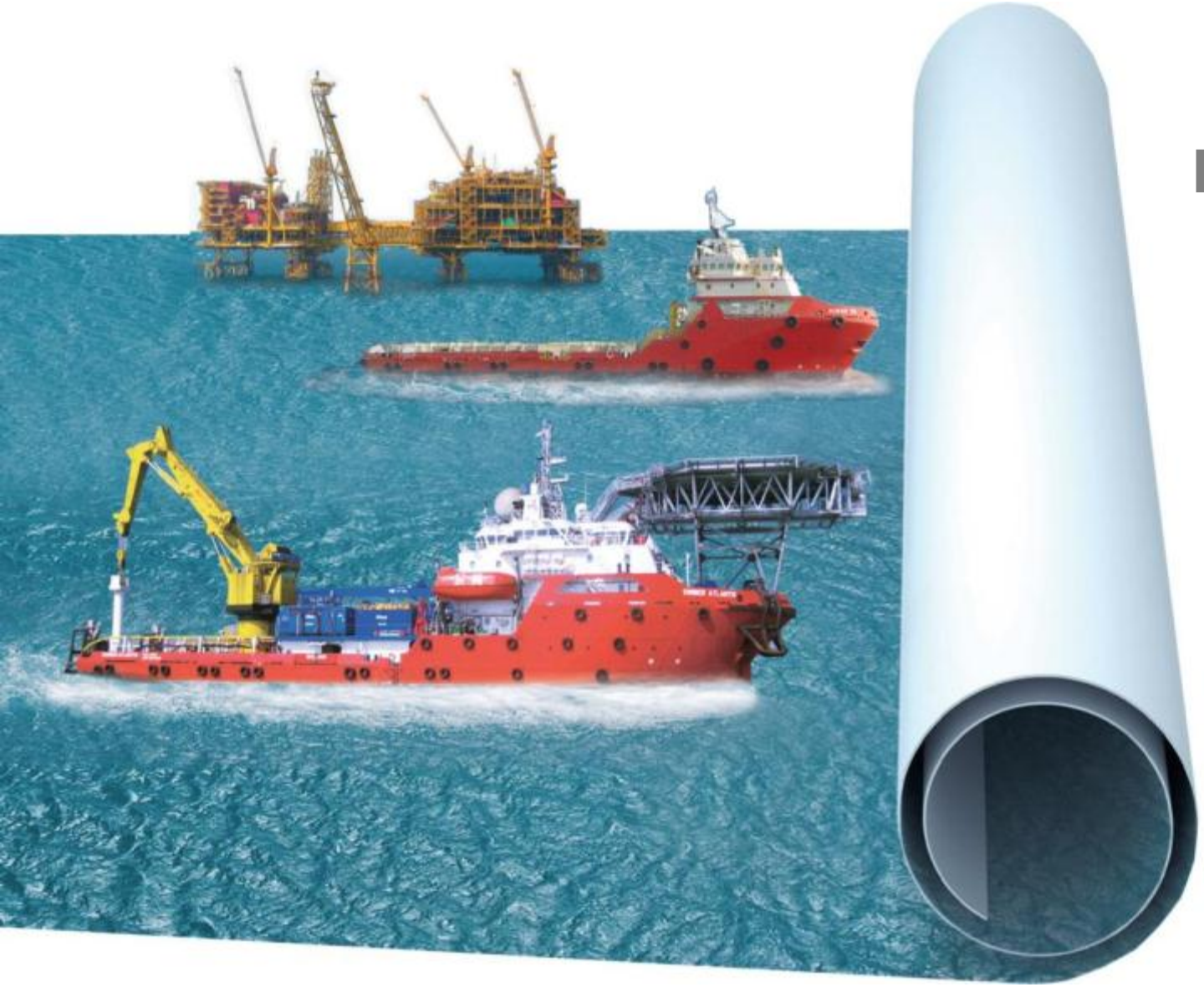

Corporate Presentation

12 August 2015

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Vallianz

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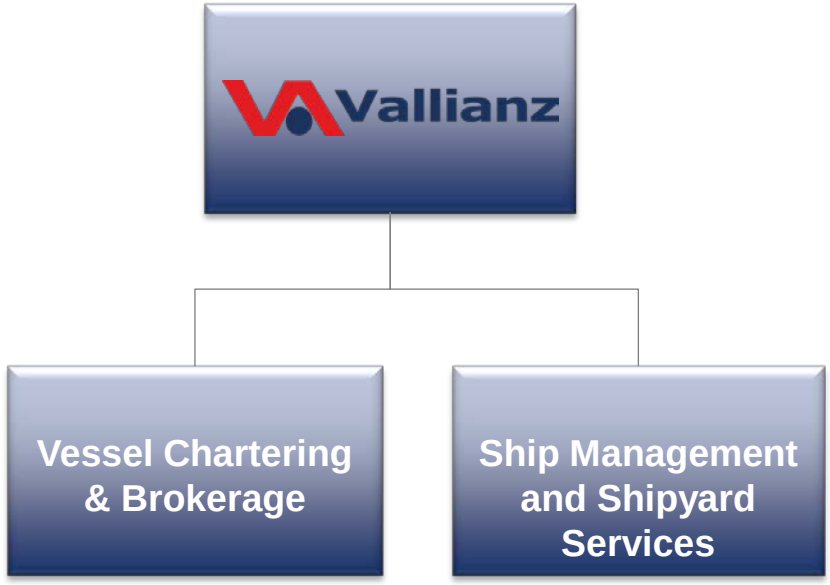
BUSINESS OVERVIEW

