NauticAWT Limited
(Company Registration No: 201108075C)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2016 ("1H2016")

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*This announcement has been prepared by NauticAWT Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, SAC Advisors Private Limited (formerly known as Canaccord Genuity Singapore Pte. Ltd.) ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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Overview of NauticAWT Limited

NauticAWT Limited is a Singapore headquartered firm offering subsurface, subsea and surface facilities engineering services and contracting solutions to the oil and gas industry. The Group, being the Company and its subsidiaries, is engaged in field exploration, field development and field refurbishments including design life extensions and production enhancement for ageing and mature assets for its clients. It was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited on 23 July 2015.

With a global reach of 12 offices across Southeast Asia, Australasia, Middle East, Latin America and India, NauticAWT Limited provides a comprehensive range of technical and commercial solutions to the oil and gas industry. Through its multi-disciplined offerings, the Group is able to deliver customised technical greenfield development services and brownfield enhancement and extension solutions, either stand-alone or as an integrated package. The Group also produces a unique range of UHPC and HPC materials for subsurface, subsea and surface applications, which is marketed under its NAX™ trademark.

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of immediately preceding year

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Group		
	Unaudited 1H2016 US$	**Unaudited 1H2015 US$**	**Increase/ (Decrease) %**
Revenue	10,732,206	13,955,510	(23.1)
Cost of sales	(8,015,851)	(10,141,548)	(21.0)
Gross profit	2,716,355	3,813,962	(28.8)
Distribution expenses	(329,317)	(490,277)	(32.8)
Administrative expenses	(3,664,708)	(6,072,768) [(1)]	(39.7)
Other income	488,508	325,149	50.2
Finance costs	(110,263)	(82,978)	32.9
Loss before tax	(899,425)	(2,506,912)	(64.1)
Income tax expense	74,315	159,737	(53.5)
Loss for the period	(825,110)	(2,347,175)	(64.8)
Other comprehensive loss			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	(80,915)	(33,319)	N/M
Total other comprehensive loss for the period	(80,915)	(33,319)	N/M
Total comprehensive loss for the period	(906,025)	(2,380,494)	(61.9)
Loss attributable to:			
Owners of the Company	(573,834)	(1,847,092)	(68.9)
Non-controlling interests	(251,276)	(500,083)	(49.8)
	(825,110)	(2,347,175)	(64.8)
Total comprehensive loss attributable to:			
Owners of the Company	(638,563)	(1,807,579)	(64.7)
Non-controlling interests	(267,462)	(572,915)	(53.3)
	(906,025)	(2,380,494)	(61.9)

N/M: *Not Meaningful*

Note:
(1) Included one-off initial public offering ("**IPO**") expenses of approximately US$1.1 million in 1H2015.

1(a)(ii) The total comprehensive income include the following charges (credits):

	Group		
	Unaudited 1H2016 US$	**Unaudited 1H2015 US$**	**Increase/ (Decrease) %**
Depreciation of plant and equipment	464,602	396,888	17.1
Amortisation of intangible assets	495	495	-
Finance costs	110,263	82,978	32.9
One-off professional fees incurred in relation to the IPO	-	1,090,438	N/M
Write-off of bad debts	3,818	-	N/M
Write-off for obsolete stock	63,140	-	N/M
Loss on disposal of plant and equipment	-	47,637	N/M
Net foreign exchange (gain) loss	(97,720)	428,052	N/M
Interest income	(71)	(13,190)	(99.5)
Over-provision of tax in respect of prior years	-	(37,405)	N/M

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Consolidated Statement of Financial Position

