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Ezra Holdings records first net loss since listing

- ◆ Group's first quarterly net loss amidst a challenging market
- ◆ Focus will be on improving vessel utilisation and project execution

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For immediate release

Ezra Holdings Limited ("Ezra" or the "Group"), a leading contractor and provider of integrated offshore solutions to the oil and gas ("O&G") industry today announced its results for the three months period ended 30 November 2015 ("1QFY16"). For the quarter, the Group reported revenue of US\$152.3 million and net loss of US\$53.7 million.

The Group's Marine Services division, predominately **TRIYARDS**, reported an increase of US\$45.4 million in revenue for 1QFY16 compared to a year ago. The increase was mainly due to higher contribution from the Triyards Group as there were more self-elevating units and vessels under construction as compared to the previous corresponding period, as well as higher contribution from engineering design work.

The Group's Offshore Support and Production Services division, predominately **EMAS Offshore Limited**, saw a decline in revenue of US\$19.3 million. The decrease in revenue was mainly due to general weakness in the offshore industry in addition to seasonal fluctuation as a result of monsoon in Asia. The shallow water platform support vessels ("PSV") segment continues to remain weak.

Due to softness within the offshore support vessel segments, gross profit margin for the Group fell from 22% in 1QFY15 to 10% in 1QFY16 and gross profit for the period declined to US\$15.7 million.

Loss after tax came in at US\$53.7 million which included a realised hedging loss of US\$13.9 million.

Mr Lionel Lee, Ezra's Group CEO and Managing Director, said: "The global oil & gas industry continues to be challenging for the offshore marine and subsea companies. The volatility of the oil price and the depressed state of the oil and gas industry has led to reduced activity and uncertainty in new contract awards. Like other oil and gas support services companies, we are currently working in opposition to industry tide and against difficult market conditions during this downcycle."

"FY2016 will be a tough year for the Group. As we strive to work amidst the extremely challenging operating conditions, the Group will focus on improving vessel utilisation



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and project execution as well as winning contracts. The Group continues to work on the rationalisation of its non-core assets with the goal of deleveraging its balance sheet,” added Mr Lee.

Going into FY2016, the Offshore Support and Production Services Division is likely to experience lower charter rates and decreased vessel utilisation which will weigh on the Group’s financial performance. As the Marine Services Division diversifies its products and services, the Group believes that there will be continued demand for its offerings, notwithstanding the competitive and challenging environment.

EMAS CHIYODA Subsea

Ezra has entered into a strategic agreement with Chiyoda Corporation (“Chiyoda”) in August 2015, for Chiyoda to invest in Ezra’s subsea services business to form EMAS Chiyoda Subsea – a 50:50 joint venture. The completion of the transaction is expected to take place in the first quarter of calendar year 2016.

ABOUT THE COMPANY

www.emas.com ♦ SGX mainboard listing: December 2005

EMAS – a leading global contracting group providing offshore/subsea construction, marine, production and well intervention services – is Ezra’s operating brand. With offices across six continents, it delivers best-value solutions to the oil and gas (O&G) industry by combining its global footprint and proven engineering skills with a diverse offering of premium assets and services designed to fully meet clients’ needs.

Operating in unison, Ezra’s core divisions are able to execute a full spectrum of seabed-to-surface engineering, construction, marine and production services anywhere in the world.

EMAS AMC is a global EPCIC service provider of comprehensive subsea-to-surface solutions for the offshore oil and gas industry, especially in the SURF and Subsea Tie-Back sector. Core business services include subsea installation of umbilicals/power cables, pipelines as well as platforms, FPSO and floater installations.

EMAS Energy provides well intervention and drilling services both onshore and offshore, offering fully integrated solutions that combine its marine assets with state-of-the-art intervention equipment and services.

EMAS Marine, under subsidiary company EMAS Offshore Limited, manages and operates a young, versatile fleet of advanced offshore support vessels, offering an extensive range of maritime services that cater to the client’s needs throughout a field’s life cycle.



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EMAS Production, also under subsidiary company EMAS Offshore Limited, owns and operates FPSO (floating production, storage and offloading) facilities, offering services that support the post-exploration needs of offshore fields, such as FPSO conversion management.

TRIYARDS is fast becoming an acknowledged leader in developing advanced and customised solutions for world-class vessels. By focusing on sophisticated platforms and equipment that can tackle even the most complex offshore projects, it has already established itself as a front runner in the fabrication of liftboats (self-elevating, mobile offshore units). TRIYARDS provides its integrated engineering, ship construction and fabrication services out of yard facilities located in Singapore, Vietnam and the US.

FOR ENQUIRIES

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Other media releases on the company can be accessed at www.emas.com