

Ezion Holdings Limited

Informal Meeting with Shareholders

23 March 2018





Disclaimer

This informal meeting is being convened for the purpose of providing the Shareholders with a summary of the Proposed Transactions in relation to the EGM to be held on 28 March 2018 and to answer any queries which the Shareholders may have in relation to the Proposed Transactions.

Kindly note that:

- the informal meeting has been called solely for the dissemination of information and no decisions or voting will be made at the informal meeting;
- the informal meeting is private and confidential and will be held on an entirely without prejudice basis; and
- in addition to Shareholders on the records of The Central Depository (Pte) Limited who presently are recognised as shareholders, there may be persons holding the underlying beneficial interest who may also attend the informal meeting, and the reason why these persons have been allowed to attend is not in recognition of their status as shareholders but solely as a practical measure to facilitate the dissemination of information to such persons whom nominee shareholders having rights may take instructions from.



Disclaimer

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Disclaimer

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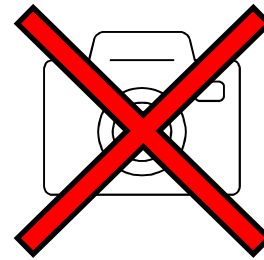
Meeting Protocol



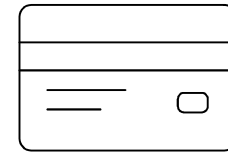
Without
prejudice



Informal
meeting



No recording
and photo taking



Identification
for Q&A



Agenda

- 1) The Business of Ezion
- 2) FY2017 Profit Guidance
- 3) Actions taken & forward strategies
- 4) Indicative Timeline
- 5) Q & A

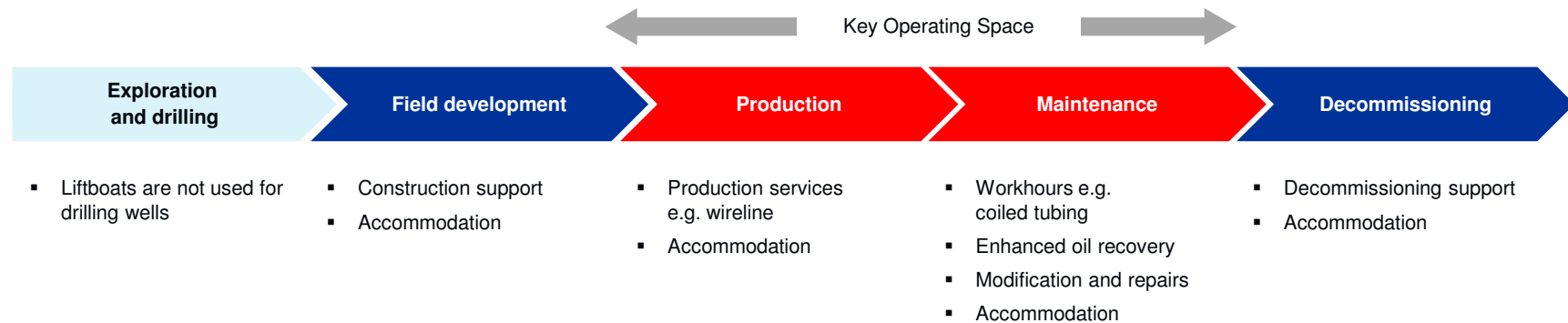


The Business of Ezion



The Business of Ezion

- Ezion Holdings Limited ("Ezion"), together with its subsidiaries (the "Group"), specialises in the **operation of its fleet to support the offshore energy markets** (oil & gas and windfarms).
- Ezion has purposefully focused on liftboats as a niche in the offshore sector, particularly in Asia.
- It supports mainly the **production and maintenance activities** of the oil & gas value chain, which generates recurring revenue as compared to the project-driven nature of the exploration and developmental phase.
- The group has also successfully diversified into the offshore windfarm sector in China and Europe.



Key features of Liftboats



- Operators in Asia have mainly been using conventional offshore supply vessels
- Operators in Gulf of Mexico , Middle East etc have been using Liftboats.

