

PRESS RELEASE**For Immediate Release****Swire Pacific Offshore updates on shipbuilding contracts with Estaleiro Ilha S.A**

Singapore, 8 April 2015 – Shipowner and operator, Swire Pacific Offshore Operations (Pte) Ltd (SPO) has reaffirmed the cancellation of shipbuilding contracts for four vessels with Estaleiro Ilha S.A (EISA) today.

This update follows a period of negotiations requested by EISA following the Notice of Cancellation delivered by SPO in August 2014. Regrettably, on SPO's specific project, EISA was unable to meet the minimum and critical conditions to continue with the construction of the vessels despite SPO's repeated and good faith efforts to find a satisfactory way forward. SPO's Board has concluded that they can no longer have confidence in the delivery of these vessels on a reasonable timescale and to SPO's satisfaction, and therefore must reaffirm the cancellation of these shipbuilding contracts.

Managing Director of Swire Pacific Offshore, Mr. Neil Glenn said, "SPO commissioned EISA to build four Brazilian flagged vessels in May 2011 as part of our plans to develop our business in Brazil. The first vessel was due for delivery in January 2014 with the remaining vessels at approximately three month intervals thereafter. The vessels were not built against specific client tenders or contracts but rather to service the general requirements of the offshore industry in Brazil. As of today, we have not taken delivery of any vessels, and have no reason for confidence that they will be delivered to our satisfaction and on a reasonable timeframe. SPO's Board has therefore resolved to reaffirm cancellation of the orders. This is the first time that SPO has cancelled a vessel order and I hope it is very clear that the decision was not taken lightly. We remain committed to the Brazilian market as it is still an important part of our long term plans."

SPO's vessel building contracts in other countries are proceeding as planned. The company recently took delivery of the anchor handling tug supply vessel (AHTS), *Pacific Centurion* and platform supply vessel (PSV), *Pacific Goldfinch*. SPO will take delivery of five more PSVs in 2015 and four more PSVs across 2016 and 2017.

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About Swire Pacific Offshore (SPO)

Swire Pacific Offshore Operations (Pte) Ltd is a leading service provider to the offshore oil and gas industry with a network that spans the globe. Operating for 40 years, SPO has become a trusted name in the oil and gas industry. SPO has operated in Singapore since 1975 and moved its headquarters there in 1992. SPO is a fully owned subsidiary of Swire Pacific Limited. In line with its vision, "Excellence in Marine Services", strong emphasis is placed on health and safety, the environment and sustainable development. SPO and its subsidiaries operate vessels in every major oil exploration region outside of USA and have offices in Angola, Australia, Azerbaijan, Brazil, Brunei, Cameroon, Canada, Denmark, Equatorial Guinea, Ghana, India, Indonesia, Kenya, Malaysia, New Zealand, Norway, Qatar, The Philippines, Russia, Scotland and the United Arab Emirates.

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