COMPANY REGISTRATION NO. 199901411N
INCORPORATED IN SINGAPORE

EZRA

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MEDIA RELEASE

Ezra reports US$321 million revenue for FY1Q2015 and maintains operational profitability

- Ezra's profit after tax increased to US$60.6 million, largely due to one-off gains from consolidation of EMAS Offshore Limited
- Group maintains a healthy backlog of US$2.5 billion with majority of contracts to be executed over the next 12 to 18 months
- Delivery of the *Lewek Constellation* in 2015 expected to strengthen the Group's credentials in the subsea construction sector

SINGAPORE ♦ 9 January 2015

For immediate release

Key highlights of 1Q15:

	First Quarter		
US$ million	**1Q15**	**1Q14**	**Change (%)**
Revenue	321.0	339.8	(6)
EBITDA	100.1	39.4	154
Adjusted EBITDA[1]	44.7	39.4	13
Profit After Tax ("PAT")	60.6	8.7	597
Adjusted PAT[1]	5.2	8.7	(40)

Note: [1]Excludes Group's gain/loss from disposal/written off/impairment of fixed assets and gain from bargain purchase/reclassification due to consolidation of EMAS Offshore Limited.

Ezra Holdings Limited ("Ezra" or "the Group"), a leading contractor and provider of integrated offshore solutions to the oil and gas (O&G) industry, reported an increase in PAT from US$8.7 million in 1Q14 to US$60.6 million in 1Q15. However, revenue of US$321.0 million for the first quarter ended 30 November 2014 ("1Q15") was slightly lower from the corresponding period ("1Q14").

Adjusted EBITDA for the Group increased 13% from 1Q14 to reach US$44.7 million, while adjusted PAT decreased 40% from the corresponding period to reach US$5.2

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million in 1Q15. In the same period, gross profit margin declined by 3% in 1Q15, owing to lower gross profit margin contributions from the Subsea Services division and the Offshore Support and Production Services division.

EMAS AMC, Ezra's Subsea Services division, experienced a decrease in revenue for 1Q15. This was due to the lower revenue contributions from the vessel *Lewek Express* which has been in planned mandatory dry dock for 1Q15 and the urgent maintenance and repair of *Lewek Champion* due to the gangway malfunctioning while the vessel was on a project during the quarter, causing the vessel to be out of operations since October 2014. However, *Lewek Constellation*, Ezra's flagship subsea construction vessel, is expected to be fully operational by March 2015 and will commence on her projects thereafter.

The Group's Offshore Support and Production Services division, through **EMAS Offshore Limited**, saw 1Q15 revenues decrease by US$18.7 million as a result of one leased-in vessel being returned to owner in the second half of FY14 and weakness in the Platform Support Vessels ("PSV") segment.

Despite the decreases, the Group's operating performance remained healthy.

Mr. Lionel Lee, Ezra's Group CEO and Managing Director, said: "I am pleased that the Group has maintained operational profitability, in particular, our offshore support segment enjoyed a healthy utilisation rate at more than 80%, despite the last quarter being the winter and monsoon season."

Ezra's Marine Services division, through **TRIYARDS,** continues to perform well, partially offsetting the Group's lower revenue through the increase in revenue of US$22.0 million. The increase was mainly due to the revenue contribution from the newly acquired subsidiaries of TRIYARDS and higher level of fabrication activities from the existing operations, with more units of liftboats being built in 1Q15, compared to 1Q14. TRIYARDS also announced on 8 Jan 2015 that it had won orders for new liftboats worth some US$75.4 million.

The Group's net gearing ratio has improved to 1.14x, as a result of the management's strategy to streamline core operations and focus more on cash flow generation and capital management. The Group also sees positive long term prospects on the core business while seeking to rationalise non-core assets, which will ultimately allow for the de-leveraging of the Group's balance sheet.

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"The recent decline in oil prices has affected the global capital markets, but we believe that the long-term fundamentals of the oil and gas industry remain encouraging and that this is expected to drive the continued spending in segments that Ezra operates in," commented Mr Lee.

"Despite the current headwinds faced by the oil and gas industry in the midst of a lower oil price environment, we are not seeing a slowdown in tendering activities, especially in the Gulf of Mexico and West Africa. By March 2015, we will see the delivery of our flagship vessel, *Lewek Constellation*, an ice-classed vessel that is one of only two in the world. This will strengthen our credentials, especially in the areas of subsea tie-backs and SURF," said Mr Lee.

Additionally, the Group announced that EMAS AMC had won a project with Apache to deploy the *Lewek Constellation* for work in Australia, worth some US$105 million.

The Group has secured a healthy backlog of approximately US$2.5 billion[1], with majority of the contracts expected to be executed over the next 12 to 18 months. Moving forward, the Group will continue to focus on excellent execution and delivery of subsea projects. The Group will remain steadfast in deploying its vessels to capitalise on the longer term industry capital expenditure trends.

ABOUT THE COMPANY

www.emas.com ♦ SGX mainboard listing: December 2005

EMAS – a leading global contracting group providing offshore/subsea construction, marine, production and well intervention services – is Ezra's operating brand. With offices across six continents, it delivers best-value solutions to the oil and gas (O&G) industry by combining its global footprint and proven engineering skills with a diverse offering of premium assets and services designed to fully meet clients' needs.

Operating in unison, Ezra's core divisions are able to execute a full spectrum of seabed-to-surface engineering, construction, marine and production services anywhere in the world.

EMAS AMC is a global EPCIC service provider of comprehensive subsea-to-surface solutions for the offshore oil and gas industry, especially in the SURF and Subsea Tie-

[1] The Group's backlog is inclusive of a backlog of US$511 million from the two FPSOs, *Lewek EMAS* and *Perisai Kamelia* that EMAS Offshore Limited has stakes in.

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Back sector. Core business services include subsea installation of umbilicals/power cables, pipelines as well as platforms, FPSO and floater installations.

EMAS Energy provides well intervention and drilling services both onshore and offshore, offering fully integrated solutions that combine its marine assets with state-of-the-art intervention equipment and services.

EMAS Marine, under subsidiary company EMAS Offshore Limited, manages and operates a young, versatile fleet of advanced offshore support vessels, offering an extensive range of maritime services that cater to the client's needs throughout a field's life cycle.

EMAS Production, also under subsidiary company EMAS Offshore Limited, owns and operates FPSO (floating production, storage and offloading) facilities, offering services that support the post-exploration needs of offshore fields, such as FPSO conversion management.

TRIYARDS is fast becoming an acknowledged leader in developing advanced and customised solutions for world-class vessels. By focusing on sophisticated platforms and equipment that can tackle even the most complex offshore projects, it has already established itself as a front runner in the fabrication of liftboats (self-elevating, mobile offshore units). TRIYARDS provides its integrated engineering, ship construction and fabrication services out of yard facilities located in Singapore, Vietnam and the US.

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