Otto Marine Limited

Nov 2015



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Agenda

1. Company Overview
2. Key Strengths
3. Financial Highlights
4. Summary

Appendix

Section 1

Company Overview

Corporate profile snapshot

1 Core offshore chartering business

- Diversified and young fleet of 50 offshore vessels with low average age of c. 5 years
- High growth subsea services business
- Complementary shipyard with best-in-class infrastructure



Offshore Chartering



Subsea Services



Shipyard

2 Global presence

- Vessels deployed across Australia, North Sea, North America, Asia, East and West Africa
- Blue chip and diversified customer base



3 Sustainable financial strength

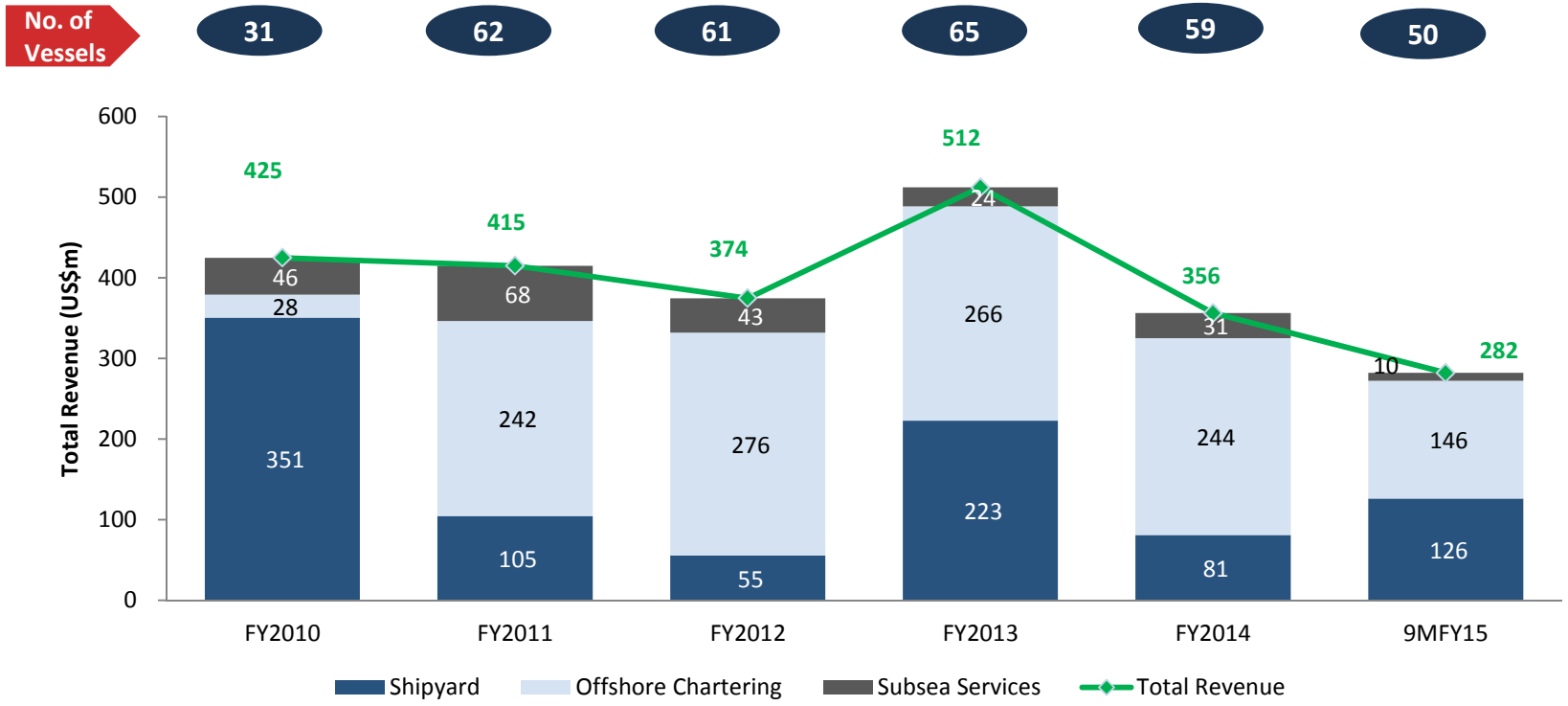
- 9MFY15 revenue and EBITDA of US$282m and US$39m
- FY2014 revenue and EBITDA of US$356m and US$20m
- Strong operating cash flow generation of US$90m and US$36m in 9MFY15 and FY14 respectively
- Market capitalization of S$76.4m (as at 9 Nov 2015)
- Listed on SGX Mainboard since 2008

4 Committed major shareholder



- Mr Yaw Chee Siew – Executive Chairman and major shareholder of Otto Marine with approx. 61% stake
- Major shareholder since IPO in 2008
- According to Forbes, Mr Yaw is part of the family that controls the Samling Group which is a large and diversified conglomerate with interests in energy, commodities, real estate, and automotive businesses, among others

Shift in strategic focus on offshore chartering business



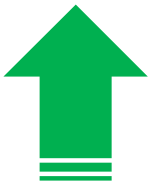
Shift in Strategic Focus

- Otto Marine adopted the strategy of focusing on the offshore chartering business (since 2011), entering the Australian, North Sea, North American, Asian and East and West African markets, eventually acquiring and expanding the offshore chartering business as a major contributor to the Group revenues
- Shipyard focus on lower execution risk projects in the repair and maintenance, conversion and fabrication space
- Potential exponential growth from subsea services arm

Fleet transformation strategy

Otto Marine intends to renew, expand and upgrade the existing fleet of 50 vessels to ride on the increasing demand for OSVs

Additions



Adding new technologically advanced OSVs

- Fuel efficiency
- State of the art equipment and technology in the deepwater sector
- Vessels which will be in demand for the next decade and beyond



Specialized OSV's for subsea & deep sea markets

- The Group has built up expertise in the construction of high-specification, large tonnage deepwater OSVs
- Whilst diversifying out of smaller tonnage vessels

