

# Q3 FY2016 Results Presentation

July 2016

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## Offshore Support & Accommodation Services

### Overview

- Global fleet with established presence in the Asia-Pacific OSV market.
- Diverse client base, providing ship management services for both the Group and third party vessels.
- Owns, operates and/or manages a diverse fleet of 42 OSVs, 4 OAVs, 2 barges and 1 heavy lift and pipelay vessel (average age of approximately 7 years).

### Business development strategies

- Continued focus on improving overall vessel utilisation
- Increased bidding efforts in Southeast Asia and West Africa in a competitive global environment
- Cost reduction and containment to preserve financial resources
- Undertaking strategies to monetize assets and enhance financial strength/flexibility

## Offshore Production Services

### Overview

- Provider of production vessels and services
- Expertise in project management, engineering, construction, installation and operation & maintenance in the fixed and floating production sectors
- Owns or operates 2 FPSOs

### FPSO assets

#### Lewek EMAS



|                         |              |
|-------------------------|--------------|
| <b>First Oil:</b>       | Oct 2011.    |
| <b>Gross tonnage:</b>   | 94,647       |
| <b>DWT (Tropical):</b>  | 188,101      |
| <b>Storage:</b>         | 660,000 bbl  |
| <b>Oli:</b>             | 50,000 BOPD  |
| <b>Gas:</b>             | 89 MMSCFD    |
| <b>Water Injection:</b> | 60,000 bbl/d |
| <b>Production:</b>      | 50,000 bbl/d |

#### Perisai Kamelia

One of the world's largest FPSOs

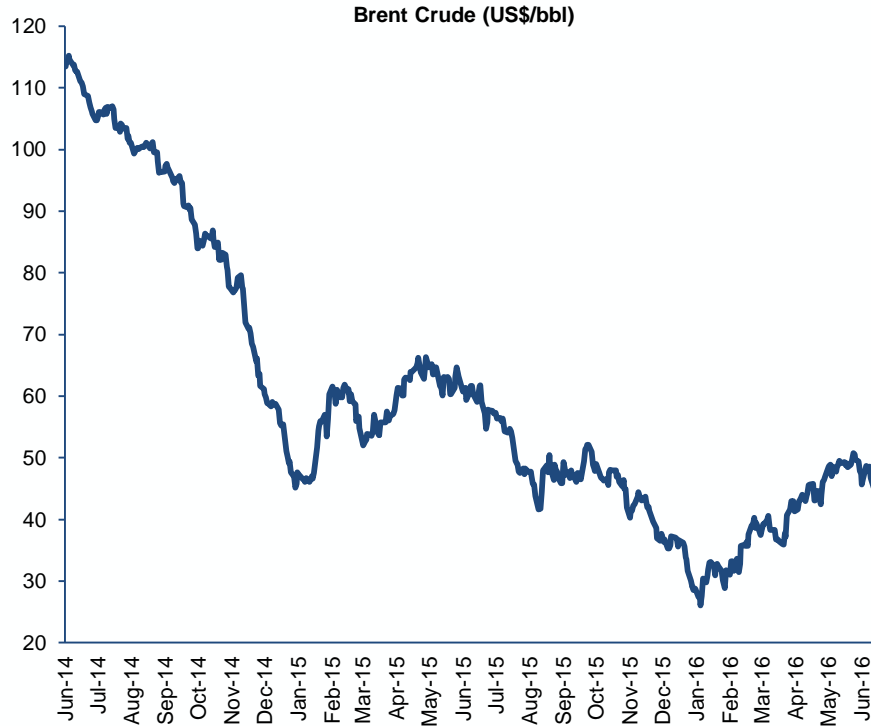


|                        |                            |
|------------------------|----------------------------|
| <b>First Oil:</b>      | Nov 2013                   |
| <b>Gross tonnage:</b>  | 63,101                     |
| <b>DWT (Tropical):</b> | 127,540                    |
| <b>Storage:</b>        | 725m bbl                   |
| <b>Export Gas:</b>     | 175 MMSCFD (at 2,000 PSIG) |
| <b>Condensate:</b>     | 4,000 bbl/d                |

- Entered into a sale and purchase agreement with PetroFirst Infrastructure 2 Limited on 1 July 2016