	Group		Company	
	Unaudited 30-Jun-16 US$	Audited 31-Dec-15 US$	Unaudited 30-Jun-16 US$	Audited 31-Dec-15 US$
ASSETS				
Current assets				
Cash and bank balances	644,348	928,804	53,659	26,506
Trade receivables	9,281,720	9,005,350	3,290,830	3,537,731
Other receivables	3,159,366	2,023,350	2,965,105	2,883,911
Inventories	544,064	913,757	-	-
Work in progress	262,836	54,534	-	-
Total current assets	13,892,334	12,925,795	6,309,594	6,448,148
Non-current assets				
Plant and equipment	5,157,816	5,021,821	866,019	431,779
Goodwill	317,425	317,425	-	-
Intangible assets	55,315	55,810	6,678	7,173
Subsidiaries	-	-	1,031,124	907,600
Other receivables	2,554,165	-	2,605,436	2,552,936
Total non-current assets	8,084,721	5,395,056	4,509,257	3,899,488
Total assets	21,977,055	18,320,851	10,818,851	10,347,636
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	4,998,626	2,245,954	-	-
Other payables	3,928,385	3,799,941	4,449,419	2,385,287
Government grant received	355,130	140,132	355,130	140,132
Liabilities for trade bills discounted with recourse	1,344,761	1,656,326	-	-
Bank loan and advances	2,270,413	2,014,511	904,801	745,099
Loan from a director	426,000	326,000	426,000	326,000
Finance leases	37,523	63,485	-	-
Provision for taxation	123,362	745,014	7,861	14,696
Total current liabilities	13,484,200	10,991,363	6,143,211	3,611,214
Non-current liabilities				
Long-term bank loan	2,770,168	894,217	224,705	229,167
Finance leases	94,787	115,055	-	-
Deferred tax liabilities	102,108	99,844	-	-
Other payables	248,600	8,508	-	-
Total non-current liabilities	3,215,663	1,117,624	224,705	229,167
Total liabilities	16,699,863	12,108,987	6,367,916	3,840,381
Capital and reserves				
Share capital	7,248,183	7,248,183	7,248,183	7,248,183
Other capital reserve	718,247	718,247	718,247	718,247
Share-based payment reserve	(21,043)	7,604	-	-
Foreign currency translation reserve	(222,408)	(157,679)	-	-
Accumulated losses	(1,626,603)	(1,052,769)	(3,515,495)	(1,459,175)
Equity attributable to owners of the Company	6,096,376	6,763,586	4,450,935	6,507,255
Non-controlling interests	(819,184)	(551,722)	-	-
Total equity	5,277,192	6,211,864	4,450,935	6,507,255
Total liabilities and equity	21,977,055	18,320,851	10,818,851	10,347,636

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

(A) the amount repayable in one year or less, or on demand;

30-Jun-16		31-Dec-15	
Secured	**Unsecured**	**Secured**	**Unsecured**
US$	**US$**	**US$**	**US$**
3,776,996	426,000	3,734,322	326,000

(B) the amount repayable after one year;

30-Jun-16		31-Dec-15	
Secured	**Unsecured**	**Secured**	**Unsecured**
US$	**US$**	**US$**	**US$**
3,113,555	-	1,009,272	-

Details of any collateral

Finance leases

The Group's obligations under finance leases are secured by the lessors' title to the plant and equipment with carrying amount of US$243,122 as at 30 June 2016 (31 December 2015: US$295,723) and the finance lease on a motor vehicle is guaranteed by a director.

Bank borrowings

The Group's bank borrowings are secured by the following:

(a) Assignment of an insurance policy;
(b) A charge of US$374,130 (31 December 2015: US$370,571) over all term deposit accounts of two subsidiaries (31 December 2015: two subsidiaries);
(c) Fixed charge over all assets of three subsidiaries (31 December 2015: two subsidiaries); and
(d) Fixed and floating charge over all assets of a subsidiary (31 December 2015: N/A).

As at the end of the half year ended 30 June 2016, the Group has breached certain bank covenants in relation to loans from its principal bankers since the Group did not fulfil the minimum tangible net worth requirement. However, this is expected to be rectified on completion of the first tranche of the placement to HARPS Holdings Pte. Ltd. on or around 25 August 2016, as announced by the Company on 16 June 2016 and amended on 26 July 2016. Nevertheless the Group has obtained an agreement from the bank to waive the breach of covenant. At the date of the announcement, the bank has not requested any repayment of any loans.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