Replacements



Selective replacement of chartered OSVs

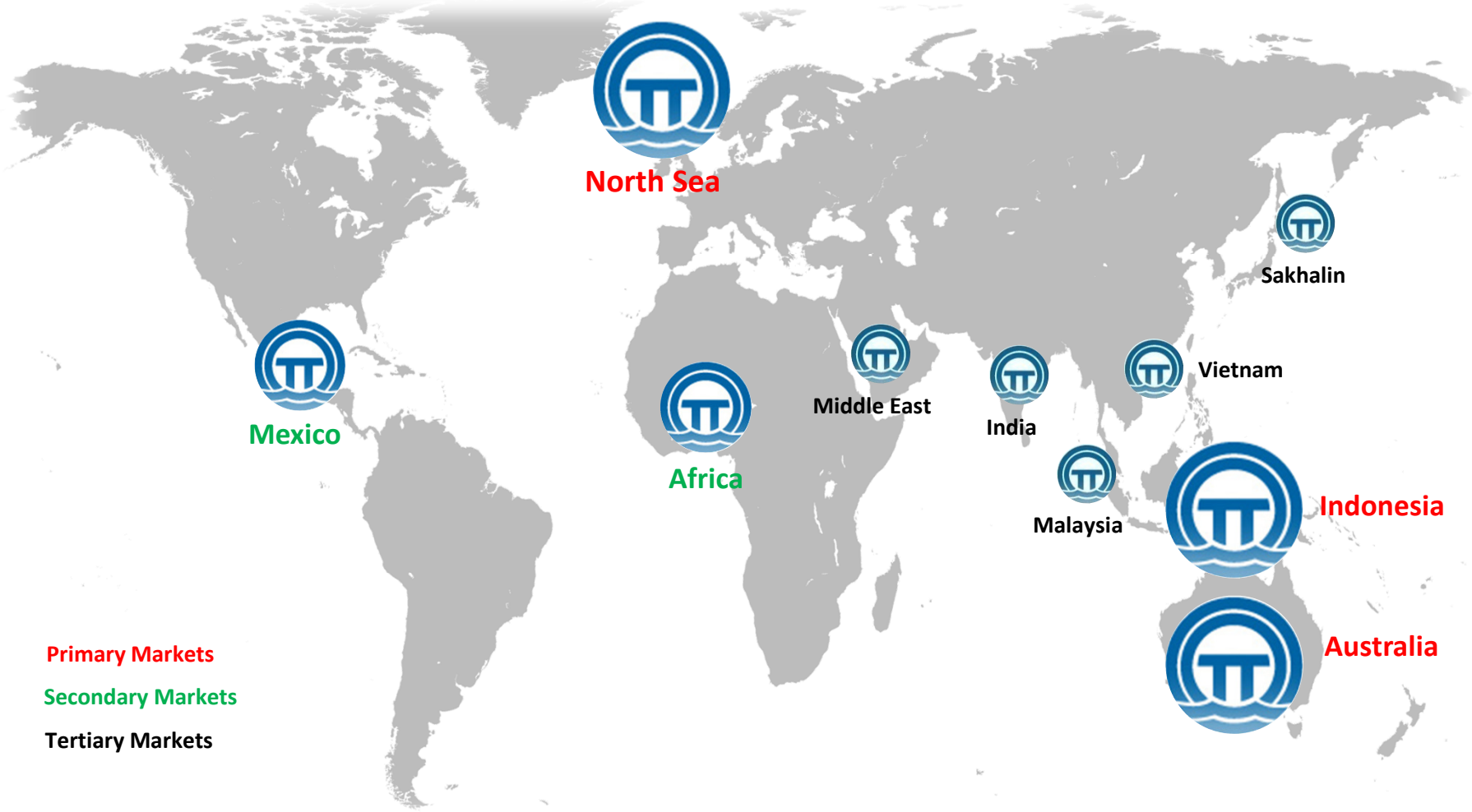
- Increase bottom-line returns to the Group
- Reduce exposure to market fluctuations



Replace older vessels with advanced OSVs

- To maintain a young and technologically advanced fleet
- Group's current fleet has an average age of 5 years

Global Offshore Support Vessels Footprint



Otto Marine operates in more than 10 territories with vessels deployed across Australia, North Sea, North America, Asia and East and West Africa

Complementary business operations

Otto Marine Limited



Offshore Chartering

Focused on chartering a fleet of 50 wholly owned and chartered in vessels

Fleet type:
- AHTS
- AHT
- PSV
- MPSV
- WMV
- Tugs
- Barges



Subsea Services

Focused on subsea and offshore construction works

Services:
- Service and vessel provider in strategic niche segments such as ROV supply and subsea vessels
- Operations in Gulf of Mexico, Africa and the North Sea



Shipyard

Focused on operating one of the largest shipyards in Batam, Indonesia

Services:
- Ship repair and conversion
- Offshore structure fabrication
- Building of new vessels for the Indonesian cabotage market

Synergistic strengths across business areas

	Offshore Chartering	Subsea Services	Shipyard
			
Strategic Focus	▪ Renew, expand and upgrade existing fleet ▪ Continue to support global E&P majors in Australasia, emerging and cabotage markets ▪ Create long term foothold in above high-potential cabotage markets	▪ Engaged in providing subsea support services and vessels ▪ State-of-the-art solutions for deepwater service requirements ▪ Expand fleet and service offerings	▪ Expand ship repair and conversion, modular fabrication from O&G industry ▪ Support Otto Marine's fleet renewal, expansion and upgrading program ▪ Secure selected newbuild orders
Key Assets	▪ 50 diversified fleet of AHTS, AHT, PSV, MPSV, WMV, Tugs, and barges	▪ Subsea IMR and ROV Support Vessel ▪ Subsea and IMR Vessel ▪ IMR and Survey Vessel	▪ One of the largest yard in Batam – 650m waterfront and land area of 64 hectares – 1 dry dock and 2-purpose built slipways – Syncrolift® (fitted with Rolls Royce equipment)
Key Strengths	▪ Young, diversified and high quality fleet ▪ Access to cabotage-protected Indonesian and Australian markets ▪ Pre-qualified with E&P majors ▪ Vessels deployed globally including Australia, North Sea, North America, Asia and East and West Africa.	▪ Strong field experience in all forms of Deepwater Construction and IMR Operations ▪ Vessels deployed in Gulf of Mexico, North Sea and Australasia waters.	▪ Stellar track record in delivering >70 vessels since 2005 ▪ Strong technical capability for building advanced ultra large AHTS, and drilling vessels ▪ Strategically located to tap on Indonesian cabotage

