

Swissco Holdings Limited

Second informal Note holders meeting

24 October 2016

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Meeting protocol

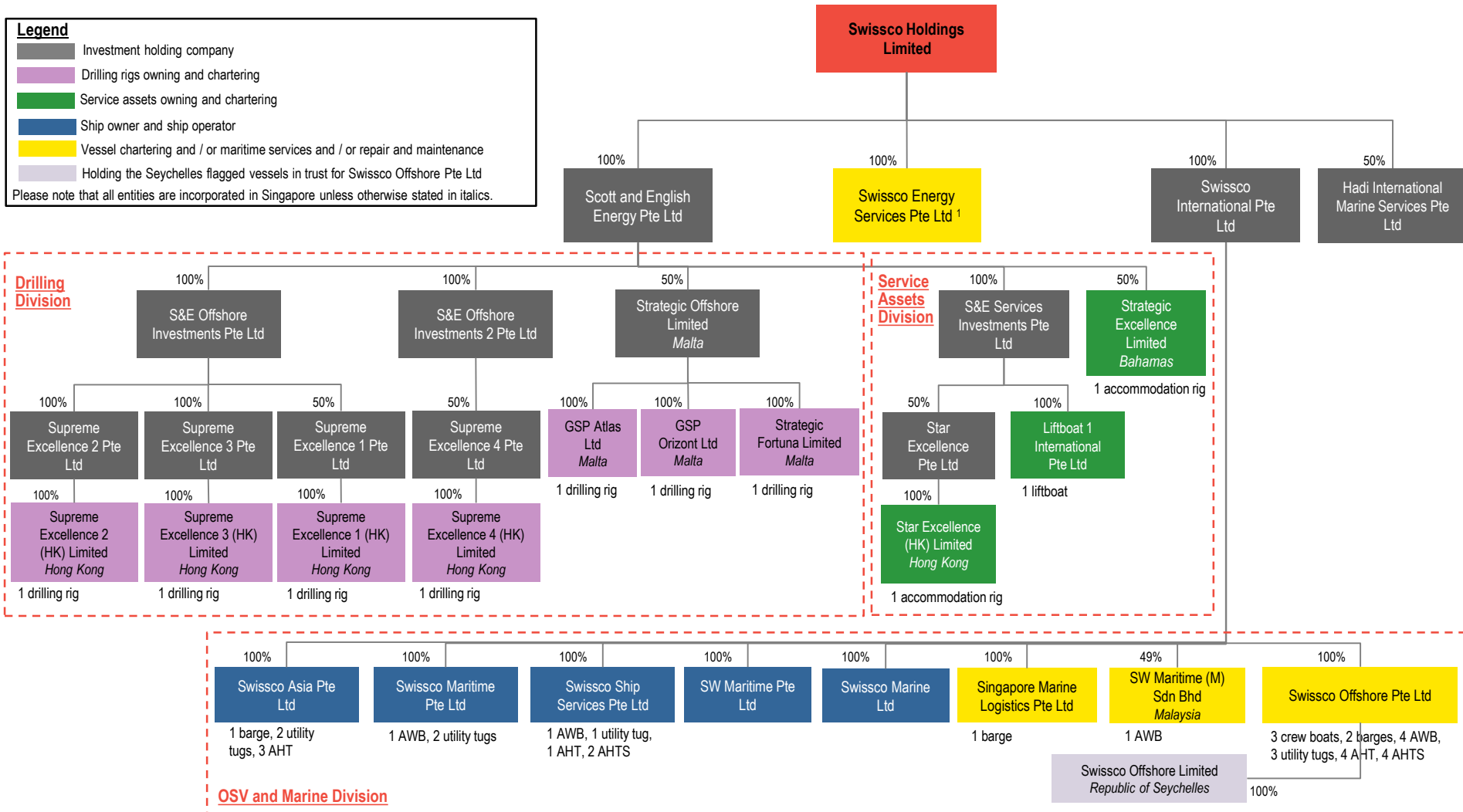
- ▶ Without prejudice
- ▶ Informal meeting
- ▶ No recording and photo taking
- ▶ Identification for Q&A

Agenda

- ▶ Management briefing on strategy going forward
- ▶ Debt restructuring plan
- ▶ Option considerations
- ▶ Next steps
- ▶ Q&A

