PACC Offshore Services Holdings Ltd.



Presentation to Shareholders
Annual General Meeting
27 April 2016

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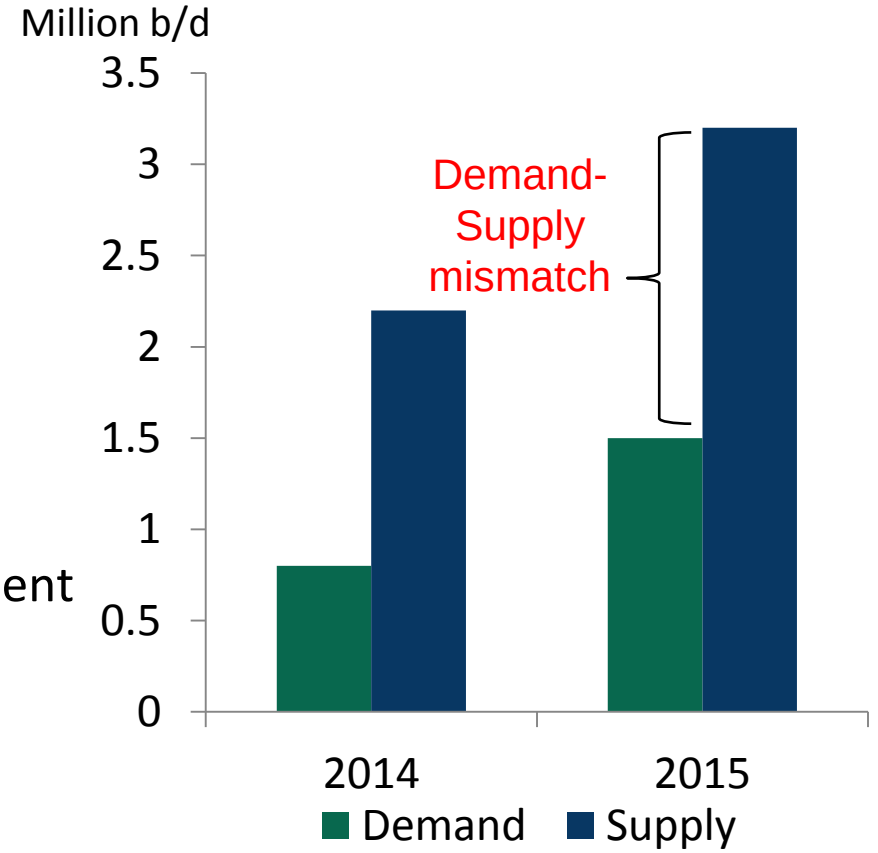


YEAR IN REVIEW

Year in Review: 2015

Diversification strategy enabled steady operating performance despite a turbulent year

- **Challenging industry environment**
  - Weak oil price with supply outpacing demand growth
  - Reduction in oil and gas capital expenditure continues
- **Diversification of our business**
  - Focus on offshore accommodation segment bearing fruit
- **Strengthening operations in face of downturn**
  - Operational excellence remains key
  - Cost efficiency initiatives



Source: Wood Mackenzie, Company Estimates

Operations Highlights

- **Some notable accolades in 2015 include:**
  - POSH Xanadu's successful support of Petrobra's maintenance programme and earning the nickname "The Tick" for achieving 100% operational uptime
  - POSH Concorde recognised as the "Best Performing Vessel for Q42015" by Brunei client
  - Endorsement from client that crew on board POSH Endurance has been the "best crew that they have ever worked with"
  - Compliment from client for POSH Pelican being able to help when "most of the (other) supply boats are in the anchorage"










FINANCIAL HIGHLIGHTS

Group Financial Highlights

SUMMARY

US$000	FY15	FY14	Change
Revenue	280,820	234,037	20%
Gross Profit	58,026	57,204	1%
Share of JV Results	(9,526)	(13,557)	-30%
Net (loss)/profit	(130,959)	53,243	-346%
Impairment/Write-Off, Gain on Disposals	(144,581)	43,513	-432%
Net (loss)/profit excluding the above items	13,622	9,730	40%
EBITDA	90,393	108,245	-16%