Section 2

Key Strengths

Our key competitive strengths



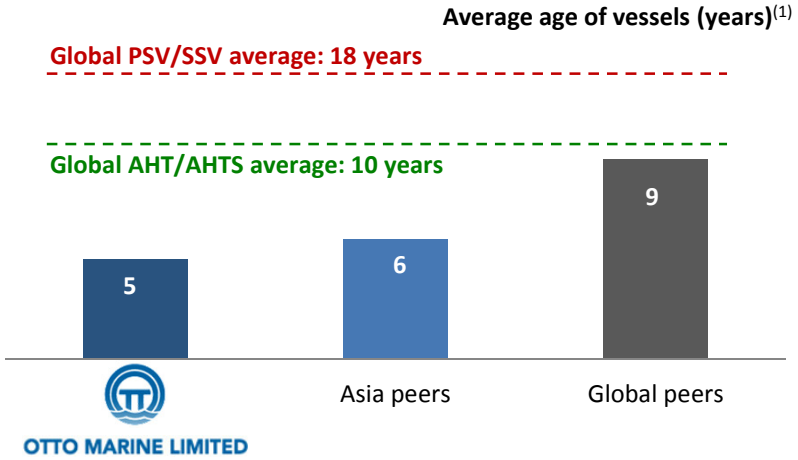
1 Young and diversified fleet

18 AHTS		▪ Engine power capacity up to 21,000bhp ▪ Focus on deepwater capable
2 PSV		▪ Loading capacity up to 5,000dwt
3 Subsea Vessels		▪ 1 x IMR and ROV Support ▪ 1 x Subsea and IMR ▪ 1 x IMR and Survey
4 WMV		▪ 1 x 61m Work Maintenance Vessel ▪ 1 x 85m 238men Work Maintenance Vessel ▪ 2 x 75m 140men Work Maintenance Vessel
3 AHT		▪ Engine capacity up to 3,200bhp
20 Tugs, Barges & Utility Vessels		▪ Includes: LTC, CTV, Line boat, Tugs and Barges

Overview

- Operates a strong fleet of 50 OSVs globally (34 owned, 11 chartered in and 5 with strategic partners)
- Young fleet of average age c. 5 years
- Ultra large, high specification AHTS capable of deepwater operations
- Strong offshore chartering order book of US$281m, as at 30 Sep 2015
- Revitalize fleet with new order of 1+2 work maintenance vessels, 4 PSVs and 2 105m to be delivered over the next few years

One of the youngest fleet globally



(1) Based on publicly available data, Otto Marine's average age of vessels as at 30 Sep 2015
(2) WMV – Work maintenance vessels, to be delivered over the next few years

1 Young and diversified fleet

Comprehensive fleet of vessels to support the entire O&G project life cycle

Exploration	Development	Production	Decommissioning
▪ Seismic support ▪ Drilling Support ▪ Transporting personnel and supplies	▪ Drilling support duties ▪ Towing, positioning, mooring rigs and production systems ▪ Transporting personnel and supplies ▪ Installation of infrastructures ▪ Subsea installation, maintenance and repair	▪ Platform facility support ▪ Transporting personnel and supplies ▪ Infrastructure maintenance ▪ Additional accommodation and crane capacity ▪ Subsea installation, maintenance and repair	▪ Construction support duties ▪ Demobilisation of infrastructures and platforms ▪ Transporting personnel and supplies ▪ Subsea installation, maintenance and repair

Offshore Support Vessels Provided by Otto Group



24,000 bhp Anchor Handling Tug Supply Vessels



16,000 bhp Anchor Handling Tug Supply Vessels



10,872 bhp Anchor Handling Tug Supply Vessels



75m 140 men Work Maintenance Vessel



5,000 dwt Platform Supply Vessels



Multi-purpose Field Support Vessels



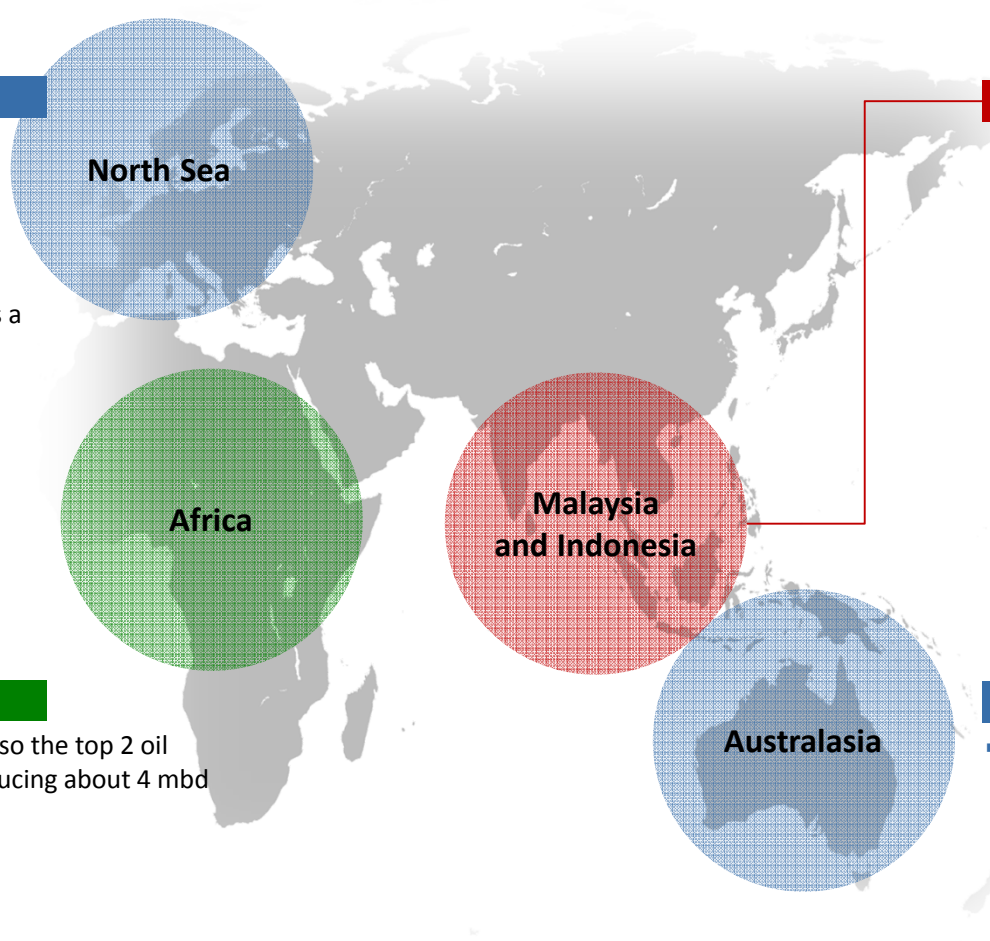
61m Work Maintenance Vessels



7,268 bhp Anchor Handling Tug Supply Vessels

2 Focus on high growth & cabotage-protected areas

Key partnership with the GO Marine Group to develop strong local knowledge in cabotage markets like Indonesia and Malaysia gives greater access and allows the Group to capitalize on our growth



Mature Markets

- Otto Marine is in prime position to capitalize on mature markets such as the North Sea
- The Group's highly sophisticated OSV fleet is a perfect match for the harsh sea conditions present in the region

Emerging Markets

- Angola and Nigeria are also the top 2 oil producers in Africa, producing about 4 mbd

Cabotage Markets

- Otto Marine has set up a 49% JV in Indonesia with PT GO Marine International to own and charter vessels
- This allows the Group to increase their presence in high-potential Indonesian region