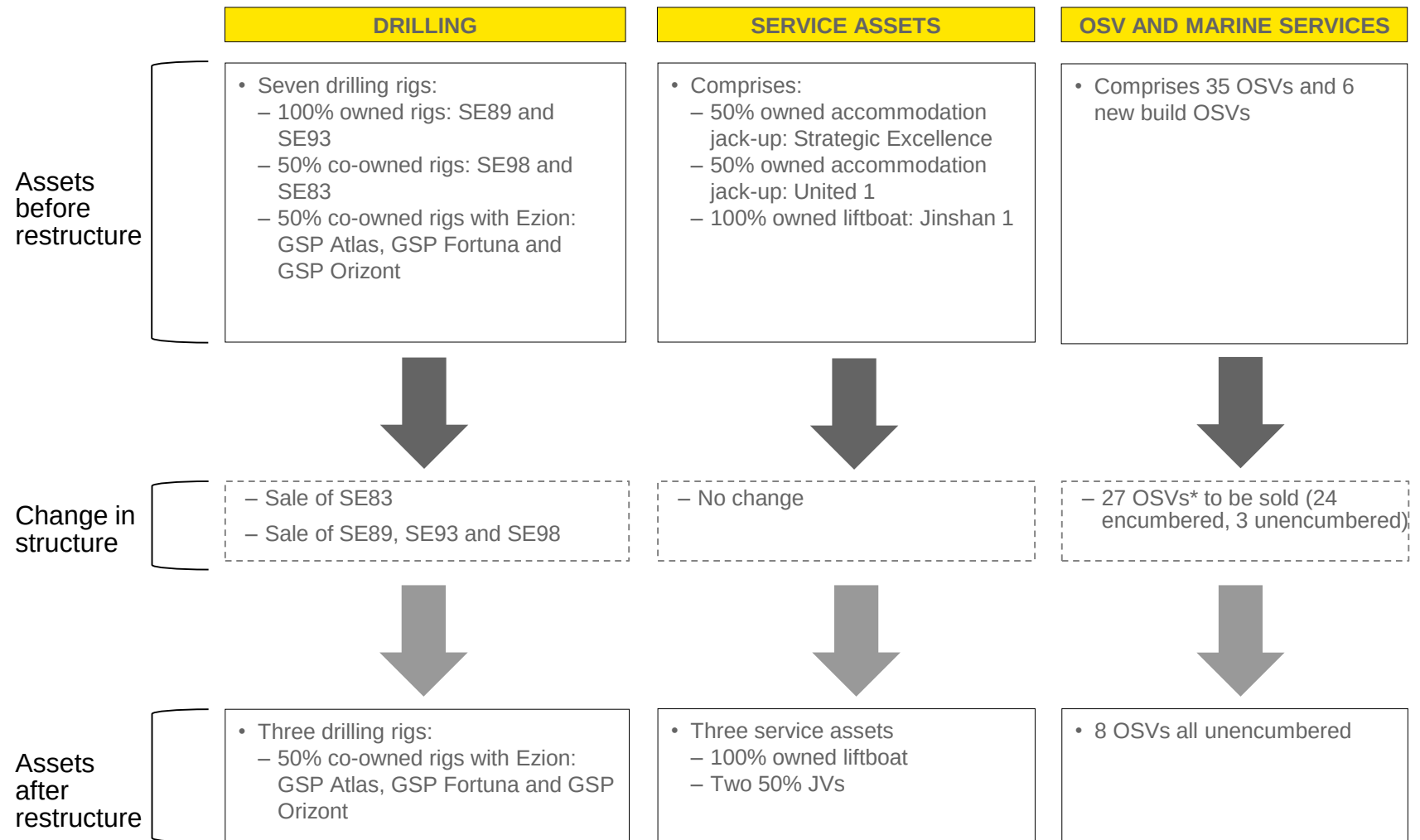
Debt restructuring plan

Corporate structure



Debt restructuring plan

Revised fleet



* Subject to ongoing discussions with banks on fleet size

Debt restructuring plan

Key features

1. Raise new funds

- ▶ Equity – Injection from new and / or existing shareholders
- ▶ Vessel sales:
 - ▶ Encumbered vessels
 - ▶ Unencumbered vessels

2. Fleet re-alignment

- ▶ Rigs – sale of SE83, SE89, SE93 and SE98
- ▶ OSV – sale of 27 OSVs*
- ▶ Remaining fleet:
 - ▶ Three service assets (two 50% JVs)
 - ▶ Eight OSVs
 - ▶ Three rigs co-owned with Ezion

