

2Q14 Results Presentation

07 August 2014



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BUSINESS OVERVIEW

Fast Growing Provider of Offshore Support Vessels and Integrated Marine Solutions

- **Integrated marine services** – vessel ownership, leasing and fleet corporate management
- Own and operate a **young and growing fleet of offshore support vessels** comprising mostly Anchor Handling Tug vessels (“AHT”), Anchor Handling Tugs with Supply capability vessels (“AHTS”) and Platform Supply Vessels (“PSVs”).
- **Geographical coverage** across Asia Pacific, the Middle East, Latin America and West Africa
- Serve **oil majors and national oil companies** worldwide
- Helmed by **industry veterans** with relevant and complementary track records



To be a Sustainable, Globally Competitive Company (GCC) in the offshore marine industry

GROUP STRUCTURE



21.18%



20.96%

Related Parties

7.78%

Public

50.08%

Financial investors and industry veterans hold approx 9.0%

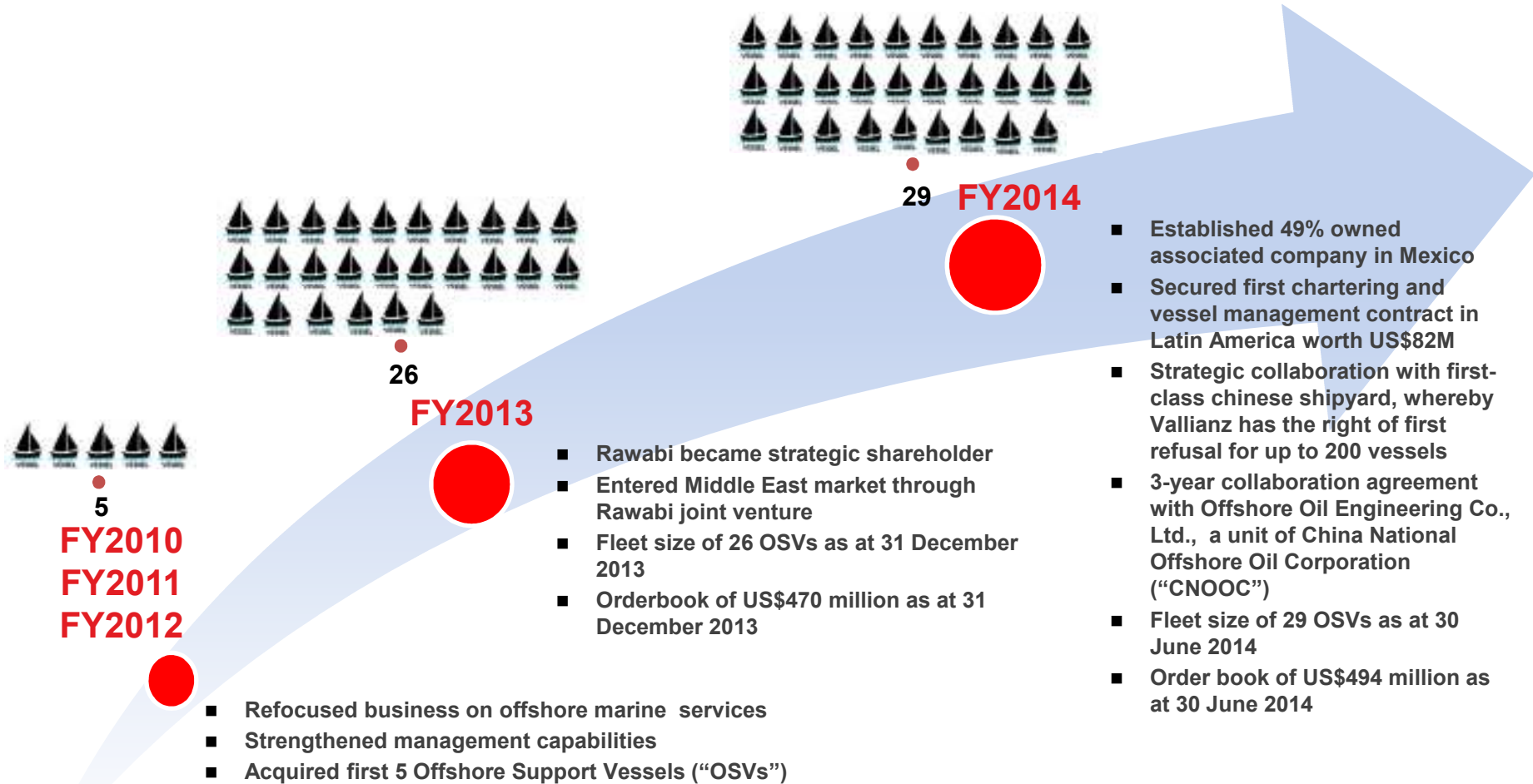


Ship Management Services

Vessel Chartering & Brokerage

As at 07 August 2014

CORPORATE MILESTONES



STRONG MANAGEMENT

- Led by experienced management team with operations, design and market expertise



