

FINCANTIERI: VARD SECURES CONTRACT FOR A RESEARCH EXPEDITION VESSEL

Trieste, May 2, 2017 – The press release issued by Vard Holdings Limited (“VARD”) is here attached.

VARD is 74.45% controlled by Fincantieri which fully consolidates its financial results.

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Fincantieri is one of the world’s largest shipbuilding groups and number one by diversification and innovation. It is leader in cruise ship design and construction and a reference player in all high-tech shipbuilding industry’s sectors, from naval to offshore vessels, from high-complexity special vessels and ferries to mega-yachts, ship repairs and conversions, systems and components production and after-sales services.

Headquartered in Trieste (Italy), the Group has built more than 7,000 vessels in over 230 years of maritime history. With almost 19,200 employees, of whom more than 7,900 in Italy, 20 shipyards in 4 continents, today Fincantieri is the leading Western shipbuilder. It has among its clients the major cruise operators, the Italian and the U.S. Navy, in addition to several foreign navies, and it is partner of some of the main European defense companies within supranational programmes.

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For Immediate Release

VARD SECURES CONTRACT FOR THE DESIGN AND CONSTRUCTION OF ONE RESEARCH EXPEDITION VESSEL

Singapore, 2 May 2017 – Vard Holdings Limited (“VARD”), one of the major global designers and shipbuilders of specialized vessels, is pleased to announce that it has secured a contract for the design and construction of one Research Expedition Vessel for Rosellinis Four-10.

Rosellinis Four-10 is wholly-owned by the Norwegian industrialist Kjell Inge Røkke and his family. Developed by Vard Design in collaboration with the customer and the designer Espen Øino, the Research Expedition Vessel (REV) is expected to enter service in 2020. The hull will be built at Vard Tulcea in Romania, and towed to Vard Brattvaag in Norway for outfitting. After delivery in Norway, the vessel will return to Romania for fairing, deck laying and finalization of the accommodation area.

The highly specialized vessel is tailor-made for worldwide research and expedition activities, with the objective of developing knowledge and sustainable solutions to address the ocean’s environmental challenges. WWF Norway is invited by the shipowner to take part in the further development of the research and expedition project.

Equipped with the latest technology on board, the vessel will be one of the most advanced research expedition vessels in the world. Equipment for monitoring and surveying marine areas, currents, the seabed, fish, animals and plant life in all of the world’s oceans will be available on the vessel.

Environmental performance has been crucial throughout the concept- and development phase. The VARD 6 16 design is developed for navigating waters in the most challenging and vulnerable environments, from arctic to tropical areas. To secure the most cost efficient, silent, comfortable and environmentally friendly expeditions in all weather conditions, the vessel is designed with slim hull lines in combination with wave-cutting bulb, slender foreship, large propellers and two pairs of stabilization fins. Other key features are the energy recovery rudder system, medium speed engines, a direct drive diesel-electric propulsion system with battery package, and an exhaust cleaning system.

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Company Reg. Number: 201012504K

Visiting address:

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c/o Vard Group AS, Skansekaia 2, NO-6002 Ålesund, Norway

The vessel will also employ VARD'S SeaQ Green Pilot, a data driven maritime energy management and operational performance system. By using real-time measurements, mathematical models and analysis of the vessel's performance, an expert system will give the operator advice on the ship's performance and fuel consumption. This will empower the crew to minimize the carbon footprint of the vessel. SeaQ Green Pilot was developed by Vard Electro in Norway.

With its length of 182 meters, the vessel will be the longest one ever designed and built by VARD. The research and expedition area features modern laboratories, an auditorium, a hangar for a Remote Operated Vehicle (ROV) and an Autonomous Underwater Vehicle (AUV) with direct access to the vessel's moonpool, and a multifunctional cargo deck.

VARD's subsidiary Seaonics has developed a large high-end scientific winch package for handling through moonpool and over side, a 20 tons fiber rope crane with reach down to 6,000 meters, and a pelagic trawl setup with catch selection for operations down to 3,000 meter depth. All operations including trawling will be inside operations either from the hangar amidships or from a horizontal built in A-frame construction at the stern.

The vessel will have a high standard to make it suitable for charter to private individuals, companies and institutions. The total accommodation capacity is for 90 persons, including a maximum of 36 guests on board.

Kjell Inge Røkke commented, "My very first large factory trawler was built by VARD 30 years ago, and I have enjoyed a great relationship with the team at VARD since then. I know what VARD stands for, and it is a pleasure to come back and build this Research Expedition Vessel together with them."

Røkke continues: "The REV will be a platform for gathering knowledge. I would like to welcome researchers, environmental groups, and other institutions on board, to acquire new skills to evolve innovative solutions to address challenges and opportunities connected to the seas."

CEO and Executive Director Mr. Roy Reite says, "We are excited and humbled to be chosen as the partner to develop and build this unique vessel. It is a pleasure to work with Kjell Inge Røkke and his team again. Our relations span several decades, and we welcome his private initiative and engagement for research and expedition activities at sea. VARD's experience from R&D and the design and construction of highly specialized vessels such as research, surveillance and expedition vessels will be valuable in this project. This newbuilding also offers an excellent opportunity to showcase the innovation power of the Norwegian maritime industry by involving many local suppliers."

The contract has been entered into in the ordinary course of business of the Company. It is not expected to have any material impact on the earnings per share or the net tangible assets per share of the Company for the current financial year. None of the Directors and the controlling shareholders of the Company have any interest, direct or indirect, in the above contract.



VARD 616

Research Expedition Vessel (REV) | Overall length: 182 m | Breadth: 22 m

The projects website is available at: www.rosellinisfour-10.no

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About VARD

Vard Holdings Limited (“VARD”), together with its subsidiaries (the “Group”), is one of the major global designers and shipbuilders of specialized vessels. Headquartered in Norway and with 9,000 employees, VARD operates nine strategically located shipbuilding facilities, including five in Norway, two in Romania, one in Brazil and one in Vietnam. Through its specialized subsidiaries, VARD develops power and automation systems, deck handling equipment, and vessel accommodation solutions, and provides design and engineering services to the global maritime industry.

VARD’s long shipbuilding traditions, cutting-edge innovation and technology coupled with its global operations and track record in constructing complex and highly customized vessels have earned it recognition from industry players and enabled it to build strong relationships with its customers.

VARD was listed on the Main Board of the Singapore Exchange on 12 November 2010. Majority shareholder Fincantieri Oil & Gas S.p.A., a wholly owned subsidiary of FINCANTIERI S.p.A., owns 74.45% in the Group. Headquartered in Trieste, Italy, FINCANTIERI is one of the world’s largest shipbuilding groups and has, over its 200 years of maritime history, built more than 7,000 vessels.

www.vard.com