FOR IMMEDIATE RELEASE **22 FEBRUARY 2019**

PACC OFFSHORE SERVICES HOLDINGS LTD.

MEDIA RELEASE

POSH REPORTS HIGHER REVENUE, LOWER LOSSES

- *Q4 2018 revenue up 6% YoY on higher contribution from all business segments;*
- *Q4 NLAT reduced by 59% YoY; Losses mainly on non-cash impairments amid still challenging market; Excluding impairments, core NLAT at US$30.5m*
- *FY2018 revenue up 56%; NLAT reduced by 57%*
- *Positive operational cash flow of US$27.5m; EBITDA of US$53.8m for FY2018*

Group Financial Performance for Q4 and FY2018

	Quarter ended			Full year ended		
	31 Dec 2018 (US$'000)	**31 Dec 2017[1] (Restated) (US$'000)**	**% change**	**31 Dec 2018 (US$'000)**	**31 Dec 2017[1] (Restated) (US$'000)**	**% change**
Revenue	65,985	62,479	6	299,400	192,208	56
Gross (loss)/profit	(4,804)	(1,366)	252	32,993	(13,415)	N.M.
Impairment of goodwill	-	(57,125)	N.M.	-	(57,125)	N.M.
Impairment of fixed assets	(49,493)	(108,255)	(54)	(49,493)	(108,255)	(54)
Share of joint ventures' results	(7,309)	(11,467)	(36)	(8,566)	2,356	N.M.
Net (loss) attributable to Shareholders ("NLAT")	(79,994)	(194,885)	(59)	(98,326)	(230,286)	(57)
NLAT excluding impairments and fixed assets disposal gain/(loss)	(30,501)	(28,286)	8	(48,187)	(61,773)	(22)
EBITDA	(4,354)	(3,385)	29	53,774	26,505	103

**N.M. denotes not meaningful*

SINGAPORE, 22 February 2019 – Offshore marine services provider, PACC Offshore Services Holdings Ltd. ("**POSH**" or the "**Group**"), today reported results for the fourth quarter and full year ended 31 December 2018 ("**Q4 FY2018**" and "**FY2018**" respectively).

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[1] POSH restated its FY2017 financials with the adoption of the new Singapore Financial Reporting Standards (International) from Q1 FY2018.

For the three months ended 31 December 2018 ("**Q4 FY2018**"), POSH recorded a 6% increase in revenue year-on-year ("**YoY**") to US$66.0 million with improved contribution from all four business segments, especially from its Transportation & Installation ("**T&I**") and Harbour Services and Emergency Response ("**HSER**") segments.

Amid continued challenging conditions across the industry, the Group booked non-cash impairments of US$49.5 million on vessels. The amount of impairment is down from US$165.4 million of non-cash impairments made on goodwill (US$57.1 million) and vessels (US$108.3 million) for FY2017.

Correspondingly, the Group significantly reduced its net loss attributable to shareholders ("**NLAT**") by 59% YoY for Q4 FY2018 to US$80.0 million, from U$194.9 million in the previous corresponding period. Excluding the impact from the impairments, core NLAT would have been US$30.5 million.

For the full year ended 31 December 2018 ("**FY2018**"), revenue increased 56% YoY to US$299.4 million on higher contribution from all business segments. As a result, the Group recorded a gross profit of US$33.0 million, compared to a gross loss of US$13.4 million for FY2017. NLAT more than halved to US$98.3 million from the US$230.3 million for FY2017. Excluding the impact from the impairments, core NLAT would have been US$48.2 million.

The Group generated a positive net operating cash flow of US$27.5 million for FY2018, with a net gearing of 2.1 times as at 31 December 2018.