		Group	
		Unaudited 1H2016 US$	**Unaudited 1H2015 US$**
Operating activities			
Loss before tax		(899,425)	(2,506,912)
Adjustments for:			
Depreciation of plant and equipment		464,602	396,888
Amortisation of intangible assets		495	495
Loss on disposal of plant and equipment		-	47,637
Write-off of bad debts		3,818	-
Write-off of obsolete stock		63,140	-
Interest expense		110,263	82,978
Interest income		(71)	(13,190)
Share based payment		(28,647)	29,084
Operating cash flows before movements in working capital		(285,825)	(1,963,020)
Trade receivables		(280,188)	(1,983,248)
Other receivables		(1,162,769)	969,142
Inventories		306,553	6,951
Trade payables		2,752,672	(170,072)
Other payables		(542,678)	801,913
Trade bills discounted with recourse		(311,565)	(66,762)
Work in progress		(208,299)	144,396
Cash generated from (used in) operations		267,901	(2,260,700)
Income tax paid		-	(2,894)
Interest received		71	13,190
Interest paid		(110,263)	(82,978)
Net cash from (used in) operating activities		157,709	(2,333,382)
Investing activities			
Purchase of plant and equipment		(600,596)	(1,199,557)
Prepayment in relation to the acquisition of freehold land and production facility		(2,527,412)	-
Net cash used in investing activities		(3,128,008)	(1,199,557)
Financing activities			
Loan from director		100,000	469,051
Proceeds from bank loans		2,808,669	1,300,000
Loan receipts from a related party		372,900	-
Government grant received		214,998	-
(Repayment of advances) advances (to) from bank		(27,382)	241,841
Repayment of finance lease payables		(46,231)	(63,564)
Repayments of bank loans		(648,419)	(1,474,998)
Expenses incurred in connection with the IPO	(A)	(87,676)	-
Net cash from financing activities		2,686,859	472,330
Net decrease in cash and cash equivalents		(283,440)	(3,060,609)
Cash and cash equivalents at beginning of period		62,954	3,112,087
Effects of exchange rate changes on balance of cash held in foreign currencies		(3,378)	-
Cash and cash equivalents at end of period (see note below)		(223,864)	51,478

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the financial period:

	Group	
	Unaudited 1H2016 US$	**Unaudited 1H2015 US$**
Cash and bank balances	644,348	848,271
Less: Bank overdraft	(494,082)	(496,793)
Less: Restricted cash	(374,130)	(300,000)
Cash and cash equivalents	(223,864)	51,478

Note

(A) The Company incurred IPO share issue expenses of US$1,091,596 in FY2015 of which US$87,676 (1H2015: US$Nil) were paid during 1H2016. US$166,373 remains unpaid as at 30 June 2016 and was recorded under "Other Payables".

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital	Other capital reserve	Share-based payment reserve	Foreign currency translation reserve	Accumulated (losses) profit	Attributable to owners of the Company	Non-controlling interests	Total
	US$	US$	US$	US$	US$	US$	US$	US$
Balance at 1 January 2016	**7,248,183**	**718,247**	**7,604**	**(157,679)**	**(1,052,769)**	**6,763,586**	**(551,722)**	**6,211,864**
Total comprehensive loss for the period								
Loss for the period	-	-	-	-	(573,834)	(573,834)	(251,276)	(825,110)
Other comprehensive loss for the period	-	-	-	(64,729)	-	(64,729)	(16,186)	(80,915)
Total	-	-	-	(64,729)	(573,834)	(638,563)	(267,462)	(906,025)
Transaction with owners recognised directly in equity								
Recognition of share-based payment	**-**	**-**	(28,647)	**-**	**-**	(28,647)	**-**	(28,647)
Balance at 30 June 2016 (unaudited)	**7,248,183**	**718,247**	**(21,043)**	**(222,408)**	**(1,626,603)**	**6,096,376**	**(819,184)**	**5,277,192**
Balance at 1 January 2015	**3,208,578**	**703,453**	**6,193**	**(93,160)**	**5,687,227**	**9,512,291**	**1,471,034**	**10,983,325**
Total comprehensive loss for the period								
Loss for the period	-	-	-	-	(1,847,092)	(1,847,092)	(500,083)	(2,347,175)
Other comprehensive loss for the period	-	-	-	(76,638)	116,151	39,513	(72,832)	(33,319)
Total	3,208,578	-	-	(76,638)	(1,730,941)	(1,807,579)	(572,915)	(2,380,494)
Transaction with owners recognised directly in equity								
Recognition of share-based payment	-	-	29,084	-	-	29,084	-	29,084
Balance at 30 June 2015 (unaudited)	**3,208,578**	**703,453**	**35,277**	**(169,798)**	**3,956,286**	**7,733,796**	**898,119**	**8,631,915**