Australasian Markets

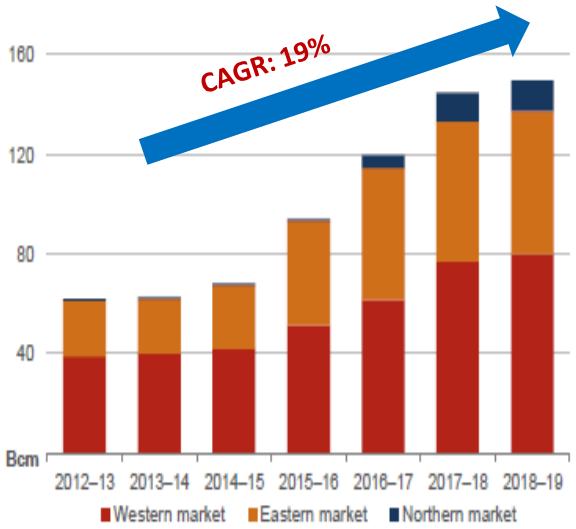
- Maintain market position in Australasian market, through GO Offshore, via continuing to expand our fleet size and service offerings to support the global E&P majors

3 Access to attractive Australian gas market

Australian gas production forecast to grow 19% p.a. to 2019

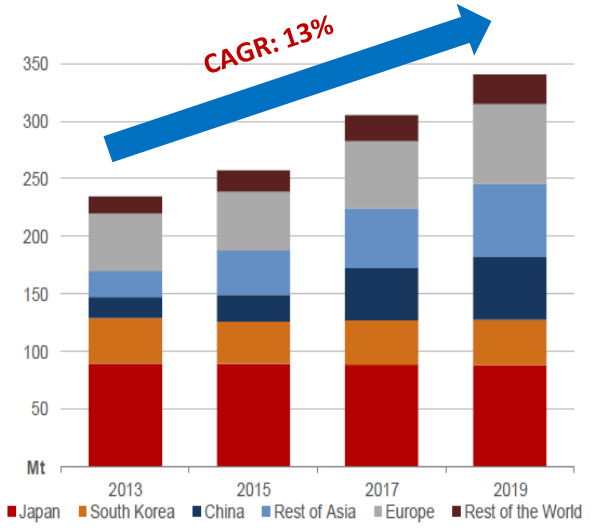
Growth underpinned by new LNG projects and rising global LNG demand

Australian gas production outlook



- Current gas production of 62.8 billion cubic metres in 2013–14 is projected to more than double to 150.0 billion cubic metres by 2018–19(1)

Global LNG imports outlook



- By 2019, Australia is expected to be the biggest LNG supplier to Asia's top 3 markets (China, Japan and South Korea)

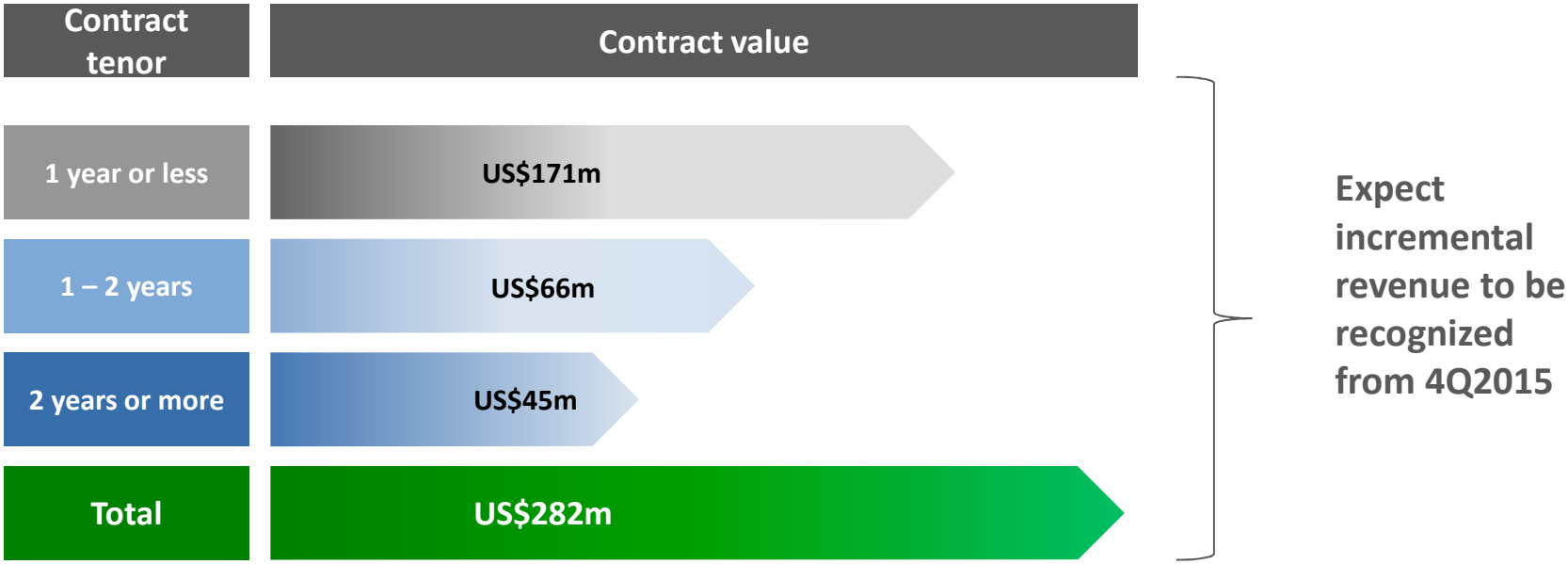
Source: Australia Bureau of Resources and Energy Economics, Sep 2014

(1) Production associated with Darwin LNG is not included in the Northern market as it comes from the Bayu-Undan Joint Petroleum Development Area

