octabuoy hull and the topside module (the “**Octabuoy**”) secured by the Company’s subsidiary, COSCO (Nantong) Shipyard Co., Ltd. (“**COSCO Nantong**”) (being a subsidiary of the Company’s 51% owned subsidiary, COSCO Shipyard Group Co., Ltd) with ATP Oil & Gas (UK) Limited (“**ATP UK**”).

As announced by the Company on 22 July 2014, ATP UK is in company voluntary arrangement (“**CVA**”) in the United Kingdom. The Board wishes to provide an update of the matter.

COSCO Nantong has informed the Company that on 9 December 2014, it has received a notice from the CVA managers of ATP UK acknowledging COSCO Nantong’s total debt claim and on 11 December 2014, COSCO Nantong has received an initial part payment of approximately US\$5 million.

While COSCO Nantong has been making efforts to find a buyer for the Octabuoy and several potential buyers had previously expressed interest, COSCO Nantong has so far not entered into any agreement for the sale. The steep fall in crude oil prices over recent months has had an adverse impact on the global offshore marine industry. This has made it even more difficult to secure a buyer for the Octabuoy as industry players have cut back even further on new orders. This difficulty is compounded by the specialised design of the Octabuoy and the substantive investment in the customised equipment that is required to continue the project.

In light of the above, a decision has now been made by the management of COSCO Nantong to discontinue the project and this is expected to result in a one-off charge of approximately S\$90 million for the Company for the financial year ended 31 December 2014.

By Order of the Board

Wu Zi Heng
Vice Chairman and President
9 January 2015