Company	Share capital	Other capital reserve	Accumulated (losses) profits	Total
	US$	US$	US$	US$
Balance at 1 January 2016	**7,248,183**	**718,247**	**(1,459,175)**	**6,507,255**
Total comprehensive income for the period				
Loss for the period	-	-	(2,056,320)	(2,056,320)
Balance at 30 June 2016 (unaudited)	**7,248,183**	**718,247**	**(3,515,495)**	**4,450,935**
Balance at 1 January 2015	**3,208,578**	**703,453**	**(196,119)**	**3,715,912**
Total comprehensive loss for the period				
Loss for the period	-	-	(2,561,818)	(2,561,818)
Balance at 30 June 2015 (unaudited)	**3,208,578**	**703,453**	**2,757,937**	**1,154,094**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There was no change in the Company's issued and paid-up share capital from 1 January 2016 to 30 June 2016.

On 27 June 2016, the Company granted 23,550,000 options, in 3 equal tranches of 7,850,000 options each, under the NauticAWT Employee Share Option Scheme (the "**Scheme**"). As at 30 June 2016, all options to subscribe for 23,550,000 shares remained outstanding (30 June 2015: N/A). Details of the outstanding options as at 30 June 2016 are as follows:

		Exercisable Period	
Outstanding Options as at 30 June 2016	**Exercise Price (S$)**	**From**	**To**
7,850,000	0.25	31 December 2017	31 December 2020
7,850,000	0.30	31 December 2018	31 December 2021
7,850,000	0.35	31 December 2019	31 December 2022
23,550,000			

The Company did not have any treasury shares as at 30 June 2016 and 30 June 2015.

1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30-Jun-16	31-Dec-15
Total number of shares (excluding treasury shares)	190,965,893	190,965,893

On 16 June 2016, the Company entered into a subscription agreement with HARPS Holdings Pte. Ltd. ("**HARPS**"), pursuant to which the Company proposes to issue to HARPS an aggregate of 15,000,000 new ordinary shares in the capital of the Company at an issue price of S$0.174 per New Share to HARPS, thereby raising gross proceeds of S$2,610,000.

The Company did not have any treasury shares as at 30 June 2016 and 31 December 2015.

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable as the Company did not have any treasury shares as at 30 June 2016.

2. Please state whether the figures have been audited or reviewed, and if so which auditing standard or practice has been followed.

The figures have not been audited or reviewed by the Company's auditors.

3. If the figures have been audited or reviewed, please provide a statement on whether there are any qualifications or emphasis of matter.

Not applicable.

4. Please state whether the same accounting policies and method of computation as in the issuer's most recently audited financial statements have been followed.

The financial information has been prepared in accordance with the same accounting policies and methods of computation as adopted in the audited financial statements of the financial year ended 31 December 2015, except as disclosed under Note 5 below and the adoption of the new or revised Singapore Financial Reporting Standards ("**FRS**") and Interpretations of FRS ("**INT FRS**") which have become effective for the financial year ending 31 December 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The adoption of the revised FRS and INT FRS as discussed in Note 4 above is not expected to result in any significant changes to the Group's accounting policies and methods of computation for the half year ended 30 June 2016.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	1H2016	**1H2015**
Loss per ordinary share (US cents) based on:		
a. weighted average number of ordinary shares on issue	(0.30)	(1.15)
b. a fully diluted basis	(0.30)	(1.15)
Weighted average ordinary shares for calculation of:		
a. weighted average number of ordinary shares on issue	190,965,893	161,200,000
b. a fully diluted basis	190,965,893	161,200,000

7. Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:

(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30-Jun-16	**31-Dec-15**	**30-Jun-16**	**31-Dec-15**
Net asset value per share (US cents)	3.19	3.54	2.33	3.41
Number of issued shares	190,965,893	190,965,893	190,965,893	190,965,893

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of results of operations

Revenue
The Group's revenue for 1H2016 decreased by 23.1% or US$3.3 million to US$10.7 million, from US$14.0 million for 1H2015. This was mainly due to a significant decrease in revenue contribution by the Subsurface and Wells business segment of US$3.9 million as it has reduced its operational footprint in areas of low activity, such as Australia and Papua New Guinea while remaining focussed on the Asia and the Middle East markets. The decrease was partially offset by the revenue of US$1.2 million generated by Marine Engineering Services Pte Ltd which was acquired in 2H2015 (the "**Acquired Subsidiary**").