Raymond Goh
Non-Executive
Chairman
> 20 years experience



Darren Yeo
Executive Director &
CEO
> 20 years experience



Ling Yong Wah
Executive Director >
25 years experience



Capt Lim Kean Hin
SVP, Fleet Management
> 40 years experience



Phoon Kim Sin
CFO
> 20 years experience



Tony Goh
Technical Director
> 20 years experience



Shirley Tok
Financial Controller
> 15 years experience



Samantha Teo
Business Development
Director
~ 10 years experience



Charlton Chan
Director
Major Fabrication
> 40 years experience



Elisa Woodward
Director, New Building
> 10 years experience



Woo Chee Seng
Director, Operations
> 25 years experience

YOUNG AND GROWING FLEET

Own 29 Offshore Support Vessels



Solutions for the entire spectrum of offshore O&G projects

Exploration

Field
Development

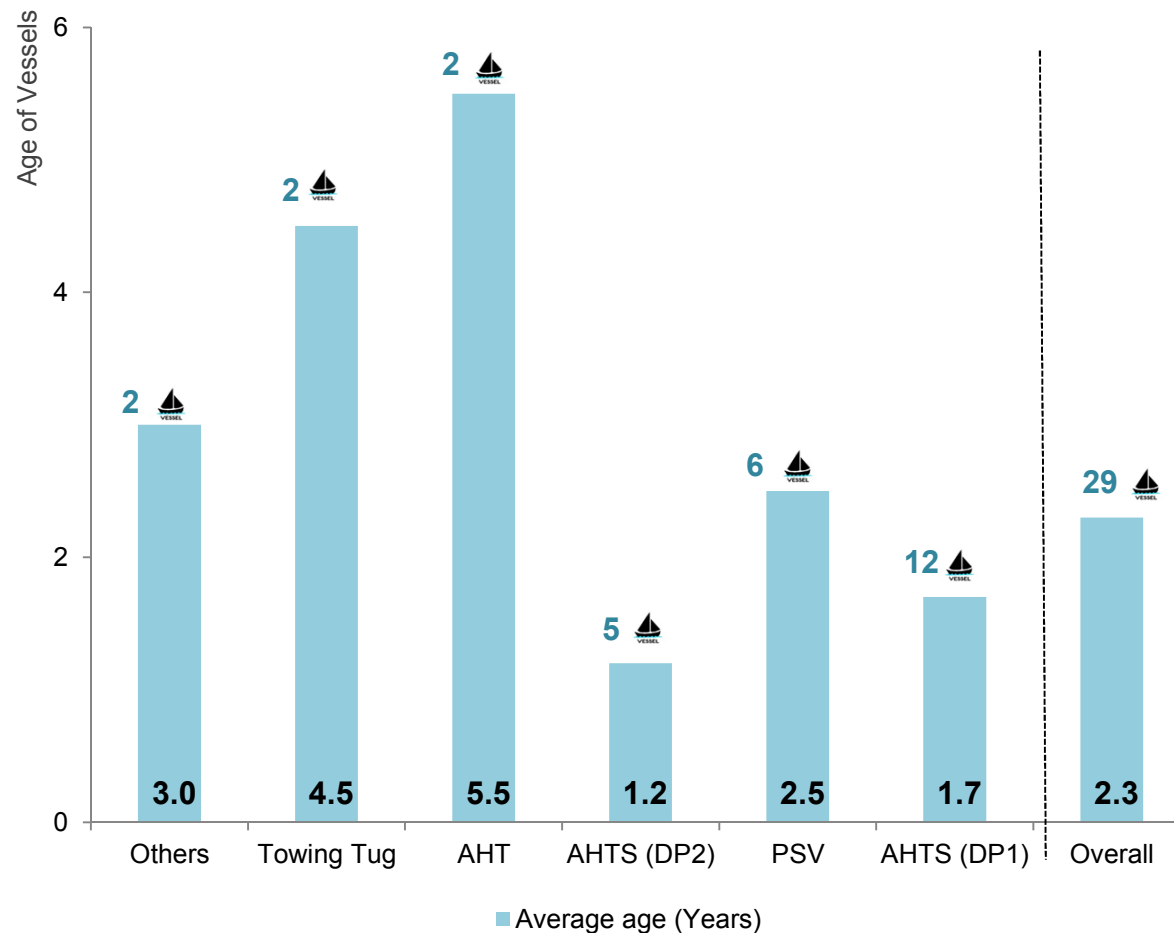
Production

Decommissioning

Owned Fleet	Capacity	Vessels
AHT	4200 – 4750 BHP	2
AHTS (DP1)	5150 – 6400 BHP	12
AHTS (DP2)	6000 – 7300 BHP	5
PSV (DP2)	2529 – 3300T DW	6
Towing Tug	3200 BHP	2
Others	1350 - 2400 BHP	2
TOTAL		29