Advantages of a using Liftboat over conventional offshore supply vessels:

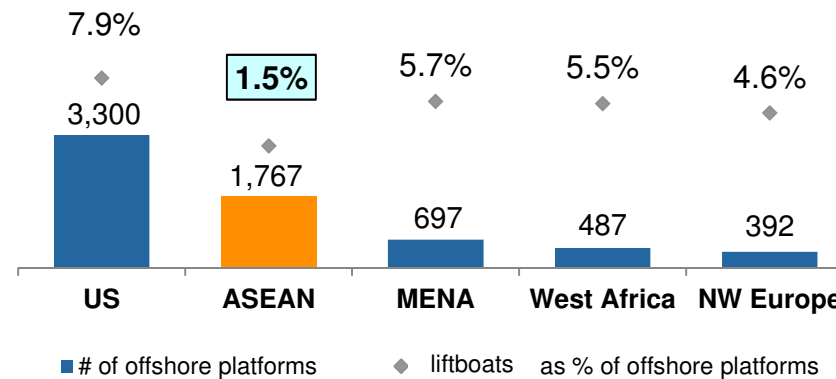
- A liftboat's **stable work platform enhances productivity and safety standards.**
- Liftboats offer a very cost-effective solution to operators:
 - a) Liftboats can **move on its own** from location to location without a towing / anchor handling tug.
 - b) For jobs that require repositioning of the vessel around the Oil & Gas field, Liftboats enable operators to utilise only **one vessel instead of multiple vessels.**
 - c) Liftboats are **multi-functional** and can replace the requirement for a few different types of vessels (towing tugs, accommodation barges and crewboats)
 - d) Liftboats are designed to operate under **all-weather conditions** and can thus allow offshore operations to continue in harsh weather conditions (thereby reducing downtime / risks).
- With a leg length of at least 320 feet, **Ezion is able to serve most platforms in the Asia Pacific region.**



Demand for Liftboats

Company's fleet is adapted and catered to OPEX segment of O&G services chain.

ASEAN – The most under-penetrated Liftboat market globally



- Potential for Liftboats in the ASEAN region is promising, given the lowest penetration globally of 1.5% compared to more developed regions such as the United States with 7.9%
- MENA is the second largest market for Liftboats and with a platform age similar to the US, the current 5.7% penetration would likely rise towards that in the United States
- Ezion, being the #1 player in ASEAN and top 3 in MENA will stand to benefit from the increased penetration

Source: Macquarie Research

ASEAN – Association of Southeast Asian Nations, covering Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam

Liftboats in Action – Oil & Gas & Windfarm

Well support services

Oil well intervention activities to enhance production of the well e.g. wireline and coiled tubing



Repairs, maintenance and upgrades

Provide support services for the repair, upgrades and maintenance of ageing offshore O&G production platforms



Accommodation

Accommodation facilities for up to 300 personnel catering to offshore construction and service crews



Liftboats in Action – Wind Farm Installation



Strong Fundamentals

1 Liftboats

Ezion is the largest Liftboat operator in Asia.

It runs the most advanced fleet of Liftboats in the world.

With a leg length of at least 320 feet, Ezion is able to serve most platforms in the Asia Pacific region.

2 Defensive Segment in Value Chain

Although activity among the customers is currently low, production and maintenance requirements are expected to pick up from 2018 onwards, especially in shallow water wells.

3 Established track record

It has an established track record of serving a diverse customer base comprising National Oil Companies, Multi-National Oil Majors and leading Energy Groups.

4 Offshore wind industry

The Group has successfully diversified into offshore wind industry to pursue new streams of revenue.

5 Conversion Capability

Capability to improve utilisation of rigs which are underutilised due to over-capacity in the market through conversion to accommodation rigs or Mobile Offshore Production Units.

6 Technology

Ezion is the only Liftboat Operator with state-of-the-art in-house simulator

It facilitates project planning and crew training.