Balance Sheet

US$'000	31 Dec 2015	31 Dec 2014
Net Debt	545,951	548,332
Shareholders Equity	1,061,043	1,213,764
Net Debt /Shareholders Equity	51%	45%
Debt/Capitalisation	35%	32%

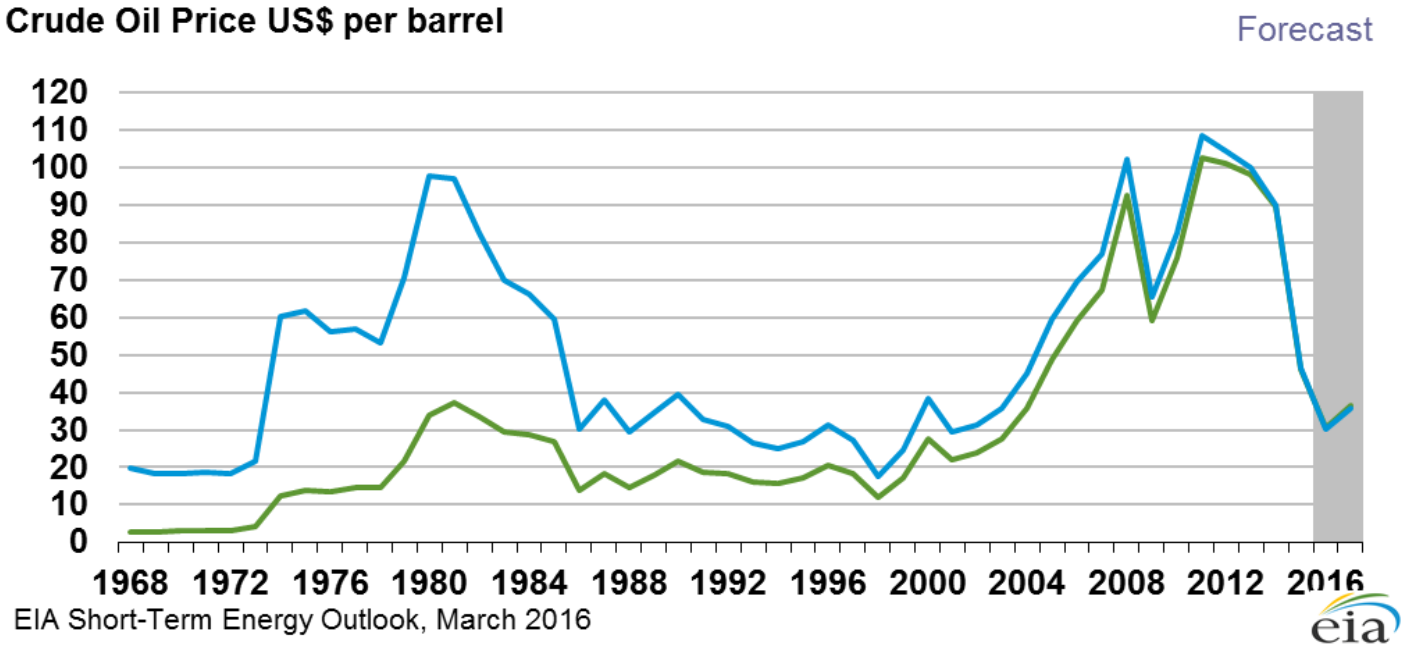
- Secured financing facilities of US$1 billion, part of which will be used to refinance existing loans
- Strong balance sheet allows for financial flexibility to deal with uncertainties and seize opportunities that may arise