YOUNG AND GROWING FLEET

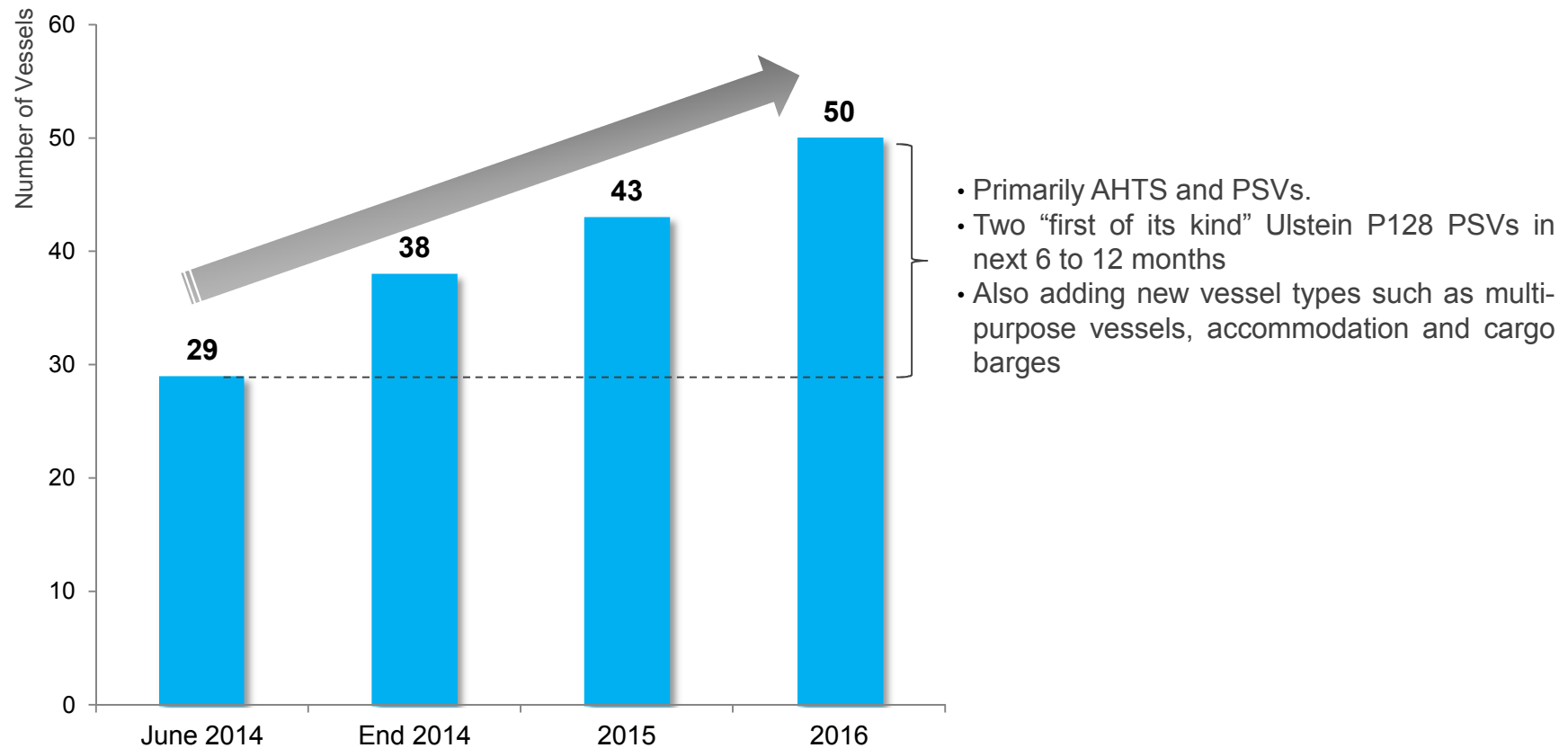
Average Fleet Age of 2.3 Years



- The global average age for PSVs is 18 years and 11 years for AHTS
- Our young fleet is a key competitive advantage as modern vessels are often preferred due to stringent requirements and better reliability
- Young fleet age profile ensures better fuel efficiencies and lower maintenance costs for the vessels
- Our young AHTS are equipped with Dynamic Positioning or DP technology which is increasingly a pre-requisite for most offshore projects

YOUNG AND GROWING FLEET

Fleet Expansion Strategy to Drive Future Growth



*The above is based on expected delivery of new vessels. The delivery schedule is subject to change.

YOUNG AND GROWING FLEET

Strategic Collaboration with First Class Chinese Shipyard

Beyond 2016



Collaboration with first class Chinese shipyard to build “Vallianz-designed” vessels



- Vallianz has right of first refusal for up to 200 vessels
- Vallianz provides market intelligence, engineering specifications and requirements
- No upfront commitment, costs or liabilities