3. Bank creditor restructuring

- ▶ Secured loans – Jinshan 1 (liftboat) and Tuas property
- ▶ Secured loans (JV / associates) – United 1 (accommodation jack up)
- ▶ Secured loans – Asset for sale
- ▶ Unsecured loans – OSV and rigs

4. MTN and REPS restructuring

- ▶ MTN – Partial bullet repayment and conversion of debt to equity
- ▶ REPS – convert to equity in SHL

* Subject to ongoing discussions with banks on fleet size

Debt restructuring plan

Proposed MTN terms

\$S\$100m 5.7% Notes due April 2018

Debt exchange via a Consent Solicitation Exercise

Principal

- ▶ Bullet repayment of US\$10 million (~S\$13.5 million) on 31 December 2020

Interest

- ▶ Cash interest: 1.5% p.a.
- ▶ Non-cash interest: 3 month SIBOR + 3.5% minus cash interest
- ▶ Accrued interest to be added to creditors' principal amount

New security (to be shared with other financial creditors)

- ▶ First priority share charge over the shares of each wholly-owned subsidiary of Swissco
- ▶ Assignment over proceeds from sale of Ezion JVs *
- ▶ Assignment over proceeds from United 1 debt refinancing *

Covenants and events of default

Debt to equity conversion in SHL

Equity conversion

- ▶ Convert principal amount of US\$64.1 million (~S\$86.5 million) to equity in Swissco Holdings Limited
- ▶ Conversion price – to be agreed
- ▶ Equity listed and tradable on SGX

* To be shared in accordance with a percentage ratio

Debt restructuring plan

Debt profile and pro-forma capital structure

Debt structure (30 June 2016 plus adjustments)

Type	Total amount (US\$m)
<u>Swissco</u>	
Bank loans (as at 30 June 2016)	147.5
Bank loans (post 30 June 2016)	41.4
MTN	74.1
Sub total	263.0
<u>JV and Associates</u>	
Bank loans	82.7
Sub total	82.7
Total	345.7

Source: Swissco quarterly results for FY16, Swissco Management

Debt structure (pro-forma: post restructuring and asset sale)

Type	Total amount (US\$m)
<u>Swissco</u>	
Bank loans	70.7
MTN	10.0
Sub total	80.7
<u>JV and Associates</u>	
Bank loans	-
Sub total	-
Total	80.7

Source: EY (excluding accrued interest)

Key points

- ▶ Existing debt profile is not sustainable
- ▶ Challenging industry outlook to secure deployment for rigs
- ▶ Stacking costs for idle rigs and low utilisation of OSVs, resulting in cash burn
- ▶ Lower revenues and asset values reducing the level of debt that can be supported

Key points

- ▶ Sale of rigs reduces cash burn
- ▶ Smaller OSV fleet with revised strategy
- ▶ Debt structure supports lower revenue and asset values
- ▶ Debt to equity conversion allows Note holders to share in upside as oil and gas sector improves
- ▶ Debt to equity conversion across all unsustainable unsecured debt in an equitable manner taking into consideration position in corporate structure