BUSINESS STRATEGY & OUTLOOK

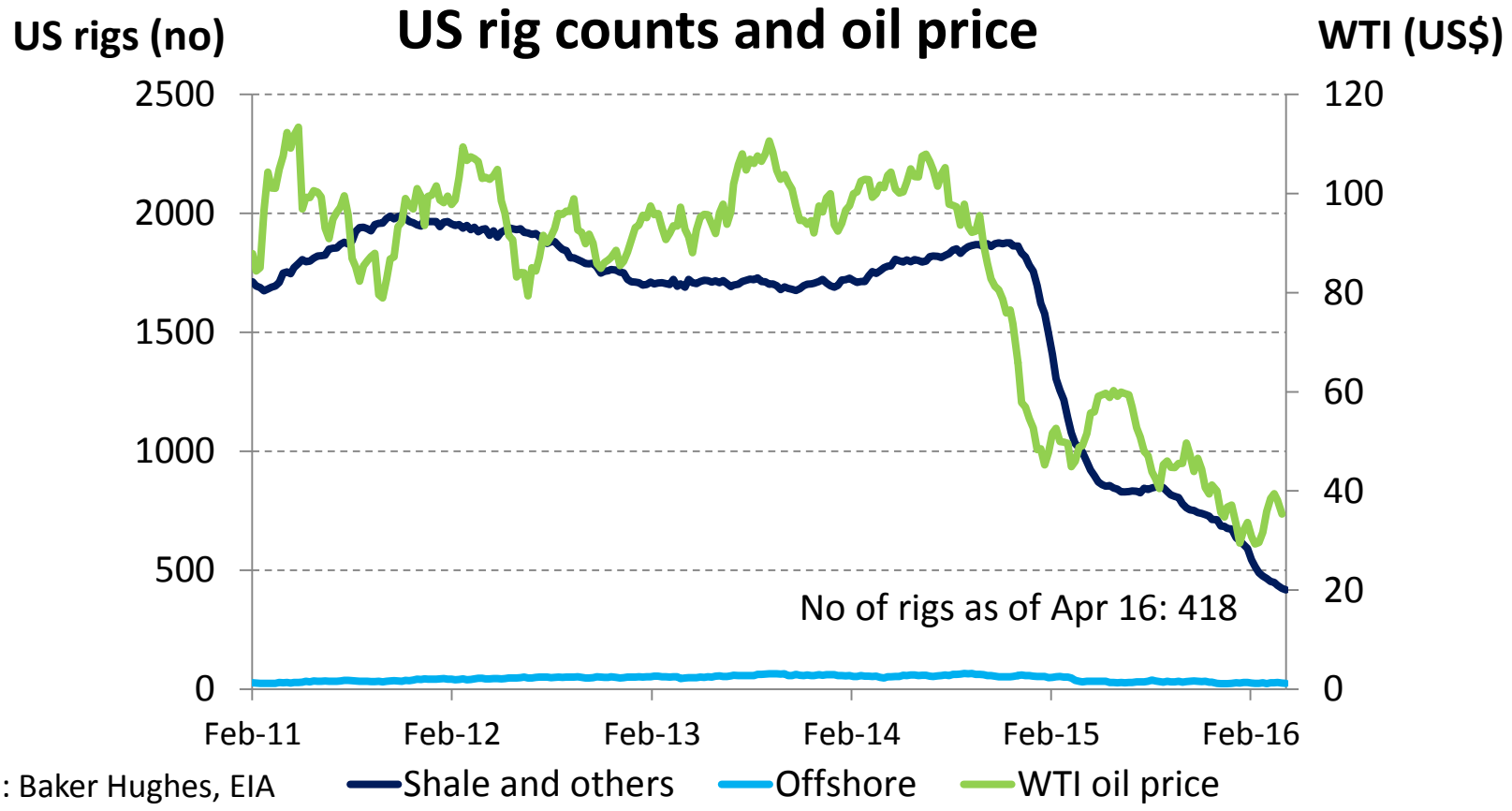
Business Outlook

- **Oil prices to remain depressed in 2016**
  - By 2017-18, gradual shift from high inventory levels to tighter market balance
  - Market supply remains affected by OPEC and shale production



- **Capex is expected to be further impacted in 2016**
  - Industry capex spending continues to be affected
  - Competition for utilisation to remain stiff

- **Silver lining on the horizon?**
  - In the US, shale and related oil rigs has dropped from 1,700+ to 400+
  - Oil price has rebounded from the low US$20+



Source: Baker Hughes, EIA

Focus for 2016

Staying on course in executing our long term strategy

- **Focus on operational excellence**
- **Cost efficiency and optimisation**
- **Fleet utilisation**
- **Prudent capital management**
- **Pursue selective international growth**