READY access and flexibility

EXPAND our fleet size and range

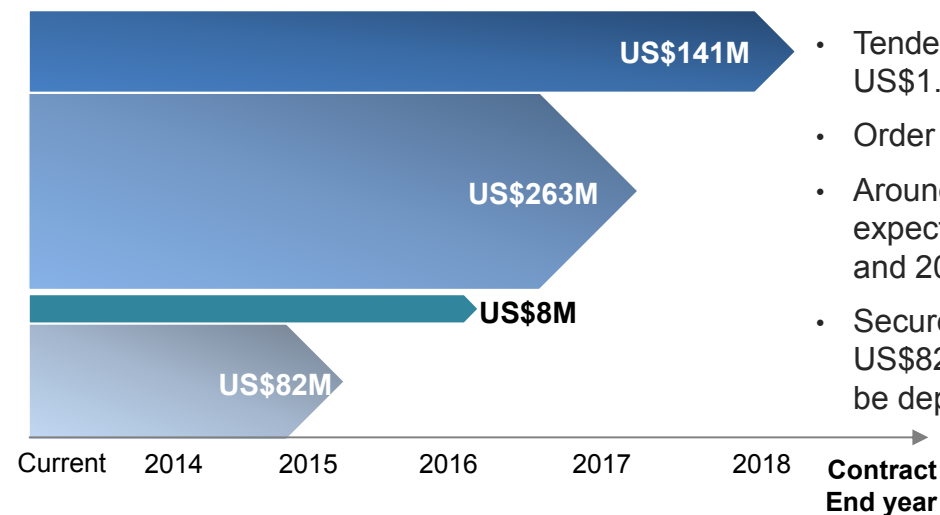
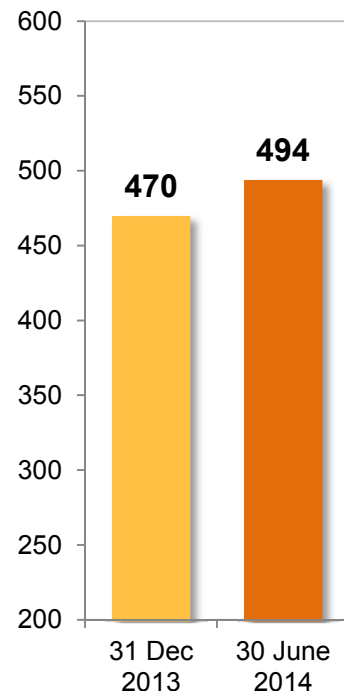
FLEET modernisation

