



EMAS

EMAS Offshore Limited

EMAS OFFSHORE LIMITED

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EMAS Offshore records a net loss in 1QFY2016 on the back of challenging market conditions

- ◆ Revenue negatively impacted by lower demand resulting from general weakness in the offshore industry
- ◆ Cost rationalisation exercises ongoing, with continued efforts to strengthen balance sheet and enhance financial flexibility

SINGAPORE ◆ 11 JANUARY 2016

For immediate release

The Company's admission to and listing on the SGX-ST is sponsored by DBS Bank Ltd.

EMAS Offshore Limited ("EMAS Offshore" or the "Group"), today announced its financial results for the three months ended 30 November 2015 ("1QFY2016"). The Group reported a net loss of US\$3.2 million against revenue of US\$49.8 million amidst challenging operating conditions underpinned by a volatile oil price environment.

The Group posted a lower year-on-year revenue of US\$49.8 million for 30 November 2015 ("1QFY2016"), which was a 32% decrease from the previous corresponding period ("1QFY2015"). Gross loss for 1QFY2016 was US\$1.06 million, as compared to adjusted gross profit of US\$9.8 million in 1QFY2015.

Weaker top line and gross profitability in 1QFY2016 were due mainly to softer demand for the group's offshore support vessels, resulting from general weakness in the overall oil and gas industry. During the quarter, average utilisation for the offshore support vessels was at 67%.

Commenting on the latest results, Captain Adarash Kumar, EMAS Offshore's Chief Executive Officer, said: "The global situation in the oil and gas industry continues to obscure certainty on where oil prices will land and, like all other offshore services players in the industry, we have been impacted in this current down-cycle. Notwithstanding strong industry headwinds, my team and I are working relentlessly to keep our vessels utilised in our existing as well as regions with resilient demand e.g. West Africa."



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During the quarter, sales and administrative expenses for 1QFY2016 fell by 13% and 59% year-on-year, respectively, in line with the Group's cost rationalisation initiatives.

Contributions from the Group's associates and joint ventures grew 5% and 35% year-on-year, respectively, in 1QFY2016. This was largely driven by the stable performance of the Company's two FPSOs, which achieved almost 100% in uptime for the quarter.

Debt equity ratio improved slightly to 1.03x in 1QFY2016 from 1.04x in 1QFY2015, as part of EMAS Offshore's continued efforts to strengthen the balance sheet and improve financial flexibility.

Further to his earlier comments, Captain Kumar said, "In addition to increasing our focus on vessel utilisation, our key priorities also include keeping our balance sheet on even keel. The steps we have taken to reduce costs and improve operational efficiency over the six to 12 months have started to bear fruit. However, we remain cognisant of the uncertainties in the oil price and industry and will persist in our efforts to streamline operations and expenses. We believe this will be key to helping us tide through the current down-cycle."

ABOUT THE COMPANY

www.emasoffshore.com ♦ Oslo BØrs listing: October 2007 ♦ SGX mainboard listing: October 2014

EMAS Offshore Limited (EMAS Offshore or the Company) is an established offshore services provider offering offshore support, accommodation, construction and production services to customers in the oil and gas industry throughout the oilfield life cycle, spanning the exploration, development, production and decommissioning stages. Headquartered in Singapore, EMAS Offshore holds a leading market position in the Asia-Pacific region, with global operations across Latin America, Africa and Australia.

Business activities are carried out by two core business segments, namely: (i) the Offshore Support and Accommodation Services division, and (ii) the Offshore Production Services division.

EMAS Offshore's excellent operational and HSE (health, safety and environment) track record has allowed the Company to establish strong working relationships with leading international oil majors, national oil companies and various independent operators.



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