Fast Growing Provider of Offshore Support Vessels and Integrated Marine Solutions

- **Integrated marine services** – vessel ownership, chartering, ship management and crewing services
- Own and operate a **young and growing fleet of offshore support vessels**
- **Strong foothold in the Middle East** and coverage across Asia Pacific and Latin America
- Serve **national oil companies** and **oil majors** worldwide
- Helmed by **industry veterans** with relevant and complementary track records



YOUNG AND DIVERISIFED FLEET

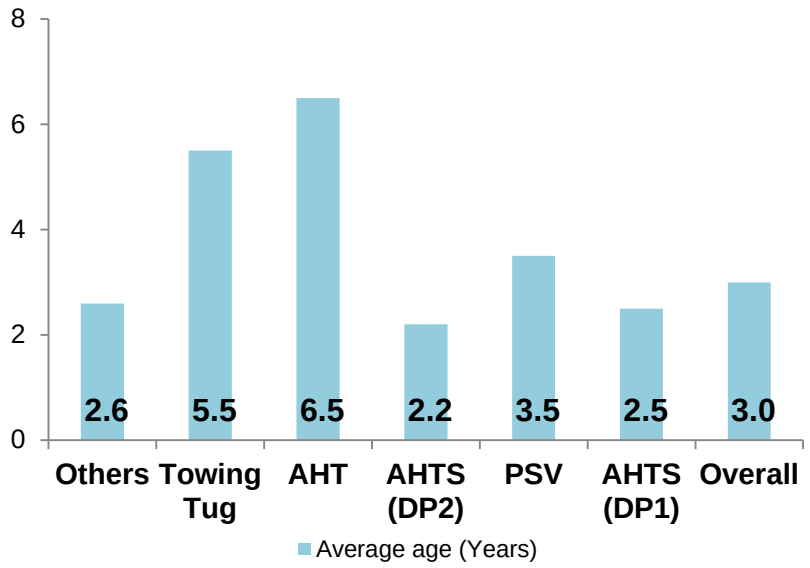
Own 40 Offshore Support Vessels

Owned Fleet

Owned Fleet	Capacity	Vessels
AHT	4200 – 4750 BHP	2
AHTS (DP1)	5150 – 6400 BHP	14
AHTS (DP2)	6000 – 7300 BHP	5
PSV (DP2)	2529 – 3300T DW	6
Towing Tug	3200 BHP	2
Others	1350 - 2400 BHP	11
TOTAL		**40**

As at 30 June 2015

Owned Fleet Average Age = 3 Years



CORPORATE HIGHLIGHTS



Continues to Win New Long-Term Charter Contracts Amid Uncertain Market Climate

2015 July 13

US$300M	5 years + 2-year option	3Q2015 to Year 2022
Contract Value	Contract Duration	Charter Period

SUPPLY TWO SELF-ELEVATING PLATFORMS TO A NATIONAL OIL COMPANY IN THE MIDDLE EAST (NOC)

As project manager, Vallianz will work closely with the NOC and oversee the deployment and offshore activities of the self-elevating platforms

2015 July 20

US$458M	3 years + 2-year option	Up to 2020
Value of Contracts	Contract Duration	Charter Period

LENGTHENS CHARTER DURATION FOR 15 AHTS and 4 PSVs CURRENTLY DEPLOYED TO EXISTING CUSTOMER (NOC IN THE MIDDLE EAST)

- *Boost our order backlog*
- *Enhance revenue visibility and business resilience*