## Oil price environment

### Oil price development



- Oil price has increased from US\$36 in February 2016 to about US\$45 at the end of June 2016
- However, this increase in oil prices has yet to result in significant increase in activities in the oil and gas sector
- Oil majors globally continue to delay capital investments and reduce operating expenditures
- Consequential negative impact on OSV utilisation and charter rates

Source: US Energy Information Administration





## II. Business Review

## Group Performance

- OSV sector to remain weak through FY2016 and beyond
- Results in Q3FY2016 was primarily impacted by weak demand and general oversupply in offshore supply vessel sector
- Cost reductions continue to show results in Q3FY2016

## Offshore Support & Accommodation Services

- Utilisation rate was approximately 51% during the quarter
- Overall weakness in the offshore support industry, especially the PSV and AHT segments
- Softening demand in the OAV segment also contributed to the decline
- Cost reductions continue to ensue in Q3 FY2016
- Continue to focus on established regions with more resilient demand e.g. West Africa, where the Group has local presence



## Offshore Production Services

- Both FPSOs, *Lewek EMAS* and *Perisai Kamelia* continued to perform operationally well during Q3 FY2016
- Uptime for both FPSOs in the quarter was close to 100%
- On 1 July 2016, the Company entered into a sale and purchase agreement with PetroFirst Infrastructure 2 Limited for the sale of *Lewek EMAS*. Expected completion is on or before 30 September 2016