Already a good start to the year

- Towage and positioning of world's largest offshore facility, the Shell Prelude floating liquefied natural gas ("FLNG") platform
- Contract wins in Middle East with Saudi NOC and Qatar client
- Extension of contract for SSAV POSH Xanadu

Forward Strategy: 2016 and beyond

- We focus on building a strong business, regardless of business cycle with major wins within first 4 months of 2016:
- Strong balance sheet to pursue growth opportunities
- Opportunities for both organic and inorganic growth
- Key takeaways
  - Deep pool of talent
  - Strong fundamental balance sheet
  - One of Asia's leading offshore service providers
  - We will generate value for you over the longer-term



THANK YOU

Appendix

Diverse Fleet Operating Across O&G Value Chain

Oil & Gas Life Cycle

Exploration & Appraisal → Field Development → Operation & Maintenance → Decommissioning



Anchor Handling Tug Supply vessels (AHTS)
Tow and position drilling rigs



Platform Supply Vessels (PSV)
Transport materials and supplies



Anchor Handling Tugs (AHT)
Provides towage and construction support services



Barges
Transport large marine structures
for floatover operations and launch of platform jackets



Accommodation Vessels (AV)
Provides accommodation, lifting, catering, workshop, storage and heli-deck facilities.

Harbour Services & Emergency Response (HSER)



Crane Barges
For heavy lift services



Harbour Tugs
Deployed in harbour towage



Emergency Response
Provides equipment and personnel for salvage, rescue and oil spill response operations

Geographically diversified operations

- **Operated in 32 countries across the globe**



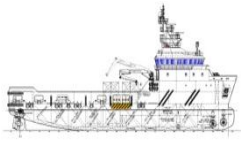
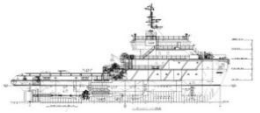
Fleet summary

	Current Fleet		New Vessels Under Construction/Committed
Types of Vessels	**Wholly Owned**	**Owned by JVs**	
AHTS	12	4	1
PSV	13	-	2
IMR	-	-	2
AHT	9	9	2
Towing Tugs	4	1	-
Barges	15	4	-
SSAV	1	-	1
Accommodation Vessels	6	1	1
Harbour Tugs	9	16	4
Crane Barge	2	2	1
Utility Workboats	3	1	-
Total as at to-date	**74**	**38**	**14**

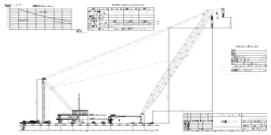
- Young fleet of customized new builds to meet customers' needs
- Focus on high-capacity and high-specification offshore accommodation vessels
- Entry into Inspection, Maintenance and Repair (IMR) segment with construction of IMR vessels

Vessels to be delivered – 2016 onward

12 vessels to be delivered in FY16 with remaining payments of ~US$117M

POSH			Expected Delivery Date	No. of Newbuilds	Size
OA	SSAV		▪ 1H 2016	▪ 1 DP3 SSAV	▪ 750-person
	AV		▪ Q2 2016	▪ 1 LCV	▪ 88 M
			▪ Q2 2017 ▪ Q3 2017	▪ 2 DP2 IMR vessels	▪ 89 M
OSV	AHTS		▪ Q1 2016	▪ 1 DP2 AHTS	▪ 8,000 BHP
	PSV		▪ Q2 2016 ▪ Q3 2016	▪ 2 DP2 PSV	▪ 3000 DWT
T & I	AHT		▪ Q1 2016 ▪ Q2 2016	▪ 2 AHT	▪ 6,600 BHP
HSER	Tug		▪ Q3 2016 ▪ Q3 2016	▪ 2 ASD Harbour Tugs	▪ 5,000 BHP ▪ 5,000 BHP

Vessels to be delivered – 2016 onward (cont'd)

JV		Expected Delivery Date	No. of Newbuilds	Size
Floating Crane Barge		▪ Q1 2016	▪ 1 Floating Crane Barge	▪ 500T Sheerleg
Tug		▪ Q3 2016 ▪ Q3 2016	▪ 2 ASD Harbour Tugs	▪ 3,600 BHP

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