FINANCIAL HIGHLIGHTS



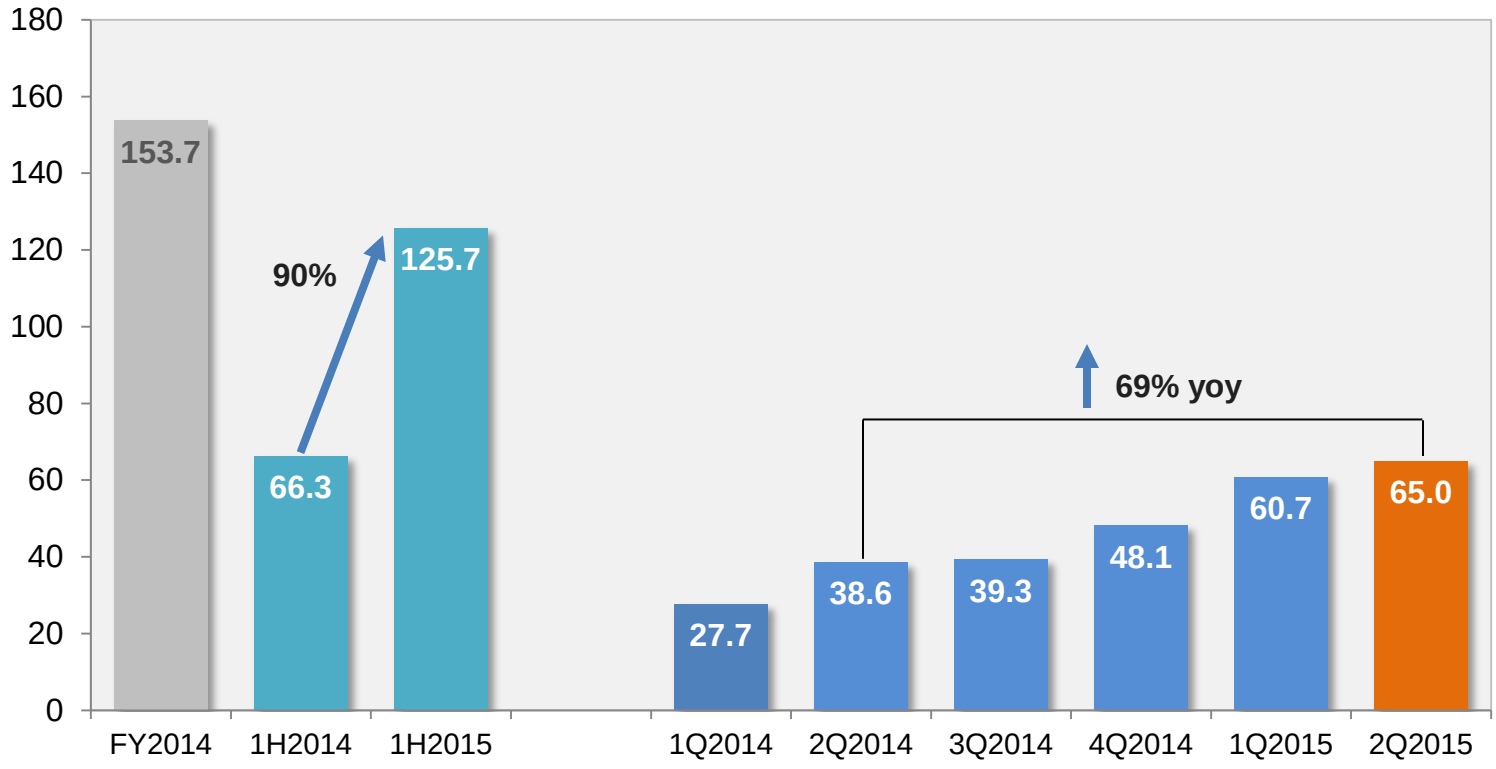
Profit and Loss Summary

(US$ M)	1Q15	2Q15	2Q14	yoy change	1H15	1H14	yoy change
Revenue	60.7	**65.0**	38.6	68.6%	**125.7**	66.3	89.8%
Gross Profit	16.0	**17.8**	13.9	27.9%	**33.8**	24.2	39.5%
EBITDA	19.8	**21.3**	14.8	43.9%	**41.2**	26.0	58.5%
Net Profit After Tax	5.5	**4.6**	5.8	(20.9%)	**10.1**	11.2	(9.8%)
Net Profit to Equityholders	5.0	**3.8**	5.3	(29.1%)	**8.7**	10.1	(13.0%)

FINANCIAL HIGHLIGHTS

Steady Growth in Revenue

Group Revenue (US$ M)