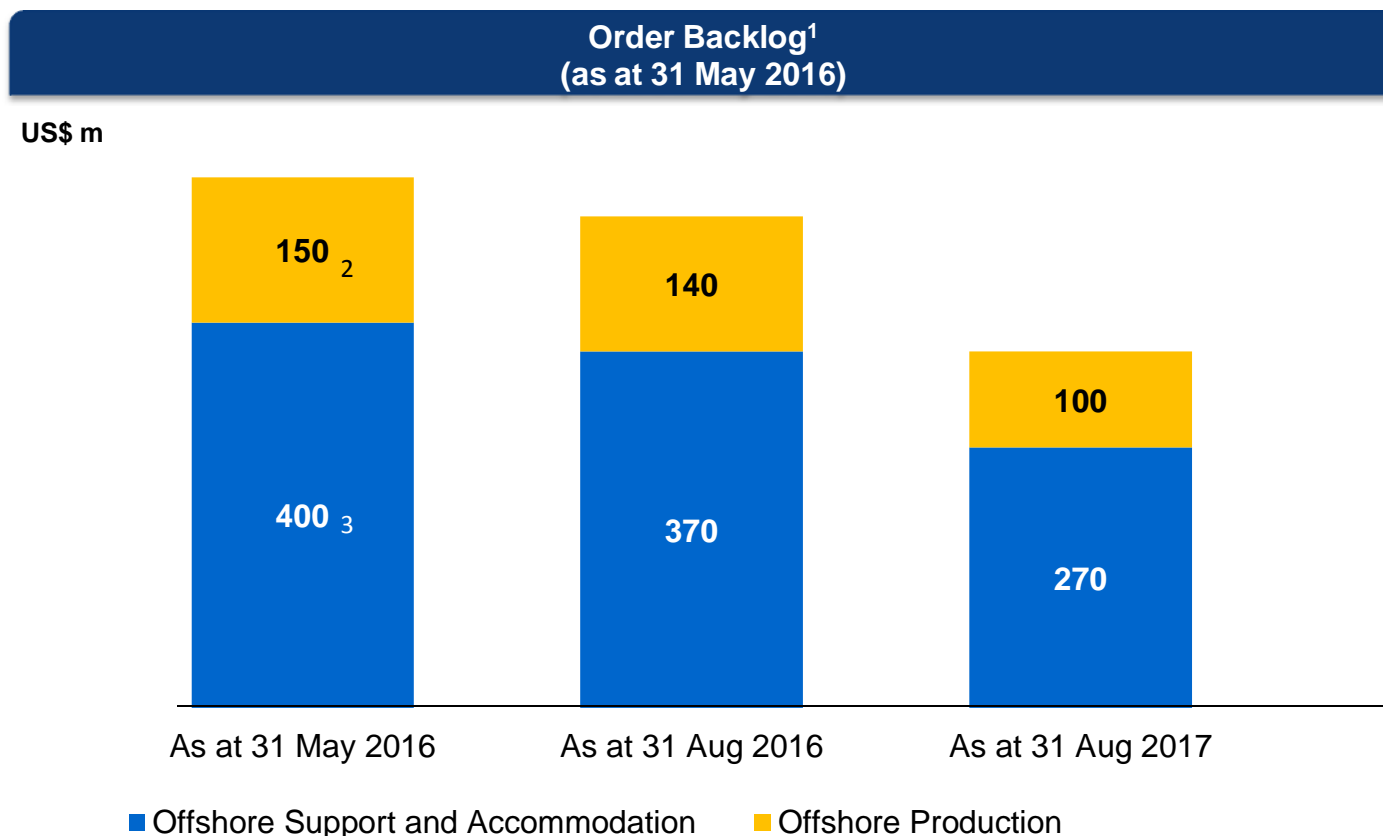




**Increased bidding activity** in West Africa in respect of multi-vessel, multi-year contracts.

**Additional resources** in West Africa to support our increased business activity in the region

**Global operational footprint** with vessels currently working in Asia-Pacific (78%) and West Africa (22%)



Average remaining contract duration for Offshore Support & Accommodation Services: **2.5 years**

- OSV generally on shorter charters especially for AHTs and PSVs
- OAVs generally continue to be deployed on long term charters

Average remaining contract duration for Offshore Production Services: **3.4 years**

- FPSO charters generally stable and for medium term

**Note:**

1. Net orderbook assuming options are exercised. Lewek EMAS was excluded since 1 March 2016

2. FPSOs are accounted for under "Share of results of associates" on the Profit or Loss Statement. The Group ceased to share the profits of *Lewek EMAS* with effect from 1 March 2016, following its reclassification to asset held for sale.

3. The order backlog for the Offshore Support & Accommodation Services division includes the bareboat of *Lewek Champion* to EMAS AMC

## Offshore Support & Accommodation Services

|   | Utilisation Rate <sup>(1)</sup> |        |        |           |
|---|---------------------------------|--------|--------|-----------|
|   | FY2013                          | FY2014 | FY2015 | 9M FY2016 |
| <b>Fleet of vessels <sup>(2)(3)</sup></b> | 82%                             | 84%    | 75%    | 56%       |
| <b>Total Fleet Size <sup>(4)(5)</sup></b> | 45                              | 45     | 46     | 46        |

## Highlights for Q3FY2016

- Utilisation during Q3FY16 maintained at approximately 51% vis-a-via Q2 FY2016
- Fleet utilisation significantly impacted by industry downturn and general oversupply of offshore support vessels

### Notes:

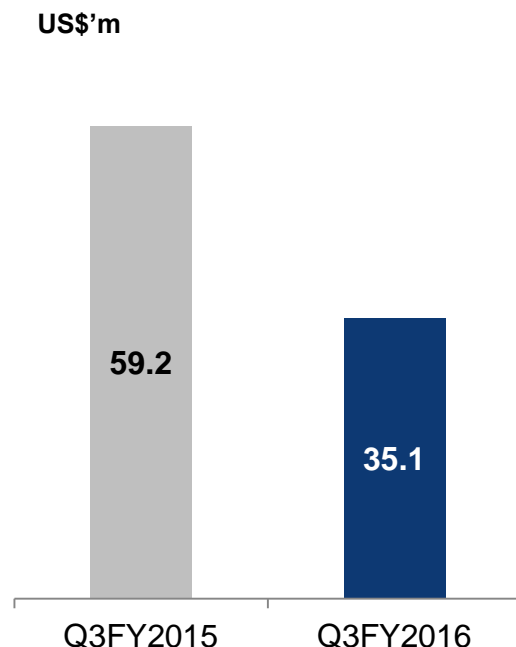
1. Utilisation rate is calculated by aggregating the number of contract days and dividing that by the aggregate number of days each type of vessels are available for charter.  
 2. The utilisation rates of FPSOs have not been included as it is not industry practice to measure the performance of FPSOs using utilisation rates. (3) The utilisation rates for barges have not been included as it is not a meaningful indicator. (4) As at 31 August of each financial year. (5) *Lewek Ruby* was sold in Q2FY2015. *Lewek Hydra* was not included for Q1FY2016. *Lewek Lark* was sold in Q2FY2016