VESSEL management

ROBUST ORDER BOOK

Charter Contracts of up to 5 Years Provide Revenue Visibility

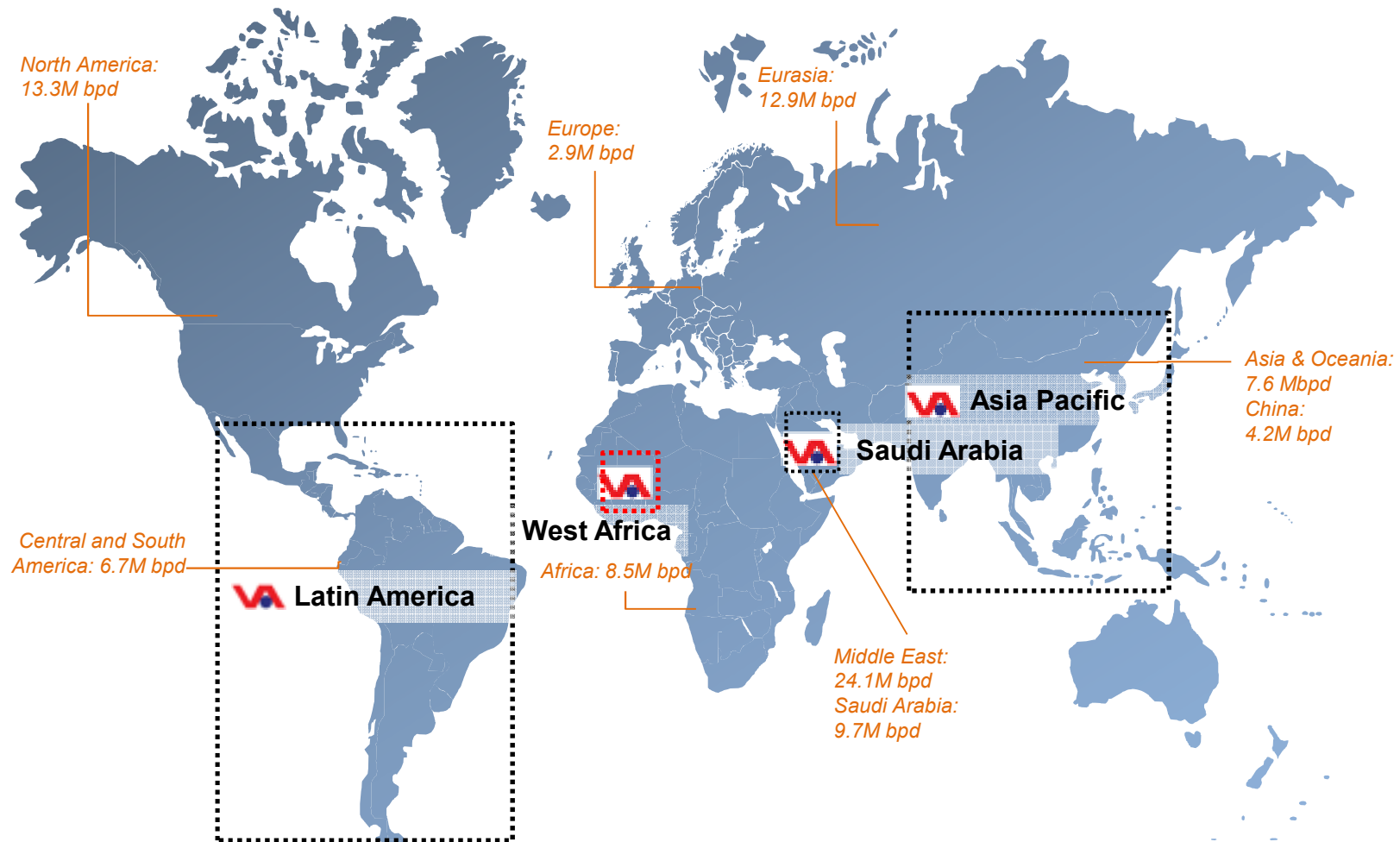
Order Book (US\$ M)



