INCORPORATED IN SINGAPORE
COMPANY REGISTRATION NO. 199901411N

EZRA

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MEDIA RELEASE

3QFY2016 results impacted by prevailing market challenges

- Continued weakness in the offshore support sector and non-cash write-downs impacted 3QFY2016 results
- The Group largely maintained 9MFY16 revenue year-on-year
- The Group will continue to focus on optimising operations and debt structure and balance sheet deleveraging

SINGAPORE ♦ 14 JULY 2016

For immediate release

Ezra Holdings Limited ("Ezra" or the "Group"), a leading contractor and provider of integrated offshore solutions to the oil and gas ("O&G") industry, announced today its results for the three months and nine months ended 31 May 2016 ("3QFY2016" and "9MFY2016", respectively). Revenue for the three month period under review declined approximately 10% year-on-year to US$125.7 million and was largely stable for 9MFY2016 at US$389.2 million.

The decrease in revenue for 3QFY2016 was mainly due to lower revenue posted by its Offshore Support and Production Services and Energy Services divisions. Both units came under pressure from sustained general weakness and decreased activity in the market. The Marine Services Division, which saw higher levels of construction activity for self-elevating units and other vessels, posted improved revenue for the quarter and partially offset weaker performance by the other units. This trend for the Group's operating units was generally reflective of conditions underpinning the year-to-date period as well.

For the quarter, gross profit deteriorated from US$23.2 million in 3QFY2015 to gross loss of US$0.6 million in 3QFY2016 due mainly to the Offshore Support and Production Services Division. Although this prolonged industry downcycle also impacted 9MFY2016 gross profitability, the Group was able to achieve gross profit of US$15.0 million in 9MFY2016.

Share of profit from associates and joint venture companies were higher on the whole. While profits from associates were smaller due to an upcoming divestment and weaker performance from a Malaysian associate, this was more than compensated for by profits from joint venture companies. Share of profit from joint venture companies, which primarily reflects earnings from EMAS CHIYODA Subsea, more than doubled year-on-year from US$4.0 million in 3QFY2015 to US$8.2 million in 3QFY2016.

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During the quarter, the Group also booked a non-cash loss on disposal of disposal group classified as held for sale of US$181.3 million that is one-off in nature and allowance for doubtful debt of US$25.0 million, contributing to post-tax loss from continuing operations of US$239.2 million for the Group. This compares with a profit of US$0.05 million registered in the year-ago period. For 9MFY2016, the Group posted loss after tax from continuing operations of US$509.0 million, which compares with a profit of US$89.3 million in 9MFY2015.

After adjusting for non-cash items, operating profit before working capital changes came in at US$13.1 million for 3QFY2016.

Outlook

Financial performance over the next 12 months is expected to remain challenging as pressure on charter rates and decreased utilisation continue to weigh on operations for the Offshore Support and Production Services Division.

The Marine Services Division continues to diversify its products and services beyond the oil and gas industry and believes there will be continued demand for its offerings, notwithstanding the competitive and challenging environment.

On 10 June 2016, the Group announced entering into a binding agreement for Nippon Yusen Kabushiki Kaisha ("NYK") to invest in EMAS CHIYODA Subsea. NYK's involvement will further fortify EMAS CHIYODA Subsea's presence in the Japanese and international markets and will provide valuable access to NYK's experience in the offshore oil and gas industry. After completion, Ezra, Chiyoda Corporation ("Chiyoda") and NYK will hold 40%, 35% and 25% in EMAS CHIYODA Subsea, respectively.

In addition, the Group also announced on 1 July 2016 that it had formalised the sale of its entire stake in PV Keez Pte Ltd ("PV Keez") to PetroFirst Infrastructure 2 Limited. PV Keez is the entity under which *FPSO Lewek EMAS* is held. The sale is consistent with the Group's strategy of moving away from the ownership of FPSO assets and to leverage on its experience in FPSO conversion to provide value-added services to third parties instead.

Assuming the satisfaction of the respective customary closing conditions, including the approval of Ezra's shareholders, both the NYK transaction and sale of the Group's stake in PV Keez are expected to close by the third quarter of calendar year 2016.

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

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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 CHIYODA Subsea is a global EPCIC (Engineering, Procurement and Construction) service provider of comprehensive subsea-to-surface solutions throughout the lifecycle of oil and gas projects. On 31 March 2016, Chiyoda Corporation completed its investment in the Group's subsea services business, EMAS AMC, to form EMAS CHIYODA Subsea - a 50:50 Joint Venture.

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.

FOR ENQUIRIES

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