### III. Financial Highlights

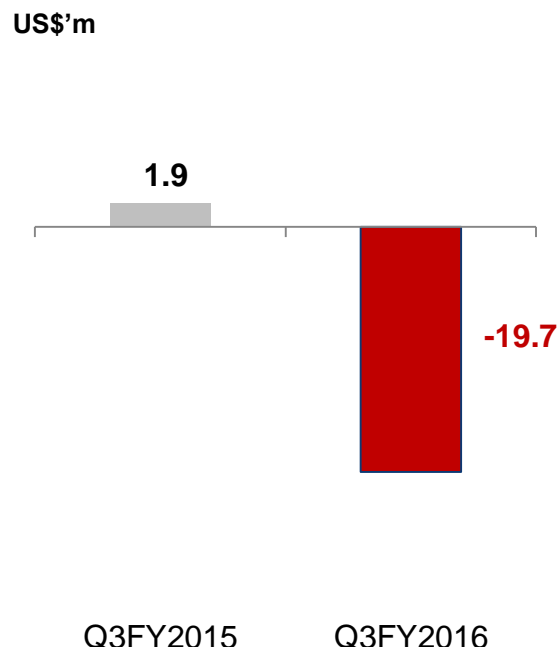
# Income Statement Highlights

## Revenues



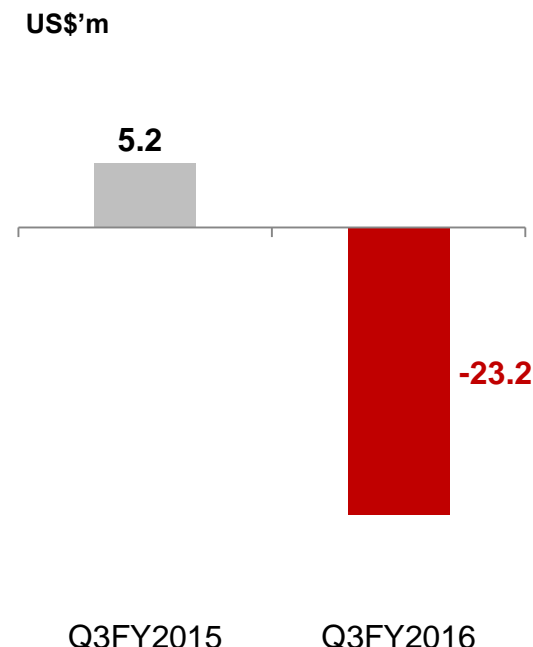
- Revenues for Q3FY2016 was US\$35.1 million, a 41% decrease from same quarter last year
- Largely due to overall weakness in the offshore industry impacting both utilisation and charter rates

