

VARD SIGNS SALES AND PURCHASE AGREEMENT FOR THE SALE OF A DIVING SUPPORT AND CONSTRUCTION VESSEL

Trieste, September 7, 2018 - The press release issued by Vard Holdings Limited ("VARD") is here attached.

As of today, VARD is 94.22% 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 for diversification and innovation. It is leader in cruise ship design and construction and a reference player in all high-tech shipbuilding industry sectors, from naval to offshore vessels, from high-complexity special vessels and ferries to mega yachts, as well as in ship repairs and conversions, production of systems and mechanical and electrical component equipment and after-sales services. With over 230 years of history and more than 7,000 vessels built, Fincantieri has always kept its management offices, as well as all the engineering and production skills, in Italy.

With over 8,400 employees in Italy and a supplier network that employs nearly 50,000 people, Fincantieri has enhanced a fragmented production capacity over several shipyards into a strength, acquiring the widest portfolio of clients and products in the cruise segment. To hold its own in relation to competition and assert itself at global level, Fincantieri has broadened its product portfolio becoming world leader in the sectors in which it operates.

With globalization, the Group has around 20 shipyards in 4 continents, over 19,000 employees and is the leading Western shipbuilder. It has among its clients the world's major cruise operators, the Italian and the US Navy, in addition to several foreign navies, and it is partner of some of the main European defense companies within supranational programs. Fincantieri's business is widely diversified by end markets, geographical exposure and by client base, with revenue mainly generated from cruise ship, naval and offshore vessel construction. Compared with less diversified players, such diversification allows it to mitigate the effects of any fluctuations in demand on the end markets served.

www.fincantieri.com

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For Immediate Release

**VARD SIGNS SALES AND PURCHASE AGREEMENT
FOR THE SALE OF A DIVING SUPPORT AND CONSTRUCTION VESSEL**

Singapore, 7 September 2018 – Vard Holdings Limited (“VARD” or the “Company”), one of the major global designers and shipbuilders of specialized vessels, is pleased to announce that it has signed a Sales and Purchase Agreement (“SPA”) for the sale of its diving support and construction vessel previously contracted by Harkand Group (“Harkand”). The SPA is signed with an undisclosed international customer.

The original contract with Harkand had been announced on 30 December 2013, followed by an update announcement in May 2016 when the Company was notified that Harkand had entered into administration. VARD has now cancelled the original contract with Harkand’s administration to facilitate entering into the new agreement.

The sale of the vessel will allow VARD to reduce the capital employed by eliminating a vessel from its inventory and reduce its liabilities by reimbursing the related construction loan with a direct benefit from lower financial charges going forward. As an additional consequence of the reimbursement of the construction loan, the company will benefit from the release of the cash posted as collateral in favor of the lending bank with a correspondent positive impact on the liquidity position of the Company. The impact of the expected transaction on EPS was already reflected in the Q2 2018 announcement through an adjustment to net realizable value of vessels in inventory.

The vessel is of VARD 3 03 design, specially designed and equipped for diving and subsea operation duties. The vessel is outfitted with a 250 ton offshore crane and a twin bell 18 man saturation diving system, supporting split level diving operations to a maximum diving depth of 300 meters. Delivery is scheduled from Vard Søviknes in 1Q 2019, and the vessel will in the meantime be finalized, tested and prepared for operations.

Registered address:

Vard Holdings Limited

Six Battery Road #10-01, Singapore 049909

Company Reg. Number: 201012504K

Visiting address:

Vard Holdings Limited

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

The SPA has been entered into in the ordinary course of business of the Company. None of the Directors or the controlling shareholders of the Company have any interest, direct or indirect, in the above agreement.

– Ends –



VARD 3 03

Diving Support and Construction vessel | Length: 121 m | Breadth: 23 m | Designed by Vard Design

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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. The majority shareholder of VARD is Fincantieri Oil & Gas S.p.A., a wholly owned subsidiary of FINCANTIERI S.p.A. 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