Business Segment Performance for Q4 FY2018

	Revenue			**Gross Profit/(Loss)**		
	Quarter ended			**Quarter ended**		
	31 Dec 2018 (US$'000)	**31 Dec 2017 (Restated) (US$'000)**	**% change**	**31 Dec 2018 (US$'000)**	**31 Dec 2017 (Restated) (US$'000)**	**% change**
Offshore Supply Vessels	19,682	18,813	5	(8,953)	(6,158)	45
Offshore Accommodation	36,430	35,887	2	3,563	5,183	(31)
Transportation & Installation	4,178	3,251	29	(716)	(1,209)	(41)
Harbour Services & Emergency Response	5,695	4,528	26	1,302	818	59

Offshore Supply Vessels ("OSV")

Revenue increased 5% to US$19.7 million as vessel utilisation improved to 68% (Q4 FY2017: 61%) on contribution of 12 vessels deployed to a Middle East National Oil Company on long-term charters. However, higher vessel operating expenses and dry docking costs from the remaining vessels in the fleet led to a higher gross loss of US$9.0 million (Q4 FY2017: US$6.2 million).

Offshore Accommodation ("OA")

Revenue improved by 2% to US$36.4 million (Q4 FY2017: US$35.9 million) on higher utilisation of the OA fleet during the quarter. However, higher maintenance and docking expenses resulted in a lower gross profit of US$3.6 million (Q4 FY2017: US$5.2 million).

Transportation & Installation ("T&I")

Revenue increased 29% to US$4.2 million on higher vessel utilisation of 53% (Q4 FY2017: 42%). This improved revenue reduced gross loss to US$0.7 million, from US$1.2 million in the previous corresponding quarter.

Harbour Services & Emergency Response ("HSER")

HSER recorded a 26% increase in revenue to US$5.7 million, mainly on higher revenue from heavy lift vessels and time charter jobs. Gross profit increased by 59% to US$1.3 million correspondingly.

Operational updates and outlook

Semi-submersible Accommodation Vessel ("SSAV") POSH Xanadu completed her Chevron Bigfoot campaign on 15th October 2018, achieving 100% uptime. Upon completion of her maintenance, she mobilised to Brazil to commence an eight months' charter with Petrobras in January 2019.

SSAV POSH Arcadia completed her Shell FLNG Prelude project on 21st December 2018 and demobilised to Batam in January 2019. The Group is bidding her for several prospective charters in 2019 whilst she is undergoing regular maintenance.

Charter rates and utilisation for the OA Monohull segment have firmed up over the last few months, indicating increased activities in the offshore maintenance segment.

Despite increased activities in offshore construction and maintenance segment, excessive oversupply situation continues to put pressure on charter rates and utilisation across other vessel classes.

Captain Gerald Seow, Chief Executive Officer of POSH, said, "While market conditions remain challenging, POSH continues to differentiate itself through providing consistent and reliable services to our customers. We are expanding our service platforms in select growth markets in order to be closer to the market and our customers. This will allow us to better understand their needs to help them execute their campaigns in a safe and cost-efficient manner.

In order to further diversify and grow revenue, we will continue to grow our new businesses of subsea and offshore renewables services in 2019."

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About PACC Offshore Services Holdings ("POSH")

PACC Offshore Services Holdings ("**POSH**") is listed on the Singapore Exchange and is one of the largest Asia-based international operators of offshore support vessels, and among the top five globally, with a diversified fleet providing marine support services to the offshore oil and gas industry.

The Group's four key business segments are:

Offshore Supply Vessels (**"OSV"**) – supports mid- to deep-water operations of rigs and oilfield operators (exploration and construction phases).

Offshore Accommodation (**"OA"**) – operates a fleet of offshore accommodation vessels providing a range of solutions for offshore construction, modification & maintenance, and decommissioning activities.

Transportation & Installation (**"T&I"**) – supports marine contractors in construction and maintenance of oilfield infrastructure and pipelines.

Harbour Services & Emergency Response (**"HSER"**) – operates a fleet of harbour tugs actively engaged in supporting harbour towage operators. A joint venture also provides heavy lift services to shipyards engaged in the construction, repair and conversion of ships, offshore drilling units, other offshore structures, topside production and processing facilities.