Debt restructuring plan

Projected cash flows

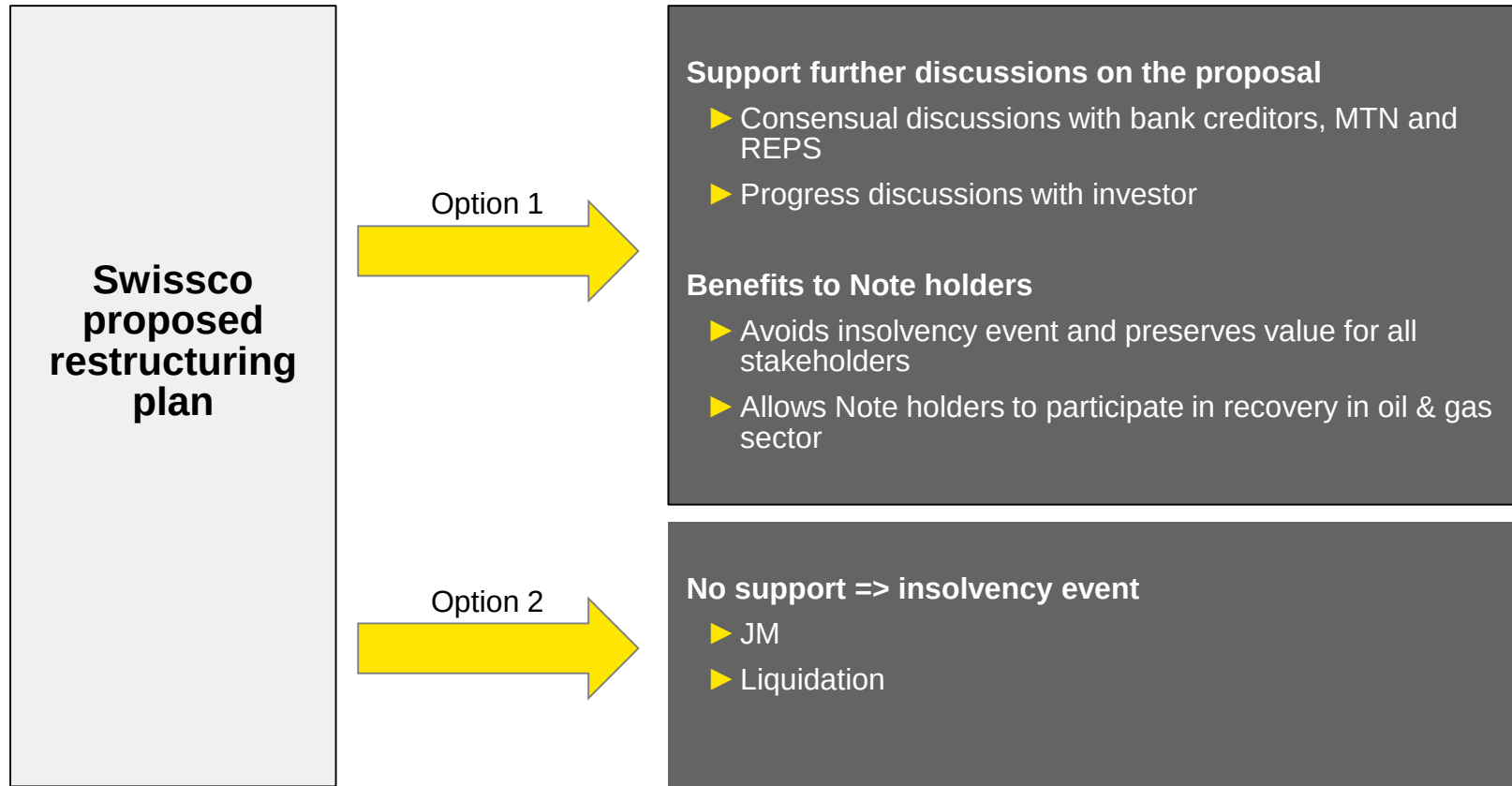
		Historical			Forecast			
Key financials		FY14	FY15	1H16	FY17	FY18	FY19	FY20
Swissco								
Total revenue	\$000	65,514	69,646	9,802	10,038	10,624	11,296	12,089
EBITDA	\$000	29,874	83,142	14,113	3,969	6,104	6,718	7,490
Free cash flow	\$000				(6,399)	4,870	6,048	6,447
Revenue								
S&E	\$000	11,380	28,791	-	6,670	7,004	7,074	7,165
SIPL	\$000	54,134	40,855	9,802	3,368	3,620	4,221	4,924
EBITDA								
S&E	\$000				4,294	6,178	6,219	6,299
SIPL	\$000				(325)	(74)	499	1,192
Free cash flow								
S&E	\$000				(4,579)	6,313	6,236	6,297
SIPL	\$000				(1,821)	(1,443)	(188)	150
Credit ratio								
Gross debt / EBITDA	x				21.2x	12.3x	10.4x	8.3x
Net debt / EBITDA	x				17.3x	10.6x	9.2x	7.8x
EBITDA / Interest expense	x				0.8x	1.7x	2.2x	2.6x

Source: Swissco Annual Report FY14 and FY15 / Swissco quarterly results for FY16 (historical; including JV and associates), EY (forecast based on information provided by Swissco, assumptions that are subject to change as the debt restructuring exercise progresses and are for the purpose of the debt restructuring exercise and not meant for the Note holders, shareholders or other investors to rely on for the purpose of dealing in Swissco's securities. Please note that any prospective financial information contained in the document is based on assumptions regarding future events, which may or may not occur as assumed and consequently the actual results achieved may materially differ from those presented in this document)