Gross profit and gross profit margin
The Group's gross profit for 1H2016 decreased by 28.8% or US$1.1 million to US$2.7 million, from US$3.8 million for 1H2015. This was mainly due to the decrease in revenue from the Subsurface and Wells business segment.

The Group's gross profit margin remained relatively stable, decreasing slightly by 2.0 percentage points, from 27.3% for 1H2015 to 25.3% for 1H2016.

Distribution expenses
The Group's distribution expenses decreased by US$0.2 million or 32.8%, from US$0.5 million in 1H2015 to US$0.3 million in 1H2016. The decrease was mainly due to lower business development expenses and marketing costs incurred as a result of reduced business activities in selective markets.

Administrative expenses
The Group's administrative expenses decreased significantly by US$2.4 million or 39.7%, from US$6.1 million in 1H2015 to US$3.7 million in 1H2016 mainly due to the following:

i. One-off IPO expenses of US$1.1 million incurred in 1H2015;
ii. US$1.4 million reduction in administrative expenses incurred by Subsurface and Wells business segment as a result of the restructuring through reorganisation and implementation of certain cost cutting measures since 3Q2015. This was offset by an additional US$0.4 million of administrative expenses incurred by the Acquired Subsidiary; and
iii. US$0.1 million of net foreign exchange gain in 1H2016, as compared to US$0.4 million of net foreign exchange loss in 1H2015.

Other income
Other income increased by US$0.2 million or 50.2%, from US$0.3 million in 1H2015 to US$0.5 million in 1H2016. The increase was mainly due to write back of FY2015 bonus provision.

Finance costs

Finance costs remained relatively stable, increasing by US$27,000 or 32.9% from US$83,000 in 1H2015 to US$110,000 in 1H2016. The finance costs mainly relate to the interest expenses incurred for the bank loans and other trade banking facilities.

Income tax credit

The Group recorded an income tax credit of US$74,000 in 1H2016, as compared to US$160,000 in 1H2015. The higher income tax credit in 1H2015 was due to the one-off recognition of deferred tax assets arising from a loss making subsidiary.

Loss after tax

As a result of the above, the Group recorded a loss after tax of US$0.8 million in 1H2016, a reduction of 64.8% or US$1.5 million as compared to a loss after tax of US$2.3 million in 1H2015.

Review of Consolidated Statement of Financial Position

Non-current assets

The Group's non-current assets increased by US$2.7 million, from US$5.4 million as at 31 December 2015 to US$8.1 million as at 30 June 2016. The increase was mainly due to the following:

i. the US$2.5 million prepayment in relation to the acquisition of freehold land and production facility in Malaysia; and
ii. an increase in plant and equipment of US$0.1 million, arising from the initial development of the new laboratory in Singapore and the acquisition of the associated laboratory equipment.

Current assets

The Group's current assets increased by US$1.0 million, from US$12.9 million as at 31 December 2015 to US$13.9 million as at 30 June 2016. The increase was mainly due to the following:

i. an increase in trade and other receivables of US$1.4 million;
ii. an increase in work in progress of US$0.2 million;
iii. a decrease in cash and bank balances of US$0.3 million (please refer to the review of cash flows below); and
iv. a decrease in inventories of US$0.4 million.

Non-current liabilities

The Group's non-current liabilities increased by US$2.1 million, from US$1.1 million as at 31 December 2015 to US$3.2 million as at 30 June 2016. The increase was mainly due to two bank loan drawdowns and a 3-year interest bearing loan from a related company during 1H2016 in relation to the acquisition of freehold land and a production facility in Malaysia.

Current liabilities

The Group's current liabilities increased by US$2.5 million, from US$11.0 million as at 31 December 2015 to US$13.5 million as at 30 June 2016. The increase was mainly due to the following:

i. an increase in trade and other payables of US$2.9 million;
ii. A receipt of government grant of US$0.2 million for the Company's Materials Development Project, which involves developing new generation oil well cementing materials; and
iii. a decrease in income tax payables of US$0.6 million.

Working capital

The Group reported a positive working capital of US$0.4 million as at 30 June 2016, as compared to US$1.9 million as at 31 December 2015.