## Operating Profit/(Loss)



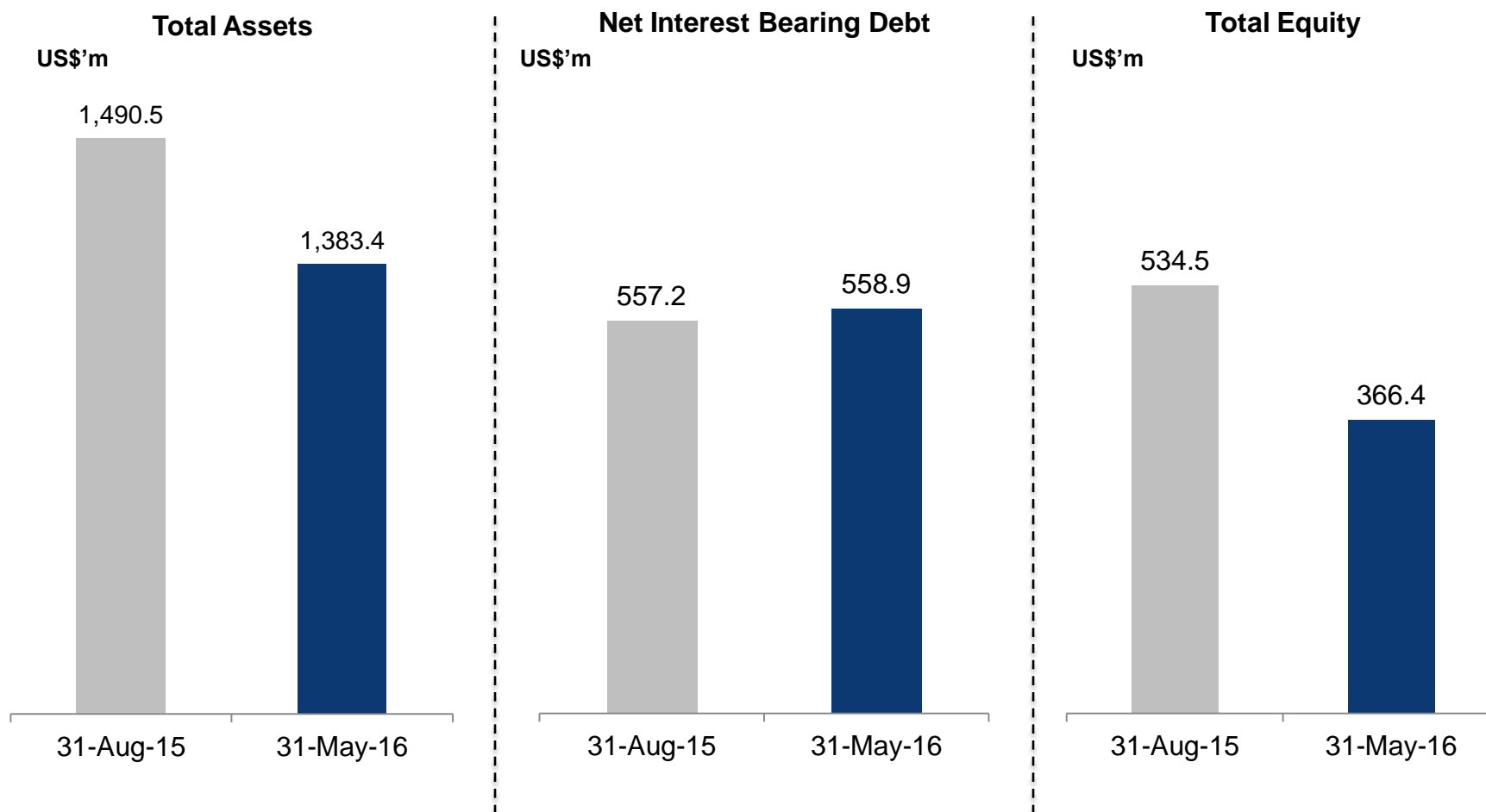
- Operating loss for Q3FY2016 was -US\$19.7 million compared to an operating profit of US\$1.9 million in Q3FY2015
- Loss was partly mitigated by reduced operating cost

## Profit /(Loss) After Tax



- (Loss) after tax was -US\$23.2 million compared to profit after tax of US\$5.2 million in the same period last year
- Operating loss and lower contribution from share of results of associates and joint ventures

# Balance Sheet Highlights



- Decline in Total Assets and Total Equity as a result of net loss in taking into account significant impairments on assets during Q2FY2016
- Net interest bearing debt remained fairly constant as at 31 Aug 2015 vs 31 May 2016 in view of increased debt relating to Lewek Teal offset by principal payment



# Balance Sheet and Capital Management

## Balance Sheet as at 31 May 2016

| US\$ m                    | Group        |
|---------------------------|--------------|
| Total Assets              | 1,383.4      |
| <i>less:</i>              |              |
| Total Liabilities         | 1,017.0      |
| Total Equity              | 366.4        |
| <b><u>Gearing</u></b>     |              |
| Total Debt                | 601.9        |
| <i>less:</i>              |              |
| Cash & Equivalents        | 43.0         |
| Net Debt                  | 558.9        |
| <b>Total Debt/ Equity</b> | <b>1.64x</b> |
| <b>Net Debt/ Equity</b>   | <b>1.53x</b> |

- The Group continues to leverage on strong support from its lending banks and capital providers to support the balance sheet and maintain financial flexibility
- On 1 July 2016, the Group entered into a sale and purchase agreement for Lewek EMAS. Proceeds will be used mainly for debt repayment

# Key Figures & Ratios

| US\$ 'm  | 9 months ended<br>31 May 2016 | 9 months ended<br>31 May 2015 |
|--|-------------------------------|-------------------------------|
| EBITDA   | (112.8)                       | 209.9                         |
| EBIT   | (150.7)                       | 176.4                         |
| Earnings per share <sup>1</sup><br>– Basic and Diluted (US¢) | (0.38)                        | 0.39                          |
| Weighted average number of shares (in millions)              | 438.4                         | 420.8                         |
| Interest cover ratio (times) <sup>2</sup>                    | -7.4                          | 21.9                          |
| Return on equity <sup>3</sup>                                | -37.0%                        | 39.7%                         |