4 Strong order book

- **The Group's total net order book stands at US$282m, as at 30 Sep 2015**

Order book, as at 30 Sep 2015



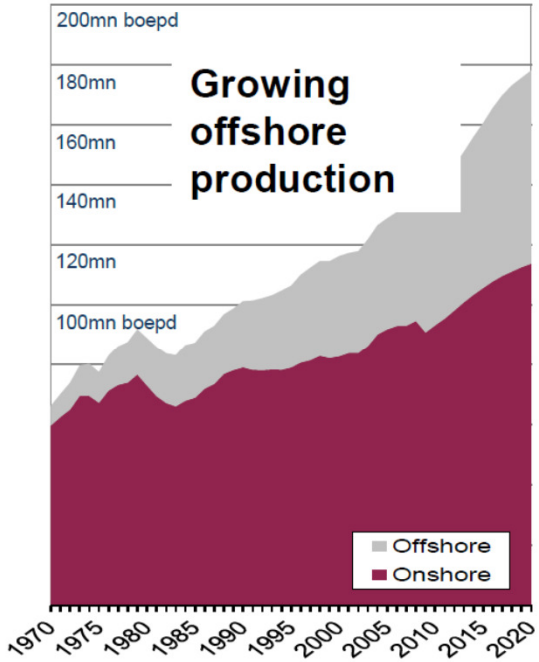
5 Blue chip & diversified customer base

Otto Marine enjoys excellent relationships with leading global O&G companies

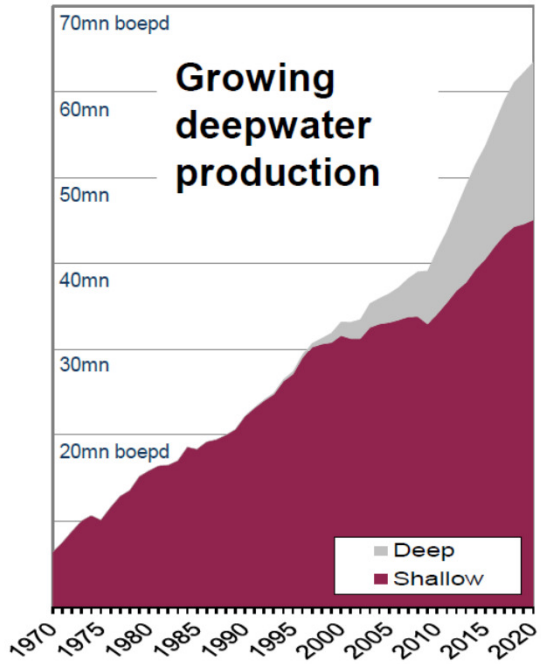
Allseas Construction Contractors SA	Origin Resources Pty Ltd
Apache Energy Ltd	Polarcus DMCC
BAP Resources Sdn Bhd	PGS Australia Pty Ltd
BG Tunisia Limited	PTSC Production Service Joint Stock Co
Chevron Australia Pty Ltd	PTTEP Australasia (Ashmore) Pty Ltd
DOF Management Australia Pty Ltd	Saipem (Portugal) Comercio Maritimo
Fugro Seacore (Australia) Pty Ltd	Shell Development Australia Pty Ltd
Global Offshore Pty Ltd	SMIT Salvage
Integrated Subsea Services Ltd	Technip Oceania Pty Ltd
Marinsa de Mexico S.A. de C.V.	Total E&P Australia Ltd
McDermott Australia Pty Ltd	Vettal Mega Services Limited
Oil Search (PNG) Ltd	Woodside Energy Ltd

6 Resilient long-term sector fundamentals

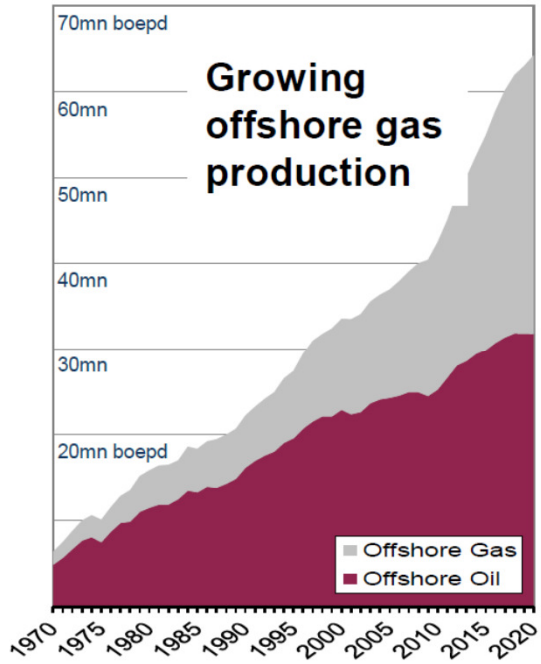
Independent sector forecasts still positive in the long term



Global Oil & Gas Supply 1970-2020



Offshore Supply by Depth 1970-2020



Offshore Supply by Type 1970-2020

Source: Douglas Westwood

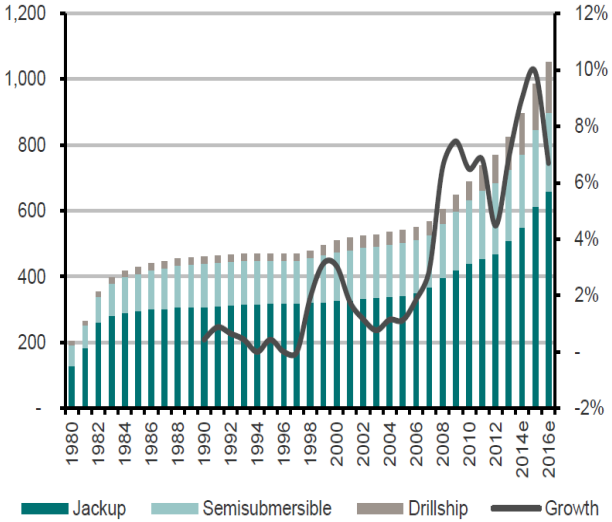
6 Resilient long-term sector fundamentals

Global offshore drilling fleet is expected to continue growth –

Projected increase of 10% in 2015e and 7% in 2016e

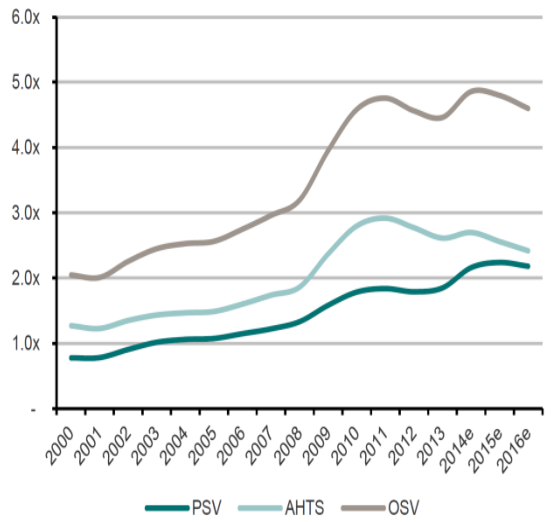
Knock-on effect is continued demand for Offshore Support Vessels (OSV)

Global offshore drilling rigs



- The number of working offshore rigs is the best parameter for monitoring demand in the OSV market

OSV per drilling rig



- Increased exploration success and the need for floating production units (FPU) drive demand for OSVs