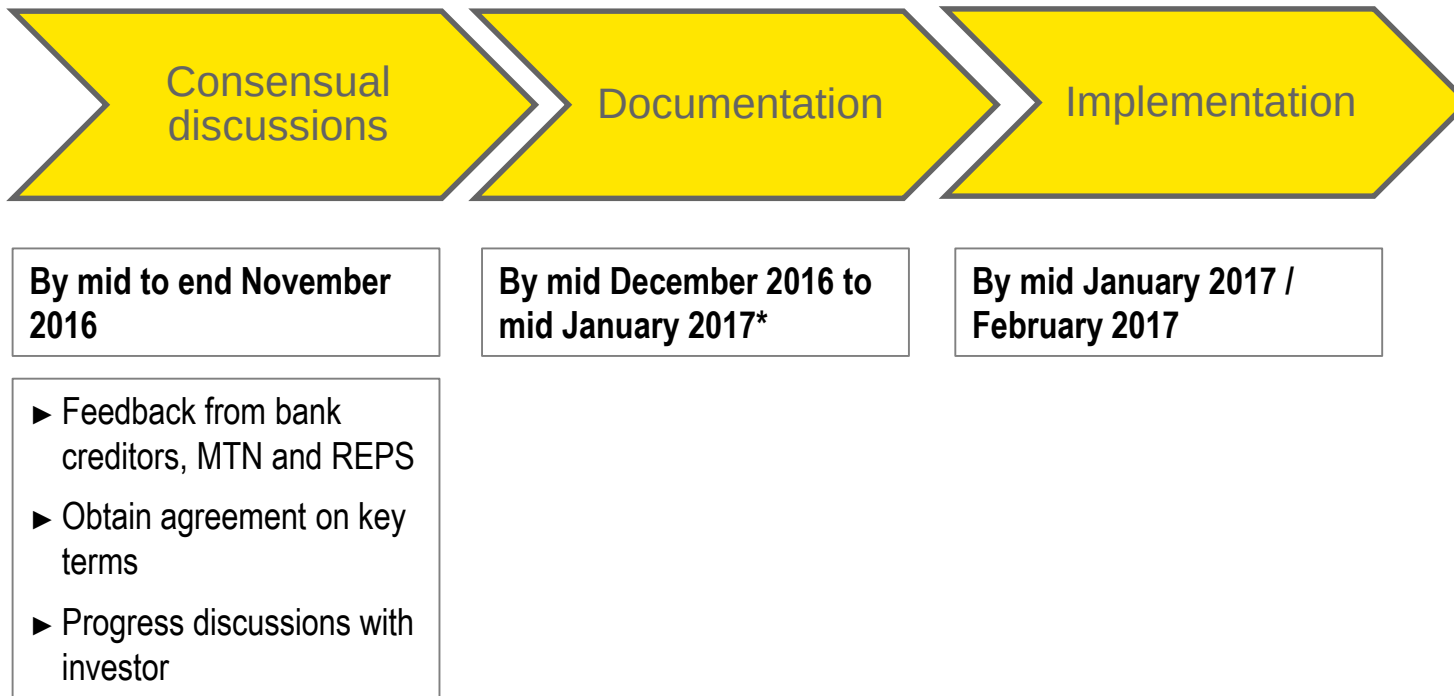
Key points

- ▶ Significant drop in revenue post restructuring as 4 drilling rigs are not in business plan going forward
- ▶ Drop in SIPL revenue post restructuring to reflect reduced OSV fleet
- ▶ Increase in S&E revenue due to new liftboat

Option considerations



Next steps – support further discussions



* Taking into consideration the Christmas and New Year holidays

Q&A

- ▶ Questions and answers
- ▶ Please state your name before asking your question

Appendix 1 – Abbreviations



Abbreviations

Group entities

Swissco	Swissco Holdings Limited and its subsidiaries
S&E	Scott and English Energy Pte Ltd
SHL	Swissco Holdings Limited
SIPL	Swissco International Pte Ltd

Others

Ezion	Ezion Investments Pte Ltd
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Units of measurement

m	Million
\$ / US\$	United States dollars
S\$	Singapore dollars

General abbreviations

EBITDA	Earnings before interest, tax, depreciation and amortisation
EGM	Extraordinary general meeting
FY	Financial year
JV	Joint venture
MTN	Multi-currency term note
OSV	Offshore support vessels
REPS	Redeemable exchangeable preference shares
SGX	Singapore Stock Exchange
SIBOR	Singapore interbank offer rate

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