Review of cash flows

Operating activities

Net cash from operating activities in 1H2016 amounted to US$0.2 million as compared to an outflow of US$2.3 million for 1H2015. The Group had a net cash outflow of US$0.3 million from its operating activities before changes in working capital. Working capital movement included an increase in trade and other receivables of US$1.4 million, an increase in trade and other payables of US$2.2 million, an increase in work in progress of US$0.2 million, a decrease in trade bills discounted with recourse and inventories of US$0.3 million and US$0.3 million respectively.

Investing activities

Net cash used in investing activities in 1H2016 amounted to US$3.1 million due to additions of plant and equipment which is mainly attributable to: i) the initial development of the new laboratory in Singapore and the acquisition of the associated laboratory equipment; and ii) the prepayment of US$2.5 million in relation to the acquisition of freehold land and production facility in Malaysia.

Financing activities

Net cash from financing activities for 1H2016 amounted to US$2.7 million mainly due to loan from a director of US$0.1 million, proceeds from bank borrowings and loan from a related party of US$2.8 million and US$0.4 million respectively (in relation to the acquisition of freehold land and production facility in Malaysia) in addition to the government grant funding of US$0.2 million, which were partially offset by the repayment of bank borrowings of US$0.7 million.

As a result of the above, the Group's cash and cash equivalents decreased by US$0.3 million, from US$63,000 as of 31 December 2015 to deficit of US$0.2 million as of 30 June 2016, net of fixed deposit pledged and bank overdraft.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not Applicable

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Although there is an improved financial performance in 1H2016, oil price volatility continues to impact the sector as field activities are postponed pending pricing stability with many oil majors and operators undertaking extensive restructuring with numerous activities deferred. This has affected the Group, particularly the Subsurface and Wells business segment.

In response to prevailing challenging market conditions, we commenced restructuring the Group in 2H2015 through reorganisation and implementation of certain cost cutting measures. We have reduced our operational footprint in the Subsurface and Wells business segment in Australia due to significant reduction in activity in this market, and focused on the Asia and the Middle East markets. We have successfully streamlined certain support functions to be centrally managed by our Singapore headquarters, and this has resulted significantly reduced administrative expenses. We continue to review our business structure following the amalgamation of Nautic Group Pte Ltd, AWT International Pty Ltd and Marine Engineering Services Pte Ltd to form NauticAWT Limited in 2015 to ensure it remains appropriate to current market conditions.

Our business outlook is expected to remain challenging. In conjunction with our continued efforts to manage costs, we will continue to implement our growth strategy of marketing our expanded portfolio of services to existing clients and new markets as well as strengthening our offering of contracting services. Furthermore, we will actively increase our marketing activities to diversify our revenue base especially in the area of mature field production enhancement solutions, sustainable field abandonment and the renewable energy sector.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b)(i) Amount per share

Not applicable.

(b)(ii) Previous corresponding period

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for the current financial period reported on.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii). There was no interested person transaction of more than S$100,000 under Rule 920(1)(a)(ii) for the half year ended 30 June 2016.

14. Negative confirmation by the Board pursuant to Rule 705(5)

On behalf of the board of directors ("**Board**") of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board which may render the unaudited financial statements and dividend announcement for the half year ended 30 June 2016 to be false or misleading in any material aspect.

15. Use of proceeds from the IPO

In accordance with the "Use of Proceeds from the Invitation and Expenses Incurred" section of the Company's offer document dated 14 July 2015 ("**Offer Document**"), the net proceeds ("**Net Proceeds**") have been utilized as follows:

Use of Net Proceeds	**Allocation of Net Proceeds (as disclosed in the Offer Document) S$'000**	**Net Proceeds utilised as at 26 February 2016 (as disclosed in FY2015 Annual Report) S$'000**	**Net Proceeds utilised since 27 February 2016 to the date of this announcement S$'000**	**Balance of Net Proceeds as at date of this announcement S$'000**
Invest in capital equipment to further strengthen contracting services	1,300	892	408	-
Expansion of business scope via investments, acquisition and joint ventures	400	400	-	-
General corporate and working capital purposes	1,129	1,100	29	-
Total	**2,829**	**2,392**	**437**	**-**

The Net Proceeds have been fully utilised as at the date of this announcement and the utilisation of the Net Proceeds is consistent with the intended uses as stated in the Offer Document.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1).

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

On behalf of the Board of Directors

Lim How Teck
Chairman and Independent Director

John Grønbech
Executive Director and CEO

BY ORDER OF THE BOARD

John Grønbech
Executive Director and CEO
8 August 2016