CH OFFSHORE LTD.
(Company Registration No: 197600666D)
(Incorporated in the Republic of Singapore)
("**CHO**" or the "**Company**")

RESPONSE TO QUERIES FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE) (THE "SIAS") ON THE ANNUAL REPORT 2018

The Board of Directors (the "Board") of CH Offshore Limited (the "Company" and together with its subsidiaries, the "Group") refers to the queries raised by the SIAS on 21 September 2018 in relation to the Group's Annual Report for the financial year ended 30 June 2018. We set out our replies below.

1. In respect to Question 1,

   (i) Following Baker's acquisition of a controlling interest in the Company, the Directors and the Management have been in discussions reviewing the operation of the Group. On an ongoing basis, they are considering options or opportunities to increase revenue streams and expansion of product offerings.

   (ii) The challenges faced by the marine, oil and gas industry has resulted in low vessel utilization and charter rates. Maintenance, and where applicable, enhancement of the vessels in the Group's fleet is being managed to ensure that the vessels are in good operating conditions and/or always ready-for-charter. Over the last few years, cost control have been executed and managed satisfactorily. The current approach is to increase and improve marketing efforts with a view to achieving higher utilization rates.

2. In respect to Question 2, the Group is unable to provide breakdown of its vessel utilization, as such information is deemed confidential in the light of a competitive environment. As mentioned above, Management is working to increase and improve marketing efforts with a view to achieving higher utilization rates.

3. In respect to Question 3,
   (i) US$3M of outstanding trade receivable is more than 1 year overdue. However, there is a corresponding deposit of US$3M from the same customer as deposit for the option to purchase the vessel. The set-off is currently pending the outcome of arbitration proceedings.

   (ii) About US$1.5M of the debts that were more than 6 months old have been received after the financial year ended. Collection efforts are continuing. The company has taken actions to tighten its credit evaluation process.

   (iii) As there was a change of holding company, the Board and the Management considered it prudent to make a full provision for doubtful debt of the order of US$8,657,000 in respect of Trade and Other Receivable of US$4,480,000 and US$4,177,000 due from Falcon Energy Group("FEG"). The 4.3 % interest charged on the Non-Trade Loan to FEG Group was agreed upon in FY2017 when the Company's prevailing cost of borrowings was 4.27%. The Company is currently in discussion with FEG Group to work out a repayment plan for the above-mentioned Receivables.

By Order of the Board
George Thia
Chairman
27 September 2018