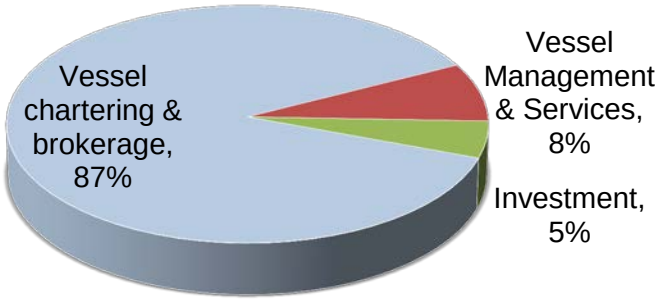


Average Fleet Utilisation in 2Q15 = approximately 82%

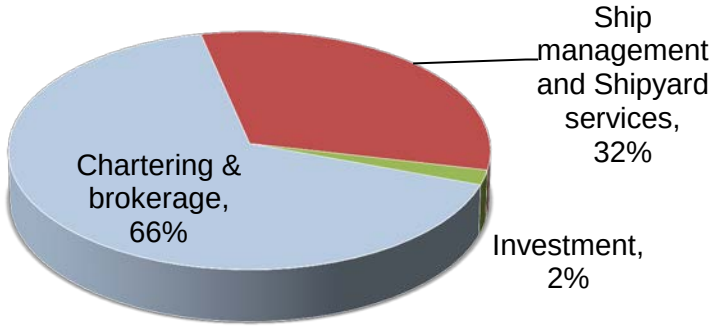
FINANCIAL HIGHLIGHTS

Change in Revenue Composition

Revenue Breakdown (1H14)



Revenue Breakdown (1H15)

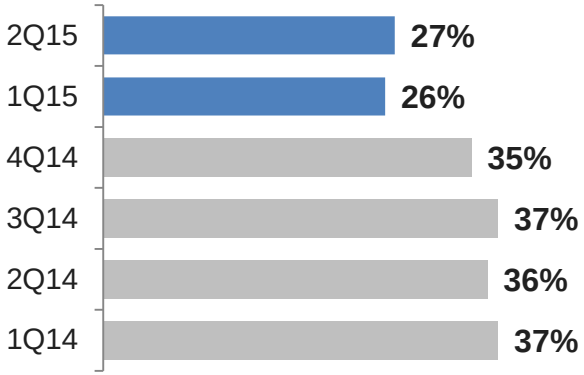


- Chartering revenue derived from contracts for vessels deployed in Middle East, Asia Pacific, & Latin America
- Increase in revenue from vessel management (including crew services) and shipyard services following acquisition of Jetlee Group, OER Group and Newcruz Group in 4Q14

