INCORPORATED IN SINGAPORE
COMPANY REGISTRATION NO. 200702224N

EMAS Offshore Limited

EMAS OFFSHORE LIMITED

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MEDIA RELEASE

Market and sector weaknesses continue to weigh on 3QFY2016 results

- **Conditions in the industry remained challenging in 3QFY2016, resulting in weakness in demand for the OSV market**
- **Group staying vigilant with focus on cost containment and working to further improve operational efficiencies and utilisation**

SINGAPORE ♦ 14 JULY 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 reported a net loss of US$23.2 million for the financial period ended 31 May 2016 against challenging macroeconomic and industry conditions.

For the three months ended 31 May 2016 ("3QFY2016"), the Group recorded a revenue of US$35.1 million, as compared to revenue of US$59.2 million in the year-ago period ("3QFY2015"). This decline in revenue was the result of continual weakness in the offshore industry leading to markedly lower demand as well as general over-supply in the offshore support vessels ("OSV") segment.

As a result, though cushioned by lower cost of sales, gross loss for the quarter was US$12.4 million as compared to gross profit of US$6.0 million in the previous corresponding period.

The West African market continues to be promising with increased bidding activities. The Group is looking to further develop its business in the West Africa region as well as other regions so as to diversify revenue sources from its established base of Southeast Asia.

Captain Adarash Kumar, EMAS Offshore's Chief Executive Officer, said: "The recent general increase in oil price has calmed sentiments somewhat and we have started to observe a marginal uptick in enquiries for our vessels. That said, as recovery is not expected to be imminent, we remain keenly aware of the softness in this market and will continue to stay vigilant on costs while working to improve efficiency and utilisation.

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Apart from our latest announced contract wins in Southeast Asia and West Africa, the Group is working on harnessing synergies and tapping into activities of the wider Ezra family to enter into new markets."

On 1 July 2016, the Group formalised the sale of its entire 41.7% equity share in PV Keez Ltd[1], which owns FPSO *Lewek EMAS*, through a sale and purchase agreement. The sale is consistent with EMAS Offshore's strategy of moving away from the ownership of FPSO assets and to leverage on the Group's experience in FPSO conversion to provide value-added services to third parties instead. Subject to customary conditions, including approvals from Ezra's shareholders, closure of the transaction is expected to take place on or before 30 September 2016 (the "Closing Date"). It is expected that the initial proceeds of US$17.8 mil payable on Closing Date will be utilised for debt repayment.

The Group is in discussions with various parties on its financial obligations, which includes securing new working capital facilities. This is expected to be finalised by the end of the current financial year.

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. Its global presence also includes operations in West Africa and Australia.

Business activities are carried out by two 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.

[1] From 1 March 2016, the Group has reclassified earnings attributable to PV Keez Ltd, which owns FPSO *Lewek EMAS*, under assets held for sale.

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