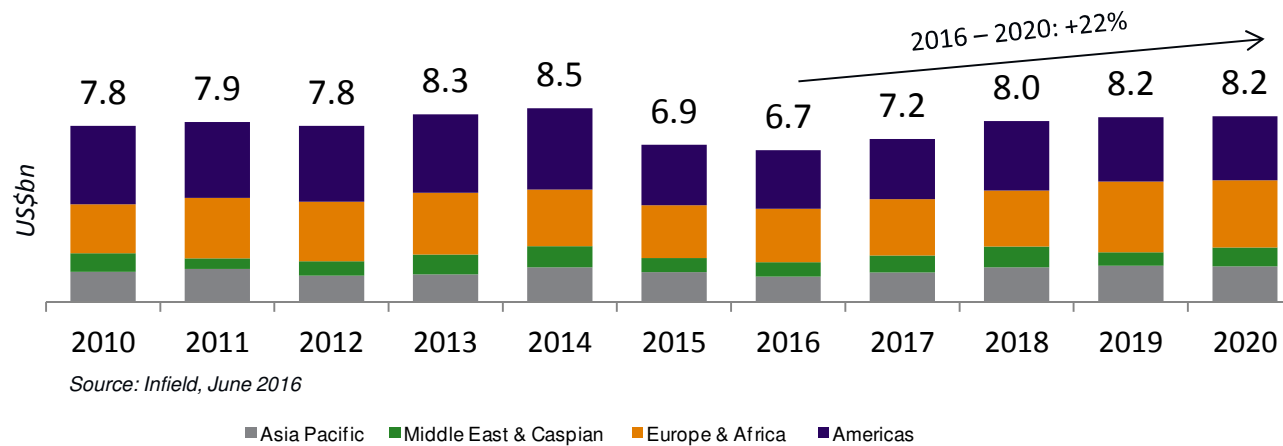


Industry Outlook 1

Activities for maintenance-related OPEX are expected to recover in the near future.

Inspection, Repair and Maintenance (“IRM”) activities have been low in 2015 and 2016.

However, such activities cannot be deferred permanently. Decreased inspection frequency generally leads to plant failure and unplanned shutdowns. Delays in maintenance activity increase risks and affect production efficiency.



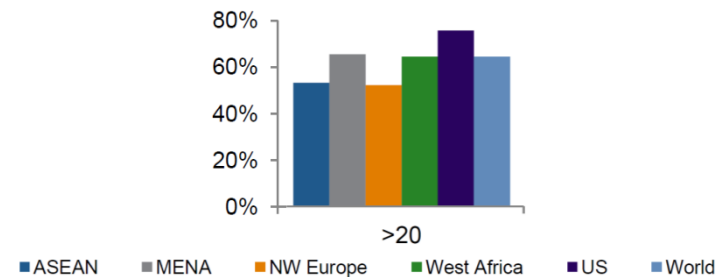


Industry Outlook 2

Company believes that the industry backdrop is relatively stronger for O&G production and maintenance activities going forward

Majority of offshore platforms globally are > 20 years old

Offshore O&G platform age profile



- Demand for service rigs globally driven mainly by platform age and platform population
- Older platforms have a higher need for repair and maintenance, well intervention and eventual decommissioning activity
- Strong requirement for service rigs in ASEAN, with 52% of platforms there over 20 years old

Source: Macquarie Research

ASEAN – Association of Southeast Asian Nations, covering Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam



FY2017 Profit Guidance



FY2017 Profit Guidance and Impairment

Profit Guidance for the Group's Unaudited Financial Results for the Fourth Quarter and Full Year Ended 31 December 2017

Expected loss before Impairment:
US\$100 million (after depreciation)

- Mainly due to lower charter rates during 1H2017;
- Delays in re-deployment of the Group's liftboats due to disruption from the refinancing exercise; and
- Further decrease in utilisation rates of the Group's offshore logistics vessels and jack-up rigs.

Expected Impairment Loss:
US\$900 million

- **Mainly due to impairment of fixed assets and trade receivables;**
- **Oversupply of offshore logistics vessels and jack-up rigs** in the industry have resulted in lower charter rates and depressed market value of these assets; and
- Prolonged downturn of global oil prices have caused the Group's customers to be negatively impacted, affecting their ability to pay.

Group's Operations Remain Cashflow Positive

Net cash generated from operating activities for the Group
4Q2017: **US\$20 million**; FY2017 **US\$64 million**



Actions Taken & Forward Strategies



Actions taken & forward strategies

- 1) Re-financing Exercise
- 2) Management Re-organization
- 3) Continue with cost cutting
- 4) Strategic review of our business to focus on Liftboat business
- 5) To seek strategic partners upon completion of re-financing



Summary of Ezion's Refinancing Exercise

Management

Management of the Group has taken a reduction in compensation to tide the Group over the challenging times.

FY2015	-19%
FY2016	-42%
FY2017	-38%
FY2017 vs FY2014	-71%

The team is looking at avenues for further cost reduction.

Management Reorganisation

The CEO and his family have given 100 million of their shares to cement support from secured lenders for the refinancing and the additional revolving credit facilities of up to approximately US\$118 million.

