الخليج للملاحة القابضة ش م ع
Gulf Navigation Holding PJSC

To: Dubai Financial Market–Disclosure Dept.

Attention: Mr. Hassan Al Serkal

Senior Vice President - COO- Market Operations Division

Date: 9/7/2014

Press Release

Gulf Navigation Holding PJSC successfully reaches major milestone in turnaround and restructuring

Gulf Navigation Holding, the only shipping company listed on Dubai Financial Markets (DFM), yesterday achieved a major milestone by completing the capital reduction after securing necessary shareholders, SCA and ministerial approvals. In an attempt to present clean balance sheet to the shareholders and investors, the company reduced the share capital from AED 1,655,000,000 (100%) to AED 551,666,666 (33.33%), by writing off accumulated losses of AED 1,103,333,334. With this reduction and reverse split, existing shareholders will now be holding one share for every three shares previously held. This means the floating stock in the market has effectively come down to 551,666,666 number of shares, with opening market price fixed by Dubai Financial Market authorities as 75 fils per share, from earlier 1,655,000,000 number of shares, when the market price was around 25 fils per share. The company has over 14,000 shareholders, with top 200 shareholders holding over 50% of the total equity in the company. Through capital reduction and reverse split of the shares, the market capitalization remains the same, at the time of effecting such change. However, typically in stock market, if supply of shares reduces and if demand is same, it reflects in improved market price.

Gulf Navigation Holding has also secured approval to increase foreign shareholding limit up to 49% from earlier 20%. This may be more suitable for foreign shareholders and investors, including institutions and individuals, (either strategic or financial), who aspire to acquire significantly large equity stake in Gulf Navigation Holding.

The company has been working on turnaround and restructuring plan since last year, when the company decided to reduce the capital first before raising fresh capital from the market by way of offering Mandatory Convertible Bonds (MCB) for a total amount of US$ 130 Mn. Now, the company is in a much better position to present its investment proposal before new investors across the world for inviting investment through MCB convertible into equity in near future, which will result in capital increase. The company is considering to appoint a leading international investment banker, with significant expertise

٣٢١٠، برج السبا ١، أبراج بحيرات الجميرا، ص.ب: ٤٩٦٥١ ، دبي، أ.ع.م، هاتف ٤٢٧٠١٠٤ ٤ ٩٧١+ ، فاكس ٤٢٧٠١٠٢ ٤ ٩٧١+، الموقع الالكتروني www.gulfnav.com
3201, Saba Tower 1, Jumeirah Lakes Towers, P.O .Box 49651, Dubai, UAE Tel : +971 4 4270104

in raising finance from global capital markets, (especially Europe and US), with proven expertise in shipping sector. The fresh capital will help the company pursue expansion by acquiring chemical or products tankers and expand its current fleet of vessels.

The company achieved considerable improvement in its profitability since close of FY 2013 and declared profits of AED 539,000 for the first quarter. The company has chartered four chemical tankers to SABIC for remaining 9 years of time charter period, which continues to support its revenue and profits. The agency division profits are also showing stability and growth and helping the company to achieve better financial results. The management expects to further increase this profitability with better second quarter results, currently under review to be approved in the next Board Meeting.

وتفضلوا بقبول وافر التقدير والإحترام

Yours sincerely

Dr. Sandeep Kadwe

Managing Director

Gulf Navigation Holding Company (PJSC)