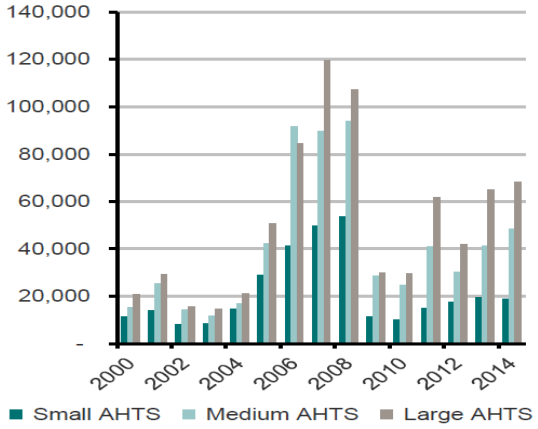
Source: DNB Markets, IHS Petrodata. (report as at 21 October 2014)

6 Resilient long-term sector fundamentals

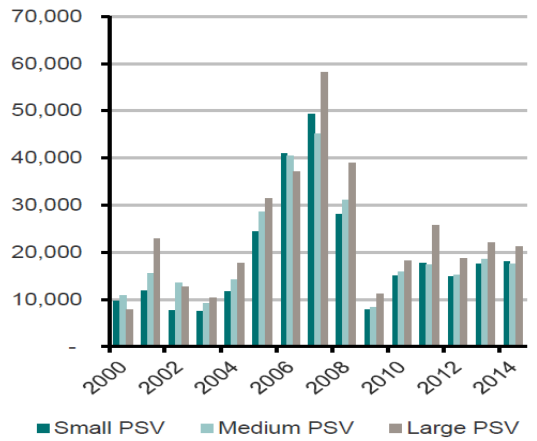
Utilisation rate for large OSVs expected to remain high relative to smaller vessels

Day rates for larger vessels to be significantly higher

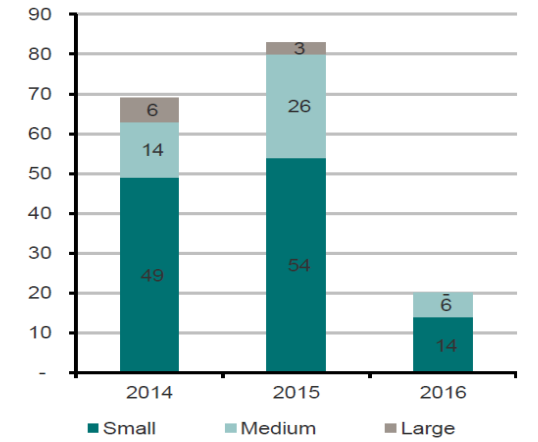
AHTS dayrates (US$/day)



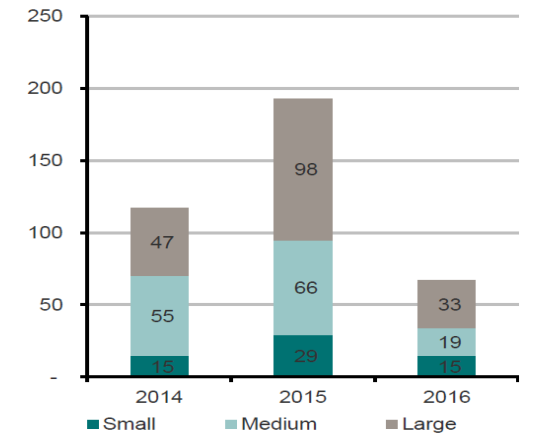
PSV dayrates (US$/day)



AHTS: Newbuild schedule



PSV: Newbuild schedule



AHTS classification

Large:	BHP > 20,000
Medium:	BHP = 10,000-20,000
Small:	BHP < 10,000

PSV classification

Large:	DWT > 4,000 ton
Medium:	DWT = 3,000-4,000 ton
Small:	DWT < 3,000 ton

Source: DNB Markets, IHS Petrodata. (report as at 21 October 2014)

7 Experienced management team



MR YAW CHEE SIEW

Executive Chairman

- Primarily responsible for the charting of the Group's strategic direction and devising strategies to facilitate the growth of the Group



MR MICHAEL SEE KIAN HENG

Group Executive Director & Group Chief Executive Officer

- Mr See has been promoted to Group Chief Executive Officer in April 2015
- He joined the Group in 2007, and has more than 20 years of experience in the financial and accounting management, structured and project finance, investor relations, corporate services, human resources and general management of public listed companies in Singapore and overseas



MR GARRICK STANLEY

Executive Director & CEO, Go Marine Group

- Joined Otto Marine Group in 2009
- Responsible for executing the Board's decisions, implementing the Group's strategies and policies, and overseeing the conduct of the Group's day to day operations
- Founder of GO Marine Group and was the Managing Director since 2007
- Has over 15 years' experience as a Master Mariner

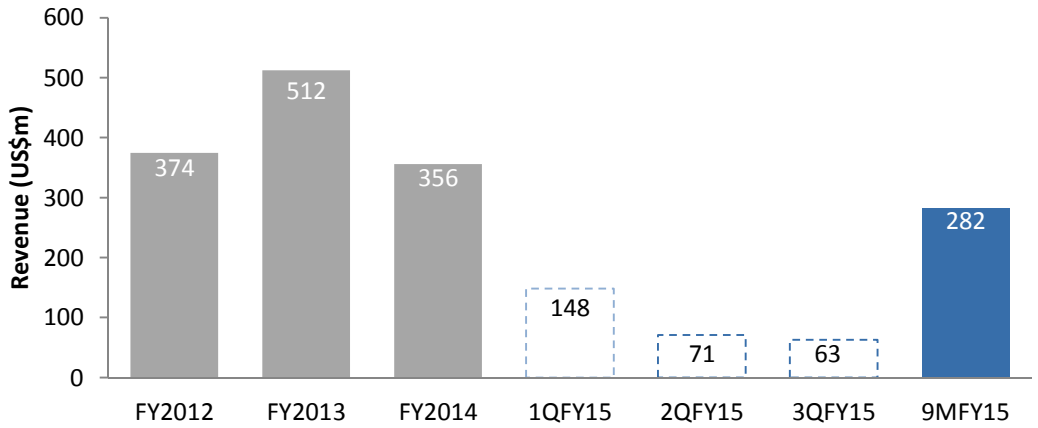
Section 3

Financial Highlights

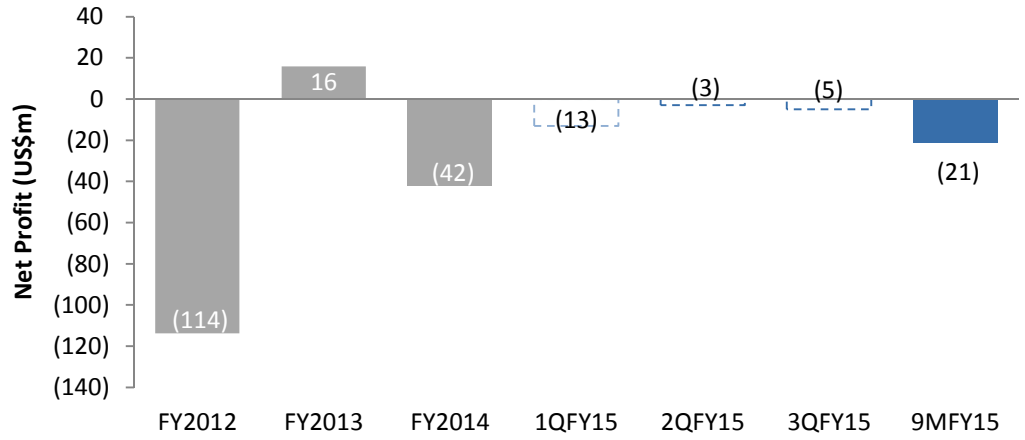
Financial performance

Historical financials

Revenue



Net profit



Commentary

- Slight decrease in 3QFY15 compared to 2QFY15 despite increased utilization of vessels in 3QFY15 mainly due to lower shipyard activities and smaller fleet.

