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Ezra to raise up to US\$300 million to strengthen balance sheet and enhance financial flexibility

- ◆ Proposed renounceable underwritten rights issue and issue of convertible bonds to raise proceeds of up to US\$300 million
- ◆ Proceeds will be used to repay S\$225 million Fixed Rate Notes and S\$150 million Perpetual Securities
- ◆ Repayment of the abovementioned securities will reduce Ezra's net gearing thereby strengthening its balance sheet and putting the company in good stead to tap future growth opportunities

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For immediate release

Ezra Holdings Limited ("Ezra" or "the Group"), a leading contractor and provider of integrated offshore solutions to the oil and gas industry, today announced a proposed renounceable rights issue as part of its refinancing strategy to deleverage its balance sheet and position the company to tap on future growth opportunities. In addition, Ezra has announced its intention to issue convertible bonds to raise additional funds for refinancing.

Credit Suisse (Singapore) Limited has been appointed as the Sole Financial Advisor, Sole Global Coordinator and Lead Manager of the Rights Issue and the Sole Bookrunner of the Convertible Bonds Issue. Credit Suisse (Singapore) Limited and DBS Bank Ltd. have been appointed as Joint Underwriters of the Rights Issue.

"We are confident of the long-term prospects of the industry underlying the business segments of Ezra. With our net gearing lowered, we will be in a better position to bring more value to our shareholders. Further, we are maintaining our cost discipline with greater focus on cost-base rationalisation and optimisation to improve margins," said Mr Eugene Cheng, Ezra's Group Chief Financial Officer.

"In addition, with the delivery of our flagship subsea construction vessel, *Lewek Constellation* in the third quarter of FY2015, we expect significant revenue contribution thereafter. This will further improve operational cashflows for Ezra and in combination with the moderation of capital expenditures post-delivery of *Lewek Constellation* we expect to meet our planned capital expenditures and foreseeable debt maturities."



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Rights Issue

Ezra is proposing a renounceable rights issue of up to 2,026,869,722 new ordinary shares in the capital of the company. It will be offered on the basis of up to 200 rights shares for every 100 existing ordinary shares held by eligible shareholders as at a books closure date to be announced in due course. Ezra is expected to raise approximately US\$150 million from the rights issue which will be primarily applied to the redemption of the S\$225 million Fixed Rate Notes.

Ezra has made an application to the SGX-ST for the listing of and quotation of the Rights Shares on the Main Board of the SGX-ST.

As part of their commitment and confidence in the Group, Mr Lee Kian Soo as the Group Founder and Mr Lionel Lee as the largest shareholder of Ezra have undertaken that they will fully subscribe for their respective entitlements (directly or indirectly) under the rights issue. Both directly and indirectly hold in aggregate of 24.7% of Ezra's issued share capital. The remaining 75.3% will be fully underwritten by Credit Suisse and DBS as the underwriting banks for the rights issue.

Convertible Bonds Issue

Ezra intends to raise approximately S\$200 million (approximately US\$150 million) of convertible bonds.

The company will seek the approval for the listing and quotation of the convertible bonds and the conversion shares from the SGX-ST, after receiving shareholder approval for the proposed rights issue and convertible bonds issue. The convertible bonds issue is expected to take place after the pricing of the rights issue.

"The convertible bonds market is interesting to us, as it presents an opportunity to broaden our investor base, potentially reduce our debt financing costs and introduce more liquidity into our balance sheet," said Mr Cheng.

"Furthermore, together with our advisors, we believe that the convertible bonds issue will generate high level of interest given that it represents an attractive opportunity for institutional and accredited investors seeking to participate in the medium to long term prospects of the offshore oil and gas industry, thereby underpinning the potential success of the issuance.

"Notwithstanding the attractiveness and availability of the convertible bonds as an alternative, we are also simultaneously looking at other financing options that are typically available to us, for example, unlocking capital in certain existing vessel assets via sale and leaseback type transactions. Ultimately, we intend to redeem the Perpetual Securities before its step up date and balance our long term capital structure with cost efficient financing."



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Next Steps

The proposed rights issue and convertible bonds issue are subject to, *inter alia*, the receipt of in-principle approval from the SGX-ST and shareholder approval at an extraordinary general meeting (“EGM”) to be convened. Additional details of the rights and bonds issue and the notice of the EGM will be outlined in a Circular to be despatched to shareholders in due course.

“The rights and convertible bonds issue is part of our broader strategy to expand our capital and investor base, deleverage and secure the Group’s long-term growth prospects. We believe that with these initiatives in place, our balance sheet will be robust enough for the long term growth ambitions of the Group,” concluded Mr Cheng.

Ezra is also separately working with its relationship banks for additional financing lines to support its refinancing exercise.

about the Group

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-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.



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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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