- Tendered for projects valued at approx US\$1.2 billion
- Order book stretches up to 2018
- Around 50% of current order book expected to be recognised over 2014 and 2015
- Secured first chartering contract worth US\$82.0M in May 2014 for vessels to be deployed in Latin America

GEOGRAPHICAL DIVERSIFICATION

Expanding in Major and Emerging E&P Markets



*Total Oil Supply (Crude Oil including Lease Condensate) based on information from the U.S. Energy Information Administration

Financial Review



FINANCIAL HIGHLIGHTS

Profit and Loss Summary

(US\$ M)	FY2012	FY2013	1H13	1H14
Revenue	11.5	20.0	7.5	66.3
Gross Profit	9.8	15.0	6.2	24.2
EBITDA	10.8	15.7	6.7	26.0
Net Profit After Tax	5.5	10.3	4.1	11.2
Net Profit to Equityholders	2.4	7.5	2.5	10.1

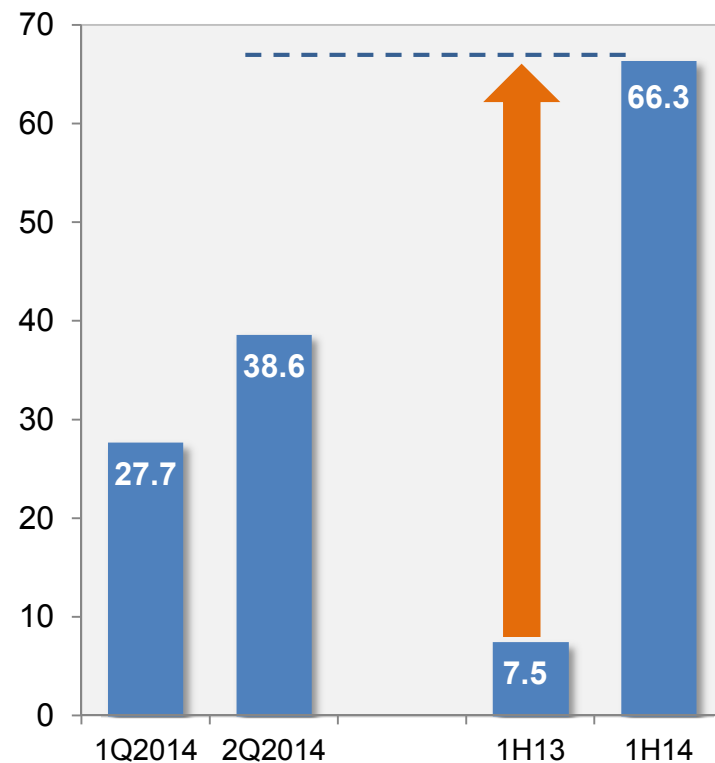
FY: Financial years ending 31 December

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- 1H14 net profit surged 172% on the back of 787% growth in revenue
 - Revenue expansion propelled by long-term charters with major oil companies
-

FINANCIAL HIGHLIGHTS

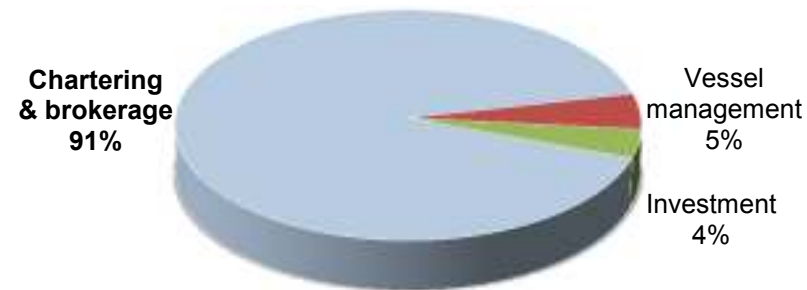
Significant Growth in Revenue

Group Revenue (US\$ M)



**Average Fleet Utilisation of
approximately 90%**

Revenue Breakdown (1H14)



- 2Q14 revenue increased 39% q-o-q to US\$38.6M
- Driven by chartering contracts for vessels deployed in Middle East and Asia Pacific