FINANCIAL HIGHLIGHTS

Sustained Profitability Despite Weaker Market Environment

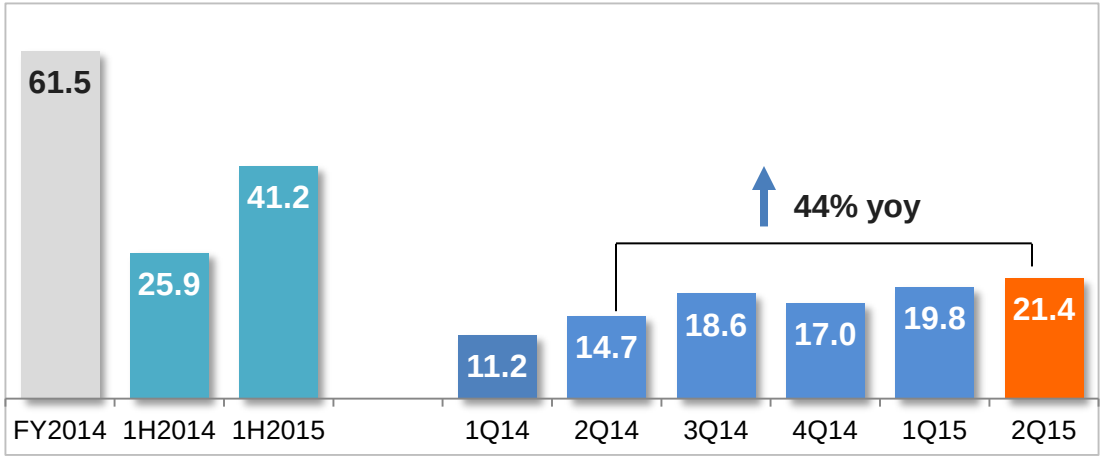
GROSS PROFIT MARGIN



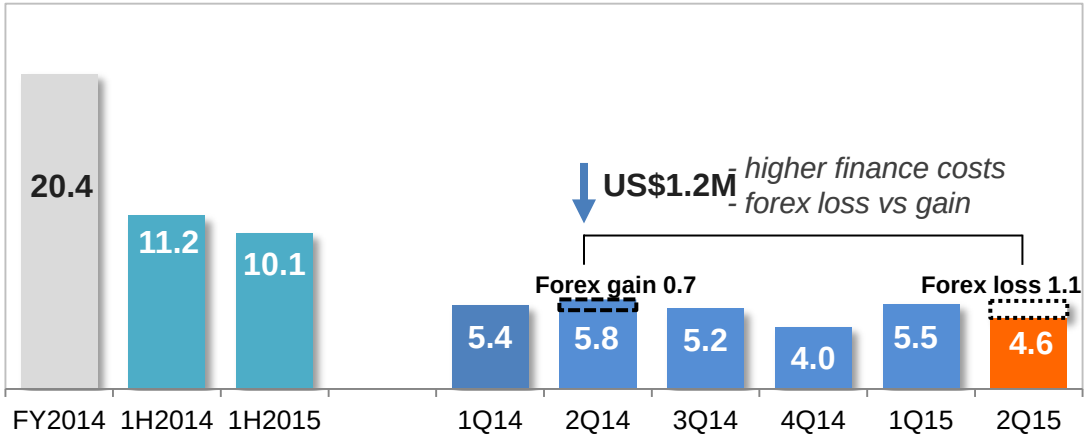
GPM stable over 1Q15 and 2Q15

2Q15 GPM lower year-on-year due to change in revenue mix and expansion of owned fleet

EBITDA (US$ M)



NET PROFIT (US$ M)



FINANCIAL HIGHLIGHTS



Balance Sheet and Key Financial Ratios

	30 Jun 2015 (US$' 000)	31 Dec 2014 (US$' 000)
Total Cash and Cash Equivalents	**15,661**	20,754
Total Assets	**987,783**	971,714
Total Debt	**532,206**	544,104
Total Equity	**258,987**	240,748

	30 Jun 2015	31 Dec 2014
Return on Average Equity [(1)]	**9.0%**	15.9%
Trade Receivables Turnover (days)	**182**	235
EBITDA[(2)] / Interest Expense	**2.96 times**	2.76 times

Notes :

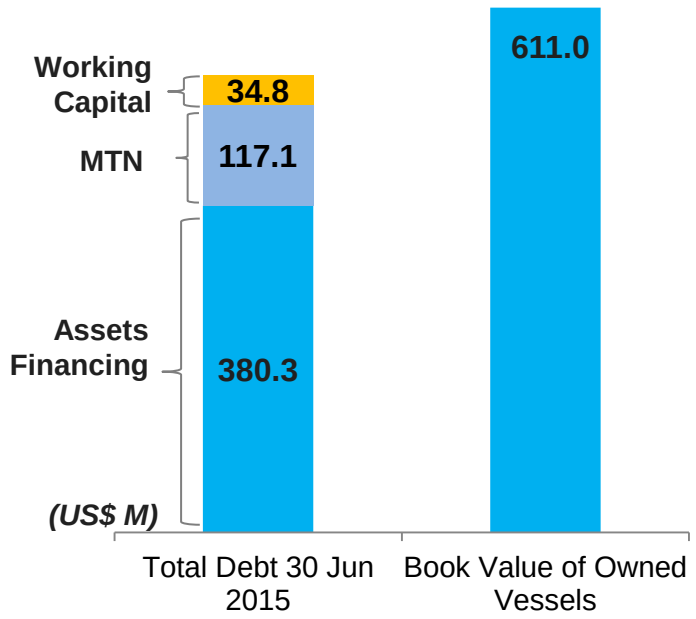
(1) Excluding preference shares and capital securities

