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FOR IMMEDIATE RELEASE

MTQ reports S$3.2 million pre-tax profit for 3QFY2015

- Revenue and profit growth in Bahrain, offset by lower profits from Singapore and losses from Binder Group
- Weak customer demand for Binder and Singapore is expected to persist
- Strong financial position to weather the oil and gas market volatilities

Singapore, 30 January 2015 – SGX Mainboard-listed MTQ Corporation Limited ("MTQ" or "Group"), an established regional engineering, maintenance and subsea services group, reported net profit attributable to shareholders of S$2.2 million for the three months ended 31 December 2014 ("3QFY2015").

Financial Highlights	3QFY2015	3QFY2014	Chg	9MFY2015	9MFY2014	Chg
	SGD'000	SGD'000	%	SGD'000	SGD'000	%
Revenue	74,857	75,143	0	231,885	234,444	(1)
Gross Profit	21,913	25,397	(14)	74,331	77,389	(4)
Gross Profit Margin	*29.3%*	*33.8%*	-	*32.1%*	*33.0%*	-
Other Operating Expenses	6,798	6,431	6	21,688	21,254	2
Staff Costs	11,384	10,813	5	35,519	32,583	9
Profit Before Taxation	3,195	8,009	(60)	15,282	22,888	(33)
Net Profit Attributable to Equity Holders (PATMI)	2,205	6,396	(66)	11,737	18,381	(36)

Financial Review

The Group reported revenue of S$74.9 million for 3QFY2015, comparable to 3QFY2014. Gross profit, however, declined by 14% quarter-on-quarter to S$21.9 million mainly due to lower gross profit and margins recorded in the Oilfield Engineering business in Singapore and the inclusion of Binder's losses. Both Bahrain and Neptune recorded higher revenues and gross profits. Lower sales activities were recorded in all the Singapore businesses reflecting the impact of weaker market conditions.

Notwithstanding the additional costs arising from the inclusion of Binder's results, overall operating costs as a percentage of revenue remained comparable to 3QFY2014.

While Bahrain maintained its momentum and delivered a stronger quarter, Neptune recorded higher operating expenses for the quarter which lowered its overall contributions.

Overall, profit attributable to equity holders was S$2.2 million, a 66% decline from 3QFY2014, translating to basic earnings per share 1.43 Singapore cents for 3QFY2015, compared to 4.22 Singapore cents for 3QFY2014.

Balance Sheet	**31 Dec 2014**	**31 Mar 2014**
	SGD'000	**SGD'000**
Net current assets	93,186	83,631
Net assets	148,532	140,606
Cash and cash equivalents	43,962	37,432
Finance lease payable	874	1,360
Borrowings	61,045	64,517
Shareholder's funds	138,855	130,951
Net gearing[1]	10.8%	16.8%
Net assets value[2]	90.0 cents	86.0 cents

[1] *Net gearing ratio is calculated based on net debt divided by net capitalisation. The Group includes within its net debt, bank borrowings and finance lease payable, less cash and cash equivalents. Net capitalisation refers to net debt plus total equity.*

[2] *Net assets value is calculated based on the Group's shareholders' funds divided by the total number of issued shares excluding treasury shares as at the end of the financial period.*

The Group maintained a strong financial position with higher cash balances and lower net debt gearing as at 31 December 2014. Cash flows from operations of S$20.7 million for 9MFY2015 boosted the Group's cash balances to S$44.0 million as at 31 December 2014 after further investments in the businesses, dividend payment and net repayment of borrowings which resulted in lowered the net debt gearing from 16.8% to 10.8%.

Outlook

Commenting on the results and outlook, Mr Kuah Boon Wee, Group Chief Executive Officer said, ***"Our current quarter results have been affected by lower contributions from our Singapore operations. The combination of a weaker market sentiment and reduced day rates have led to lower levels of activity in our oilfield engineering facilities. The exception has been Bahrain, which had a stronger quarter. However the outlook has weakened since. The market for new downstream capital infrastructure remains challenging for Binder.***

We expect the operating environment to remain subdued for the foreseeable future. Most of our customers are looking to reduce exploration expenditure and we are focused on capturing all available market opportunities. We will continue to watch our cost base with the imminent Neptune rationalisation an important part of that objective. The Group is in strong financial shape with low gearing. We are well positioned to remain strong through current troughs and to look forward to the inevitable recovery. "

- End -

About MTQ Corporation Limited (Bloomberg Code: MTQ.SP)

Established in 1969, **MTQ Corporation Limited ("MTQ")** specialises in engineering solutions for oilfield equipment, including repair, manufacture and rental operations. Well-known for its broad experience for over 30 years and commitment to service quality, MTQ is the authorised working partner for some of the world's largest OEMs in drilling equipment, and is accredited to carry out manufacturing and repair works in accordance to American Petroleum Institute Standards. The Premier group, in additional to repair and manufacture of oilfield equipments, is also supplier of oilfield equipment and tools manufactured by some of the leading global brands. Through its wholly owned subsidiary MTQ Engine Systems (Aust) Pty Ltd, the Group is also the leading independent supplier of turbocharger and fuel injection parts and services in Australia with a nationwide network. Neptune Marine Services Limited is located in Perth, Western Australia, and has operational presence in the UK and Asia. Neptune provides engineering services to offshore oil and gas, marine and renewable energy industries with a focus on subsea and topside services. In 2014, MTQ expanded into the design and manufacturing of proprietary and custom-built pipe support and pipe suspension solutions for the oil & gas sector through Binder Group Pty Ltd, which has production facilities in Perth and Indonesia.

For more information, please log on www.mtq.com.sg

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