FINANCIAL HIGHLIGHTS

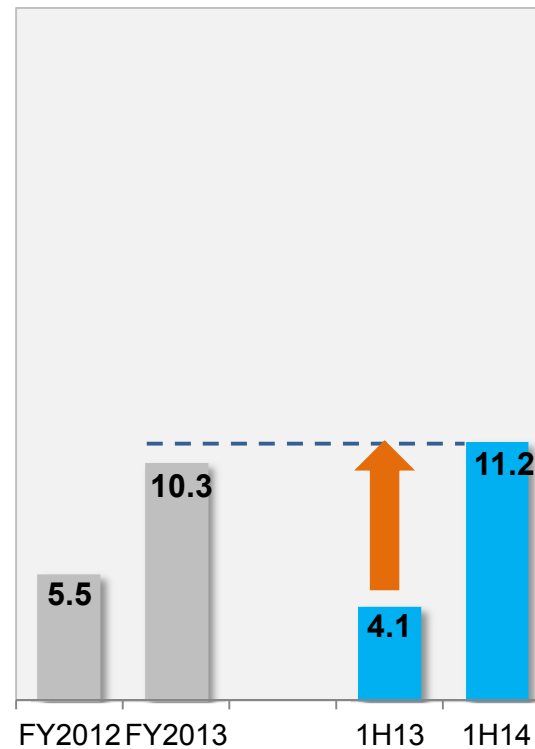
Multiple Fold Increase in Earnings

GROSS PROFIT MARGIN

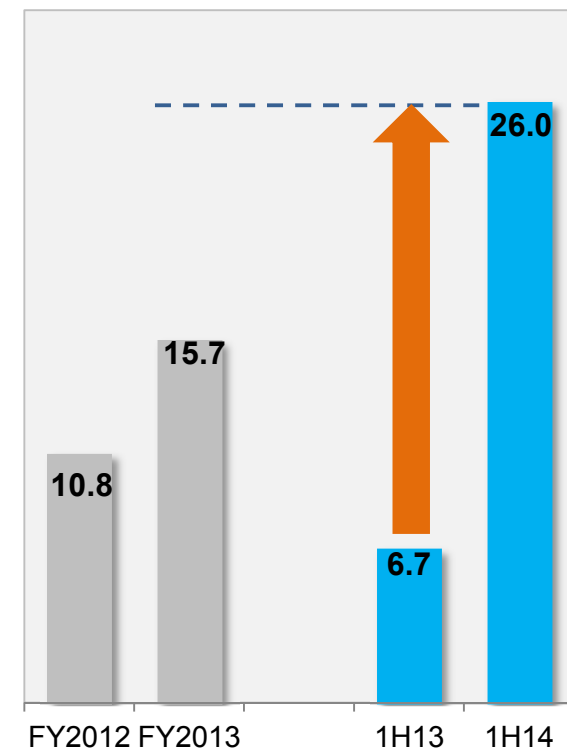


- GP margin relatively stable. 1H14 gross profit up 290% y-o-y to US\$24.2M
- Strong EBITDA generation of US\$26M for 1H2014, representing 39% margin
- 1H14 net profit exceeded FY2013 net profit

NET PROFIT (US\$ M)



EBITDA (US\$ M)



FINANCIAL HIGHLIGHTS

Balance Sheet and Key Financial Ratios

	30 Jun 2014 (US\$' 000)	31 Dec 2013 (US\$' 000)
Total Cash and Cash Equivalents	44,113	1,812
Total Assets	767,329	146,032
Total Debt	508,042	69,097
Total Equity	168,579	72,099

	30 Jun 2014	31 Dec 2013
Return on Average Equity (annualised)	28.2%*	19.1%