Secured Lenders

Secured Lenders have agreed to a 6-year refinancing plan for their existing facilities

- ✓ Minimal fixed principal repayments
- ✓ Reduction of interest rates
- ✓ Extend further support with additional working capital line of up to approximately US\$118 million

Approx US\$ 1.5 billion
refinanced amount

Securityholders

Consent Solicitation Exercise ("CSE") for Securityholders was successfully passed on 20 November 2017

- ✓ Maturity profile similarly extended to between 6 and 10 years
- ✓ Reduction of interest rates: 0.25% per annum
- ✓ Lifting of all covenants
- ✓ Securityholders elected between two options:

Option 1

Convertible bond
(S\$452.5m or 79% of total outstanding)

Option 2

Straight bonds
(S\$122.5m or 21% of total outstanding)

S\$ 575 million
Refinanced amount

Unsecured Lenders

- ✓ Exercise of stapled warrants to convert outstanding amounts to equity
- ✓ Reduction of interest rates i.e. interest savings of more than US\$1 m a year

Approx US\$ 18 million
refinanced amount

Shareholders

- 3 Warrants for every 5 shares to be issued to shareholders
- ✓ Exercise price of S\$0.2487 if exercised *within* 60 days or S\$0.2763 if exercised *after* 60 days
- ✓ Exercise period of 5 years

Approx 2,074 million
existing shares



Shareholders

Shareholders

3 Warrants for every 5 shares to be issued to shareholders

✓ Exercise price of S\$0.2487 if exercised *within* 60 days or S\$0.2763 if exercised *after* 60 days

✓ Exercise period of 5 years

**2,074 million
existing shares**

B

PROPOSED WARRANTS
(2018-SHAREHOLDERS) ISSUE

In return for the support to be extended to the Group:

- 3 Warrants for every 5 shares to be issued to shareholders
- Exercise price of S\$0.2487 if exercised within 60 days or S\$0.2763 if exercised after 60 days
- **Exercise price will not be reset**
- Exercise period of 5 years



Key Terms of the Proposed Transactions

PROPOSED TRANSACTIONS		ISSUE PRICE	WITHIN 60 DAYS EARLY CONVERSION / EXERCISE PRICE	AFTER 60 DAYS CONVERSION / EXERCISE PRICE	CONVERSION / EXERCISE PERIOD	STAKEHOLDERS
A	PROPOSED BONDS ISSUE (SERIES B CONVERTIBLE BONDS)		S\$0.2487 10% discount to the Series B Minimum Conversion Price	S\$0.2763 , if within 6 months Reset every 6 months based on 6 MONTH VWAP , subject to Series B Minimum Conversion Price of S\$0.2763	5 Years	Securityholders
B	PROPOSED WARRANTS (2018-SHAREHOLDERS) ISSUE		S\$0.2487 10% discount to the Warrants (2018- Shareholders) Non-Discounted Exercise Price	S\$0.2763 10% discount to the 6 month VWAP before suspension	5 Years	Shareholders
C	PROPOSED WARRANTS (2018-SECURITYHOLDERS) ISSUE		S\$0.2763 10% discount to the 6 month VWAP before suspension		2 Years	Securityholders
D	PROPOSED SERIES 008 SECURITIES CONVERSION SHARES ISSUE		S\$0.2487 10% discount to the Series 008 Securities Minimum Conversion Price	S\$0.2763 , if within 6 months Reset every 6 months based on 6 MONTH VWAP , subject to floor of Series 008 Securities Minimum Conversion Price of S\$0.2763	4 Years	Securityholders
E	PROPOSED INTEREST SHARES ISSUE	S\$0.2763				Securityholders
F	PROPOSED SECURITYHOLDERS CONSENT SHARES ISSUE	S\$0.2763				Securityholders



Key Terms of the Proposed Transactions (con't)

PROPOSED TRANSACTIONS		ISSUE PRICE	WITHIN 60 DAYS EARLY CONVERSION / EXERCISE PRICE	AFTER 60 DAYS CONVERSION / EXERCISE PRICE	CONVERSION / EXERCISE PERIOD	STAKEHOLDERS
G	PROPOSED WARRANTS (2018-RCF) ISSUE		\$S\$0.2487 10% discount to the Warrants (2018-RCF) Non-Discounted Exercise Price	\$S\$0.2763 10% discount to the 6 month VWAP before suspension	5 Years	Secured Lenders
H	PROPOSED TLF CONSENT SHARES ISSUE	\$S\$0.2763				Secured Lenders
I	PROPOSED WARRANTS (2018-UNSECURED LENDERS) ISSUE		\$S\$0.2763 , if within 6 months Reset every 6 months based on 6 MONTH VWAP , subject to floor of the Warrants (2018- Unsecured Lenders) Initial Exercise Price of \$S\$0.2763		5 Years	Others
J	PROPOSED PROFESSIONAL FEES SHARES ISSUE	\$S\$0.2763				Others
K	PROPOSED PRIVATE SUBSCRIBER OPTION SHARES ISSUE		Call Option Issue Price: \$S\$0.2763 , if within 6 months Reset every 6 months based on 6 MONTH VWAP , subject to floor of \$S\$0.2763 Put Option Issue Price: \$S\$0.2487 or 20% discount to the last full day VWAP, subject to a minimum issue price of \$S\$0.144		5 Years	Others