<sup>1</sup> Net profit / Weighted average number of shares

<sup>2</sup> EBITDA / Net interest expenses

<sup>3</sup> Net profit / Average book equity



## IV. Outlook & Strategies

**Environment is challenging, with continual pressures on utilisation and charter rates, but we are executing various initiatives...**

**1**

**Cost optimisation – reduce vessel operating costs and general administrative expenses**

**2**

**Geographical strategy – leverage and consolidate in SE Asia and expand in selected relatively resilient areas e.g. West Africa**

**3**

**Active capital management – to strengthen/enhance financial position and liquidity e.g. sale of Lewek EMAS**

**4**

**Leveraging synergies with the Ezra Group to win tenders with potential penetration to new markets**



## AHT

| No. | Vessel Name   | Year Built | Specification |
|-----|---------------|------------|---------------|
| 1.  | Lewek Kestrel | 2007       | 7,340 bhp     |
| 2.  | Lewek Kea     | 2008       | 7,340 bhp     |
| 3.  | Lewek Robin   | 2007       | 4,750 bhp     |
| 4.  | Bayu Intan    | 2005       | 4,200 bhp     |
| 5.  | Lewek Eagle   | 2004       | 4,200 bhp     |
| 6.  | Lewek Roller  | 2006       | 4,000 bhp     |

## PSV

| No. | Vessel Name    | Year Built | Specification         |
|-----|----------------|------------|-----------------------|
| 1.  | Lewek Aquarius | 2012       | 8,716 bhp/ 5,380 dwt  |
| 2.  | Lewek Andes    | 2012       | 8,716 bhp / 5,279 dwt |
| 3.  | Lewek Aries    | 2008       | 7,080 bhp / 3,486 dwt |
| 4.  | Lewek Ariel    | 2010       | 6,920 bhp / 3,250 dwt |
| 5.  | Lewek Alkaid   | 2013       | 6,800 bhp / 3,500 dwt |
| 6.  | Lewek Avior    | 2013       | 6,800 bhp / 3,500 dwt |
| 7.  | Lewek Atria    | 2010       | 6,222 bhp / 3,266 dwt |
| 8.  | Lewek Altair   | 2009       | 6,222 bhp / 3,100 dwt |
| 9.  | Lewek Antares  | 2011       | 6,222 bhp / 2,900 dwt |
| 10. | Lewek Atlas    | 2007       | 5,444 bhp / 3,570 dwt |
| 11. | Lewek Alphard  | 2014       | 9,928 bhp / 5,000 dwt |

## AHTS

| No. | Vessel Name    | Year Built | Specification |
|-----|----------------|------------|---------------|
| 1.  | Lewek Fulmar   | 2011       | 30,000 bhp    |
| 2.  | Lewek Teal     | 2012       | 21,456 bhp    |
| 3.  | Lewek Trogon   | 2008       | 17,600 bhp    |
| 4.  | Lewek Toucan   | 2008       | 17,600 bhp    |
| 5.  | Lewek Scarlet  | 2009       | 12,240 bhp    |
| 6.  | Lewek Snipe    | 2005       | 12,240 bhp    |
| 7.  | Lewek Stork    | 2005       | 12,240 bhp    |
| 8.  | Lewek Swan     | 2005       | 12,240 bhp    |
| 9.  | Lewek Swift    | 2005       | 12,240 bhp    |
| 10. | Lewek Emerald  | 2003       | 11,000 bhp    |
| 11. | Lewek Pelican  | 2007       | 10,800 bhp    |
| 12. | Lewek Penguin  | 2007       | 10,800 bhp    |
| 13. | Lewek Petrel   | 2008       | 10,800 bhp    |
| 14. | Lewek Plover   | 2008       | 10,800 bhp    |
| 15. | Lewek Hydra    | 2012       | 9,000 bhp     |
| 16. | Lewek Harrier  | 2006       | 8,000 bhp     |
| 17. | Lewek Heron    | 2006       | 8,000 bhp     |
| 18. | Lewek Mallard  | 2007       | 7,340 bhp     |
| 19. | Lewek Martin   | 2007       | 7,340 bhp     |
| 20. | Lewek Ebony    | 2007       | 5,220 bhp     |
| 21. | Lewek Ivory    | 2001       | 5,200 bhp     |
| 22. | Lewek Leopard  | 2011       | 5,150 bhp     |
| 23. | Lewek Lion     | 2010       | 5,150 bhp     |
| 24. | Lewek Lynx     | 2011       | 5,150 bhp     |
| 25. | Lewek Sapphire | 2005       | 5,040 bhp     |



