

**NOTICE TO ALL AFFECTED PERSONS OF NAUTIC AFRICA
PROPRIETARY LIMITED (IN BUSINESS RESCUE)
Registration Number: 2009/007037/07**

**APPLICATION IN TERMS OF SECTION 150(5)(b) OF THE
COMPANIES ACT 71 OF 2008 FOR AN EXTENSION OF TIME TO
PUBLISH THE BUSINESS RESCUE PLAN**

1. Application is hereby made by the Business Rescue Practitioner of Nautic Africa Proprietary Limited ("the Company") in terms of section 150(5)(b) of the Companies Act 71 of 2008 ("the Act"), for an extension of time within which to publish the business rescue plan.
2. Following the commencement of business rescue proceedings of the Company on 9 February 2018, and the appointment of Mr. Siphiso Sono as business rescue practitioner on 15 February 2018 ("the Practitioner"), the business rescue plan is due for publication on or before 23 March 2018, being 25 business days from the date the Practitioner was appointed.
3. It will not be possible to publish the business rescue plan on 23 March 2018, for reasons set out below. Accordingly, creditors are hereby requested to approve an extension of the publication date for the business rescue plan from 23 March 2018 to **13 April 2018**.
4. In terms of section 150(5) (b) of the Act, an extension of time to publish the business rescue plan can be allowed by the holders of a majority of creditors' voting interests.
5. Attached to this Notice is a Voting Ballot. Kindly complete same and indicate your preference (for or against the extension of the publication date of the business rescue plan) and return **by 12h00 on 23 March 2018** to the business rescue practitioner at the following e-mail address: siphiso.sono@opisadvisory.co.za

REASONS FOR THE NEED TO EXTEND THE DATE OF PUBLICATION OF THE BUSINESS RESCUE PLAN

1. The Company requires post commencement finance ("PCF") to enable it to deliver on the existing customer contracts and to fund new and prospective contracts. The Practitioner has approached Standard Bank of South Africa Limited ("SBSA"), a major creditor of the Company, with a request for PCF. SBSA has requested various reports and documents, pertaining to the Company and other group companies, to enable it to properly evaluate the PCF application.
2. In addition, SBSA indicated that the differences of opinion relating to the claim by Tamrose Ventures Limited ("Tamrose"), discussed in 5 below, needed to be resolved before SBSA could conclude its review of the PCF application. The PCF application is in progress and the Practitioner expects a response within the next few weeks.
3. The controlling shareholder, Paramount Industrial Holdings ("PIH"), has also been approached to provide some other form of funding support, including bridging finance and various guarantees.
4. The Practitioner requires certainty with regards to PCF and is unable to publish the business rescue plan before securing the required PCF.
5. Tamrose submitted a claim of circa USD8.7 million, with a large portion of the claim (USD6.3 million) relating to an un-liquidated damages claim asserted to by Tamrose. Following an adjudication process by the Practitioner and negotiations with Tamrose, the consequential damages claim is no longer being pursued in court or arbitration. This claim will be adjudicated by an independent senior counsel with the total potential claim being limited to USD 4.1 million. The parameters of the claim are now set out in a letter agreement between the Nautic and Tamrose, executed on 20 March 2018.