Impact of Proposed Refinancing

Assuming full conversion of bonds and exercise of warrants, post-refinancing:

Stakeholders	No. of Shares (in millions)	% Shareholding	Reduction of Refinanced Liabilities (US\$'million)	New Funds Raised (US\$'millions)
Shareholders	Up to 3,673	56%	-	Up to 381
Securityholders	Up to 2,322	35%	Up to 320	Up to 95
Secured Lenders	Up to 236	4%	Up to 33	-
Others	Up to 352	5%	Up to 18	Up to 10
Total	Up to 6,583	100%	Up to 371	Up to 486



Actions taken & forward strategies

2) Management Re-organization

Senior management team of the Company has been re-organised to better manage the challenges the Group is currently facing and to re-engineer for future growth



Actions taken & forward strategies

3) Continue with cost cutting

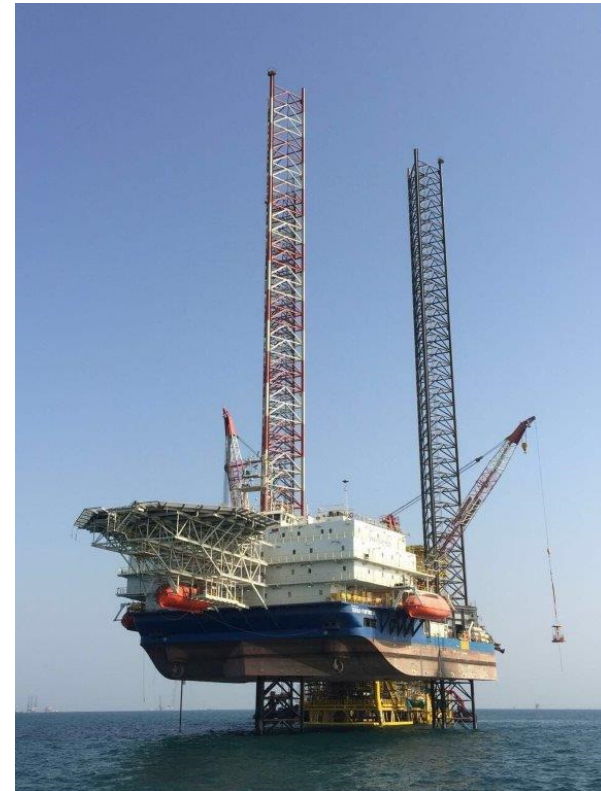
- Management of the Group has taken a reduction in compensation to tide the Group over the challenging times.

FY2015	- 19%
FY2016	- 42%
FY2017	- 38%
FY2017 vs FY2014	- 71%

- Doing more with less - More work, longer hours, less people

Actions taken & forward strategies

- 4) Strategic review of our business to focus on Liftboat Business





Actions taken & forward strategies

- 5) Upon completion of re-financing, seek strategic partners to:
 - a) Strengthen Ezion's financial position
 - b) Enable the Group to have more Liftboats to meet customers' requirements



Indicative Timeline



Indicative Timeline

Indicative Timeline	Key Milestones
28 March 2018	EGM for Shareholders' approval
Mid April	Issuance of Warrants to Shareholders Issuance of Refinancing Bonds, Interest Shares and Consent Shares to Bondholders
Mid April	Targeted Resumption of trading

Company will make further announcement in due course once approvals are obtained as per SGX requirements.



Q&A



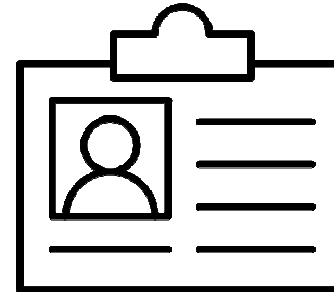
Q&A

Please state your name before asking your question

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Thank You for Your
Time and Attention