(2) Profit before interest, tax, depreciation and amortisation

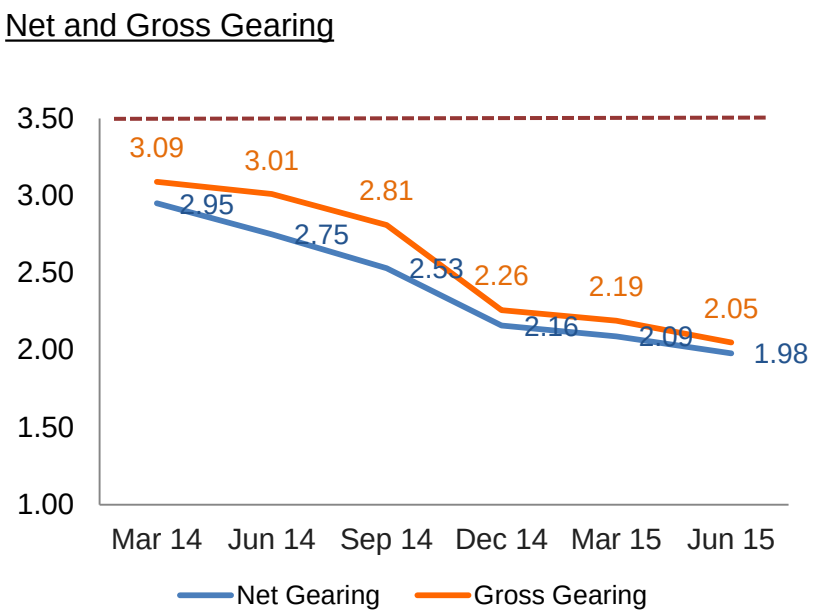
FINANCIAL HIGHLIGHTS

Debt and Capital Management

Financing backed by book value of owned vessels



Improvement in gearing



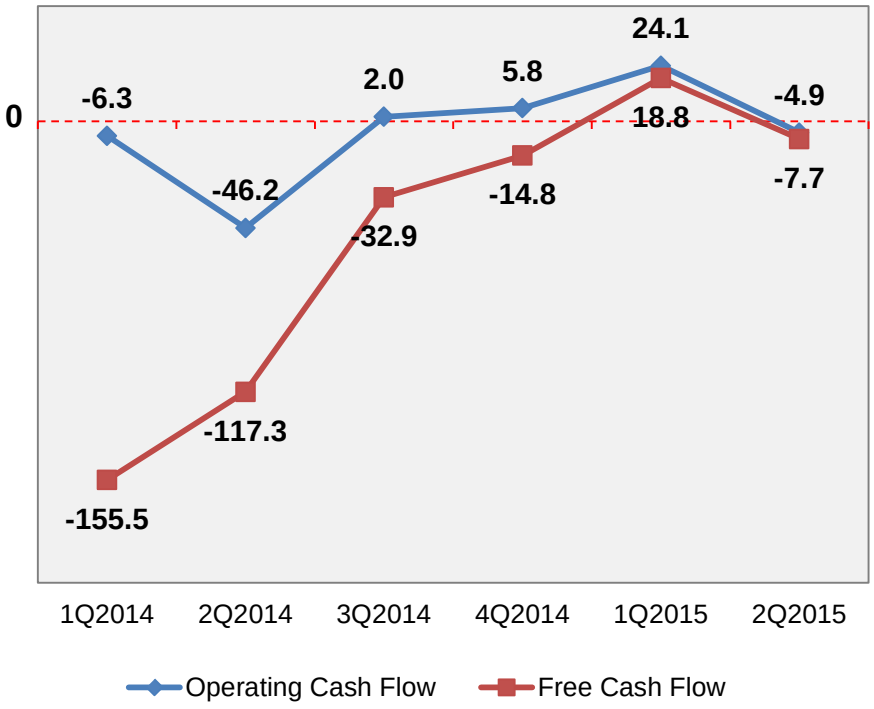
Financial covenant under MTN programme :

----- as at 31/12/2015

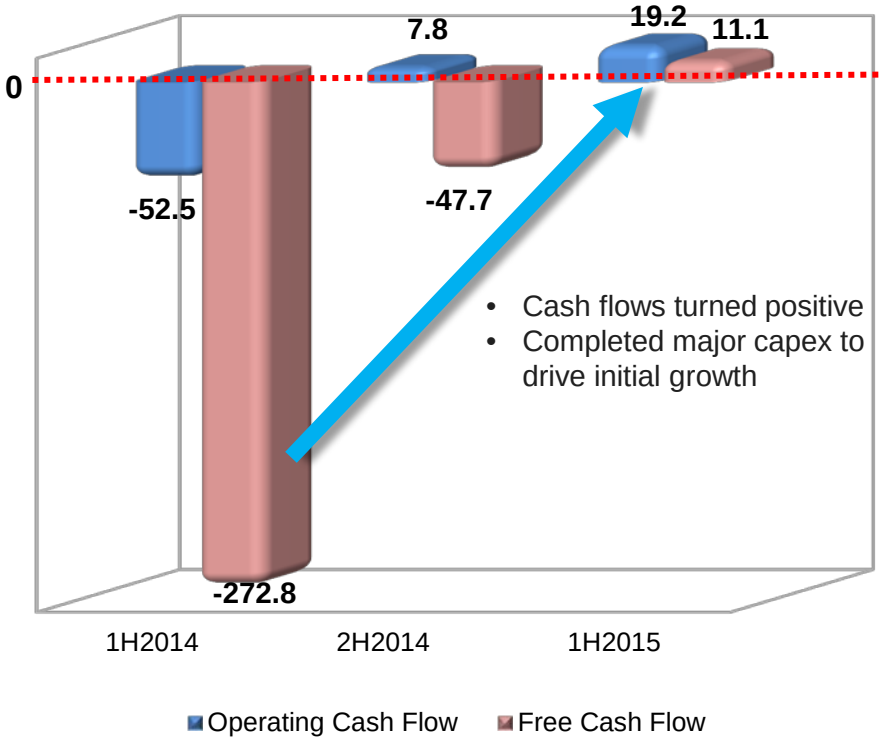
FINANCIAL HIGHLIGHTS

Improving Cash Flow

(US$ M)



(US$ M)



Free Cash Flow = Net cash from/used in operating activities + Net cash used in investing activities