- Loss in 9MFY15 due to the persistent challenging market conditions which put pressure on the Group's performance amidst higher depreciation from FY14 vessels docking

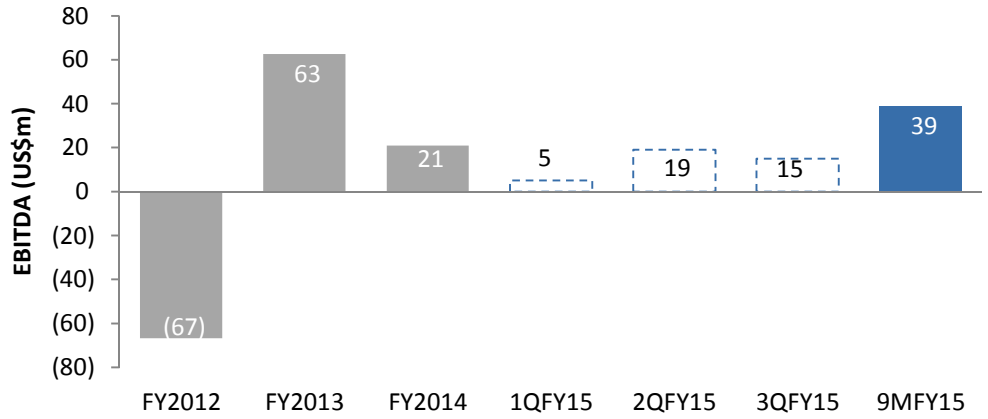
  Against such headwind, the Group continually focuses its efforts in securing new contracts while concurrently rationalising its cost structure to remain competitive

- Loss in FY14 as a result of cost overrun of a vessel and lower utilisation of vessels
- Company was profitable in FY13

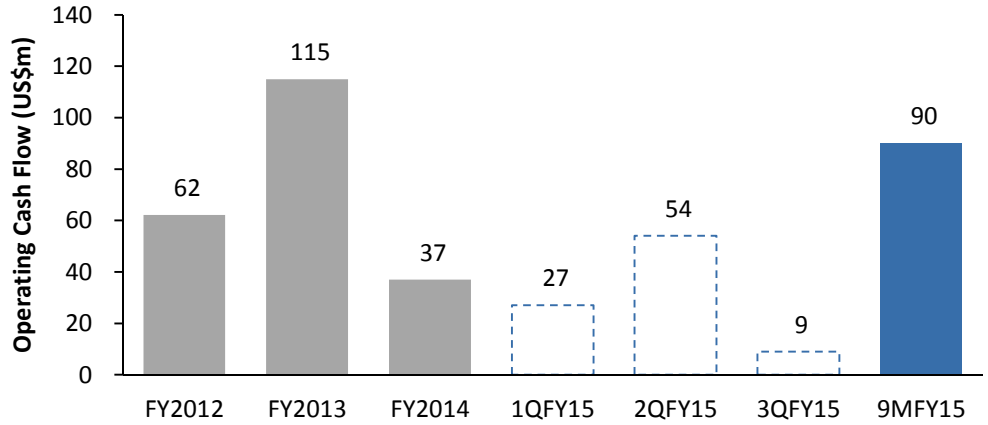
Cash flow generation

Historical financials

EBITDA



Operating Cash Flow



Commentary

- Higher EBITDA in 9MFY15 compared to FY14 contributed by cost rationalisation measures undertaken.
- Lower EBITDA in FY14 as a result of lower profitability impacted by the cost overrun of a vessel
- Profitable in FY13 after exceptional losses in prior years due to one-off expenses/incidents

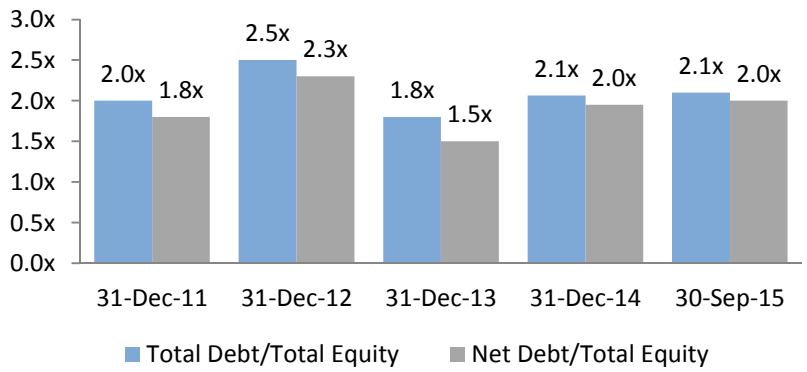
- Positive operating cash flow since FY2012

Note:

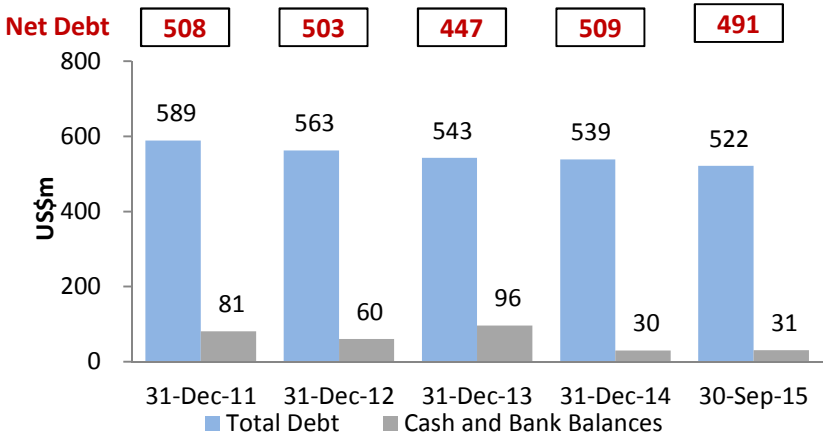
- EBITDA = Profit before tax + Finance cost + Depreciation expenses