# Our Vessels (cont'd)

## Barges

| No. | Vessel Name | Year Built | Specification |
|-----|-------------|------------|---------------|
| 1.  | Lewek LB1   | 2006       | 17,773 dwt    |
| 2.  | Lewek Lea   | 2006       | 5,800 dwt     |

## Heavy lift and pipelay construction vessel

| No. | Vessel Name    | Year Built | Specification                |
|-----|----------------|------------|------------------------------|
| 1.  | Lewek Champion | 2007       | 8 pt mooring/ 380 passengers |



**Lewek Crusader**

## OAV

| No. | Vessel Name      | Year Built | Specification                            |
|-----|------------------|------------|--|
| 1.  | Lewek Crusader   | 2011       | 400 MT heavy duty crane / 500 passengers |
| 2.  | Lewek Conqueror  | 2004       | 8 pt mooring / 308 passengers            |
| 3.  | Lewek Chancellor | 2007       | 12 pt mooring / 290 passengers           |
| 4.  | Enterprise 3     | 2008       | 8 pt mooring / 300 passengers            |



**Lewek Fulmar**

## Our Vessels (cont'd)



*Perisai Kamelia*

|                     |   |                      |  |
|---------------------|---|----------------------|--|
| Type:               | Gas compression FPSO  | Gross Tonnage, tons: | 63,101                                 |
| Upgraded/converted: | 2013  | Dwt (MT):            | 127,540                                |
| Flag:               | Malaysia  | Lightweight (MT):    | <b>18,661</b>                          |
| Class:              | DNV   | Storage, bbl:        | <b>600,000</b>                         |
| Overall length:     | 263.70m   | Export Gas:          | 175 MMSCFD @ <b>2000 psig</b> , 50°C   |
| Breadth:            | <b>40.80m</b>   | Condensate:          | <b>4,000</b> bbl / day                 |
| Depth moulded:      | 22.20m  | Mooring system:      | External cantilever turret 3x3 mooring |
| Current Project:    | The <i>Perisai Kamelia</i> is chartered to Hess Exploration and Production Malaysia B.V. (Hess). The <i>Perisai Kamelia</i> has been assigned to support the early production activities in the North Malay Basin. Starting from November 2013, the contract covers a three-year charter period, with extension options that could add a further three years to the charter duration. |                      |  |



*Lewek EMAS*

|                     |   |                      |                                     |
|---------------------|---|----------------------|-------------------------------------|
| Type:               | Oil production, gas and water reinjection FPSO  | Gross Tonnage, tons: | 94,647                              |
| Upgraded/converted: | 2011  | Dwt (MT):            | 188,101                             |
| Flag:               | Singapore   | Lightweight (MT):    | 29,457                              |
| Class:              | ABS   | Storage, bbl:        | <b>630,000</b>                      |
| Overall length:     | 290.38m   | Export Gas:          | 45 MMSCFD @ <b>190 barg</b> , 50°C  |
| Breadth:            | <b>50.60m</b>   | Mooring system:      | Internal turret, 3x3 mooring system |
| Depth moulded:      | 23.77m  |                      |                                     |
| Current Project:    | The <i>Lewek EMAS</i> has been on hire to Premier Oil Vietnam Offshore B.V. ( <b>POVO</b> ) since 2011 as part of a six-year contract. The contract with POVO includes an option where POVO could extend the charter for up to another six years. In October 2012, we secured another US\$15 million contract with POVO for project management, engineering and procurement services which resulted in the <i>Lewek EMAS</i> being upgraded to accommodate a subsea tie-back linking it to the Dua field which is in close proximity to the Chim Sao field, and boosting its potential as an oil and gas production facility. |                      |                                     |