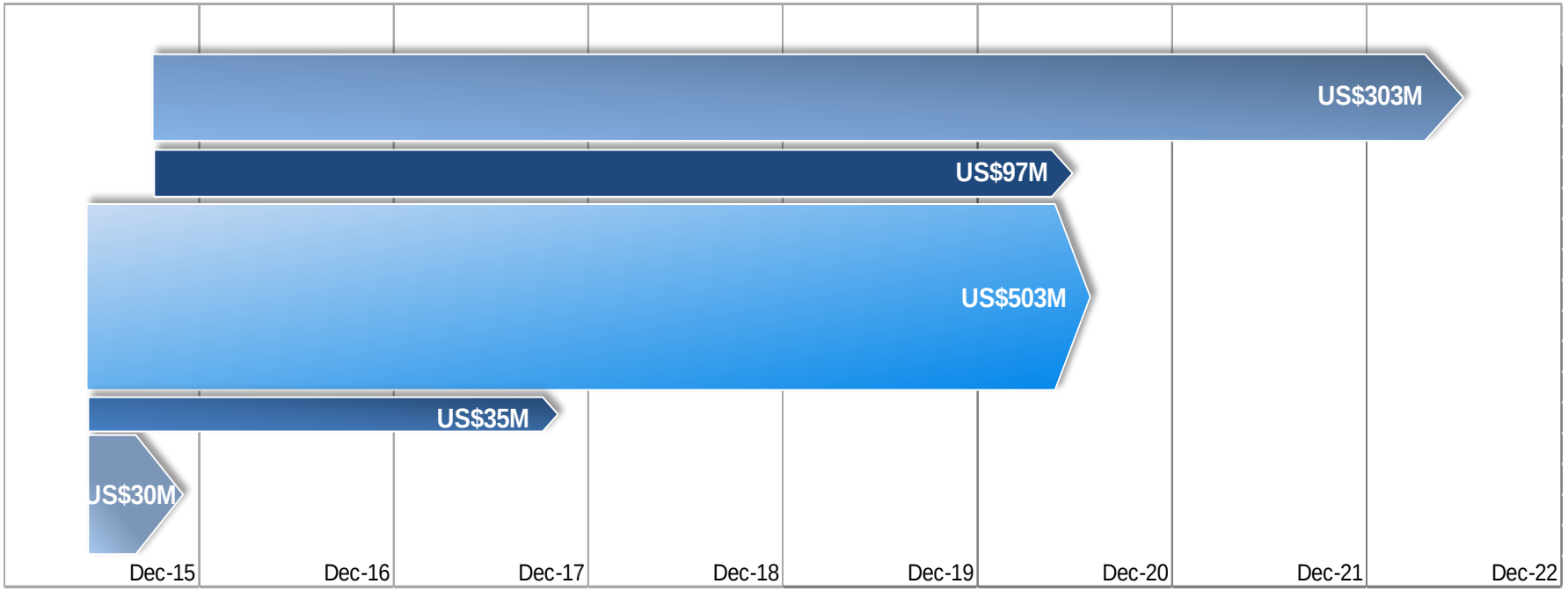


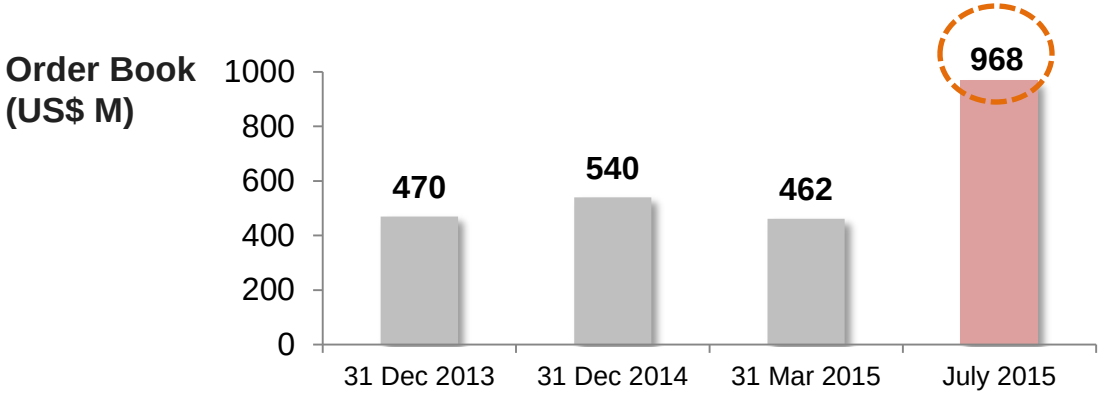


Group Outlook

ROBUST ORDER BOOK

Order book of US$968M; Clear Revenue Visibility for next 5 years





GROUP OUTLOOK

Vallianz is Defensively Positioned in Current Environment

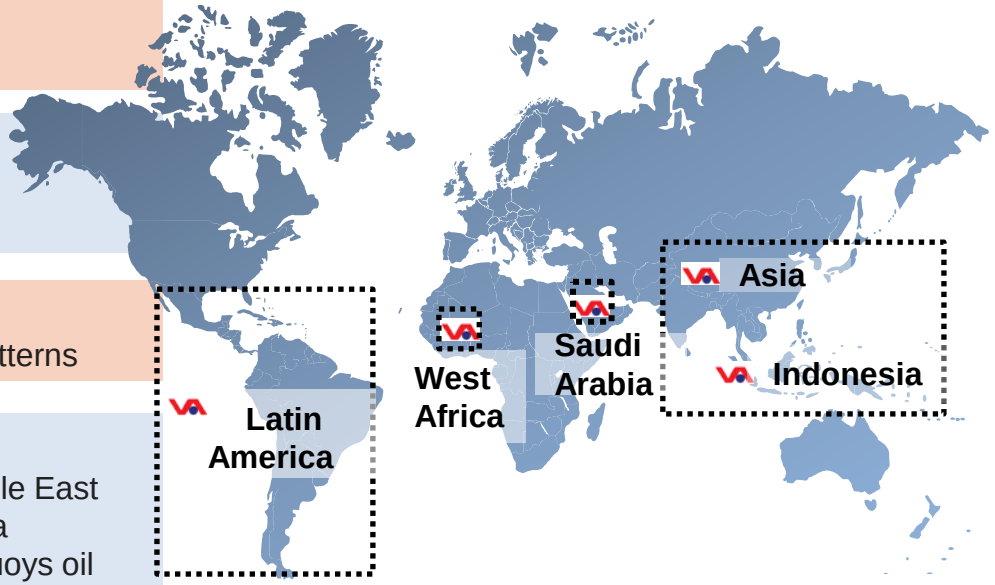
Our OSV chartering business focuses on shallow water oil field projects
- Lower break-even costs
- Less susceptible to capex cuts

Securing long-term charter contracts
- 5 years
- Higher revenue stability to ride out oil price volatility

High exposure to NOCs
- Less volatile exploration and production spending patterns

Strong foothold in the Middle East
- Majority of our vessel charters are based in the Middle East
- Second largest OSV supplier to NOC in Saudi Arabia
- OPEC members maintaining oil production output buoys oil and gas activities

Young fleet of vessels
- Reliable, less maintenance and downtime



GROUP OUTLOOK

Vallianz Maintains Positive Long-Term Growth Outlook

Despite presently tougher market environment, Vallianz achieved :

- **profitable performance,**
- **stable fleet utilisation rate**
- **stronger order backlog**

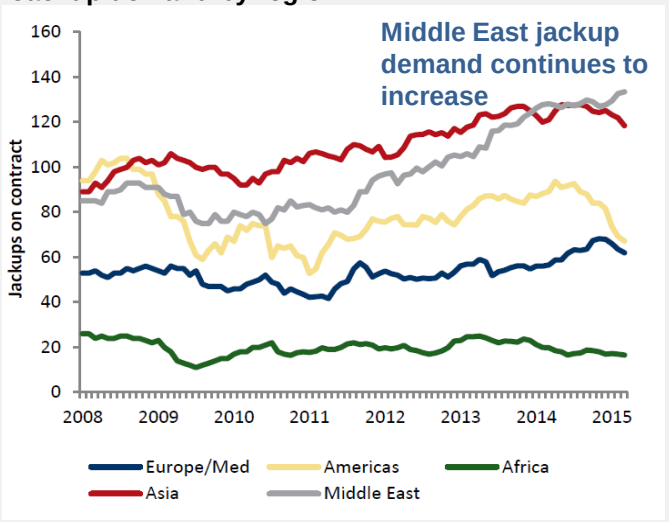
Industry concerns : Volatile oil price environment; day charter rate and vessel utilisation rate under pressure

Strategy & Focus – Business Sustainability

Market Strategy

- Near-term: Focus on Middle East
- Close support to key NOC customer
- Target oil companies in other Gulf states
- Emphasise on safe and efficient operations
- Long-term : Middle East, Latin America, Asia, West Africa

Jackup demand by region



Source: RS Platou, May 2015

Cost Management

- Consolidation of operations
- Drive operational efficiency
- Cost rationalisation

Vessel Offering

- Broaden marine assets and solutions
- Specialised vessels sharpen competitive edge and generate better yield than standard vessels

Capital Management

- Align new vessel additions to market conditions
- Focus on EBITDA/interest coverage, and managing capital structure

KEY TAKEAWAYS









Fast growing OSV player with young fleet & integrated capabilities

Strongly anchored in the Middle East market

Penetrating new growth markets to expand future earnings base

Defensively positioned – longer-term charter contracts, focus on shallow waters, high exposure to NOCs

Clear turnover and earnings visibility

Strong strategic shareholders continue to bring value to the Company

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Vallianz