Prudent financial management

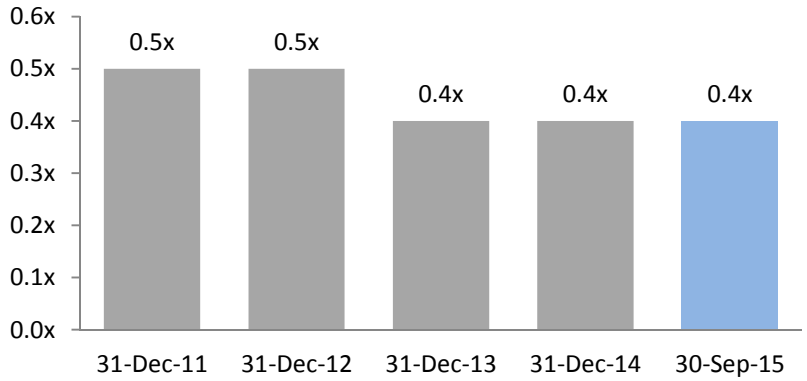
Total Debt / Equity and Net Debt / Equity



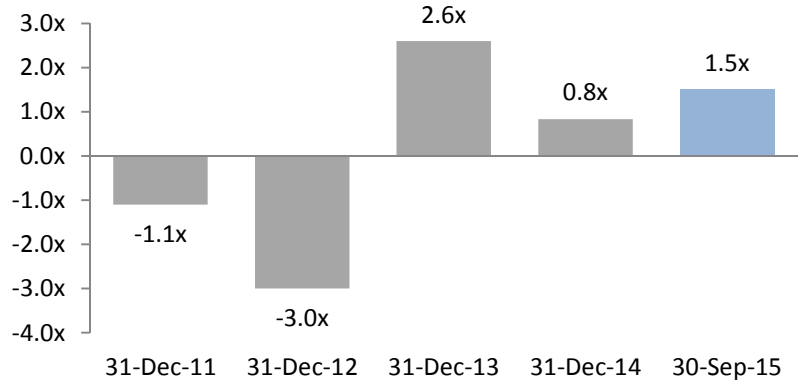
Net Debt Position



Total Debt / Total Assets



Interest Coverage



Note:

- Debt = Total short-term and long-term borrowings
- Interest Coverage = EBITDA/Interest Expense (Interest Expense excludes interest on borrowings from related parties)

Prudent financial management

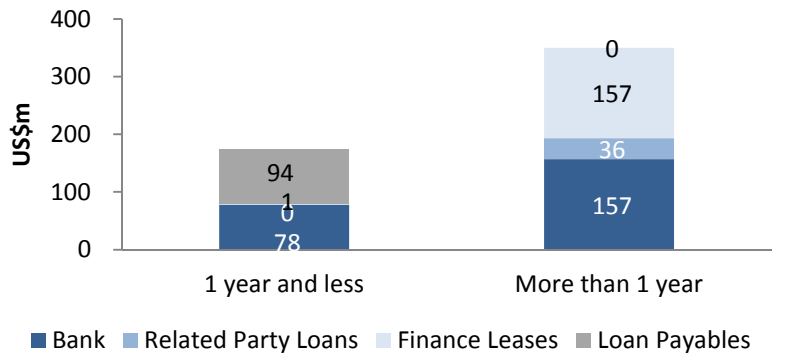
Capital Structure[1]

USD Millions	9MFY15	FY14	FY13	FY12	FY11
Total Assets	1,325	1,213	1,282	1,178	1,261
Total Equity	247	261	304	223	278
Total Debt [2]	522	539	543	563	589
Cash and Bank Balances[3]	31	30	96	60	81
Net Debt (Cash)	491	509	447	503	508
Revenue*	282	356	512	374	415
EBITDA*	39	20	63	(67)	(21)
Net Profit*	(21)	(42)	16	(114)	(56)

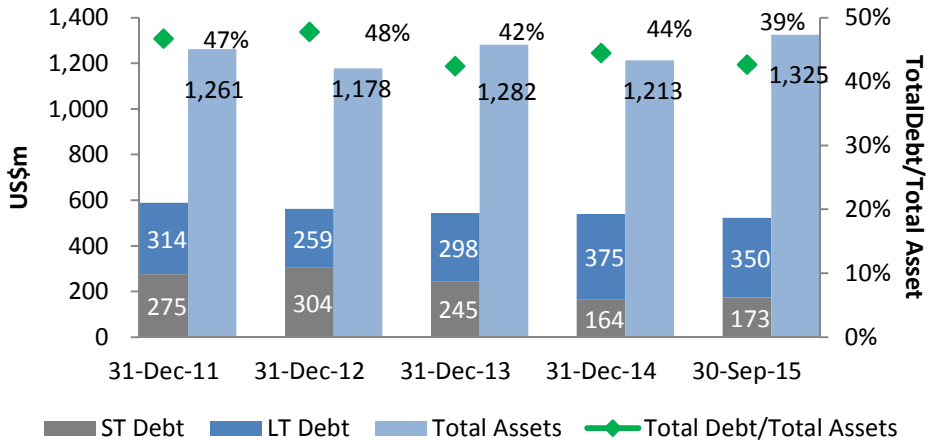
Financial Ratios					
Total Debt/Total Equity	2.1x	2.1x	1.8x	2.5x	2.0x
Net Debt/Total Equity	2.0x	2.0x	1.5x	2.3x	1.8x
Total Debt/Total Assets	0.4x	0.4x	0.4x	0.5x	0.5x
Interest Coverage[4]	1.5x	0.8x	2.6x	-3.0x	-1.1x

Note:
(1) As per Annual Reports
(2) Total Debt = Total short-term and long-term borrowings,
(3) Cash and Bank Balances also includes Fixed deposits line item
(4) Interest Expense excludes interest on borrowings from related parties

Debt Maturity Profile (as at 9MFY15)



Debt Profile Analysis (as at 9MFY15)



FY15 outlook

FY15 outlook: Setting the stage for future growth

- Continue to strengthen position as a leading OSV charterer in Asia
  - ✓ Strong offshore chartering order book of US$281m which will boost revenue and earnings from 4Q2015
- Expected to deliver a few vessels
  - ✓ 1 x 238men work maintenance vessels by 2nd half of 2015
  - ✓ 2 x 105m over FY2016 - FY2017
  - ✓ 4 x PSVs vessels in FY2016 – FY2018
- Shipyard to focus on ship repair and maintenance, conversion and fabrication space
- Capitalize on booming E&P activities
  - ✓ Focus on high growth markets (e.g. North Sea, Africa, Australasia)
  - ✓ Continue to penetrate high potential cabotage-protected Indonesian market

Section 4

Summary

Our key competitive strengths



Thank You