Trade Receivables Turnover (days)	88	103
Net Gearing	2.75 times	0.93 times
EBITDA / Interest Expense	3.47 times	5.07 times

* Excluding equity contribution from share placement on 25/06/2014

FINANCIAL HIGHLIGHTS

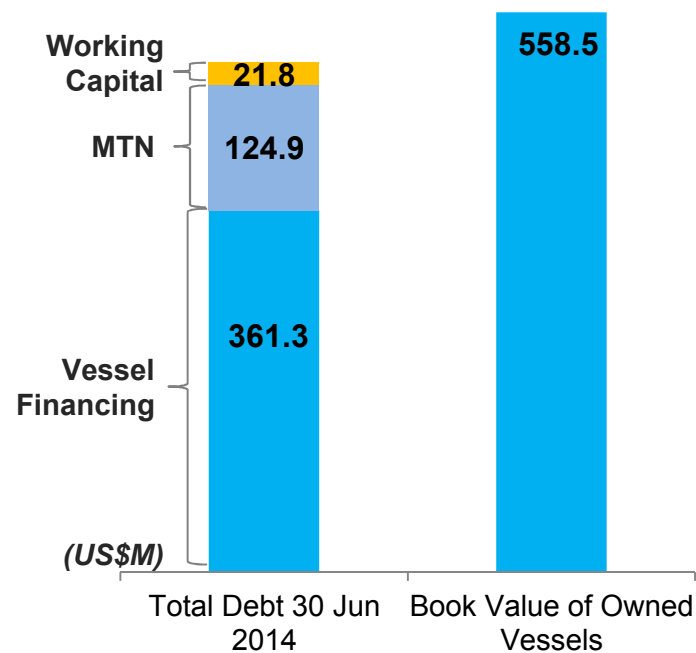
Active Capital Management To Chart A High Growth Trajectory

Financing exercises to support fleet expansion

- **US\$500M** Multicurrency Islamic Trust Certificates Issuance Programme
- **S\$500M** Multicurrency Debt Issuance Programme
- Raised new equity of **US\$48.0M** from strategic investors Swiber and Rawabi
- Raised net proceeds of **S\$52.2M** (US\$41.6M) through private equity placement

Predictable revenue streams from long-term charters

Financing backed by book value of owned vessels

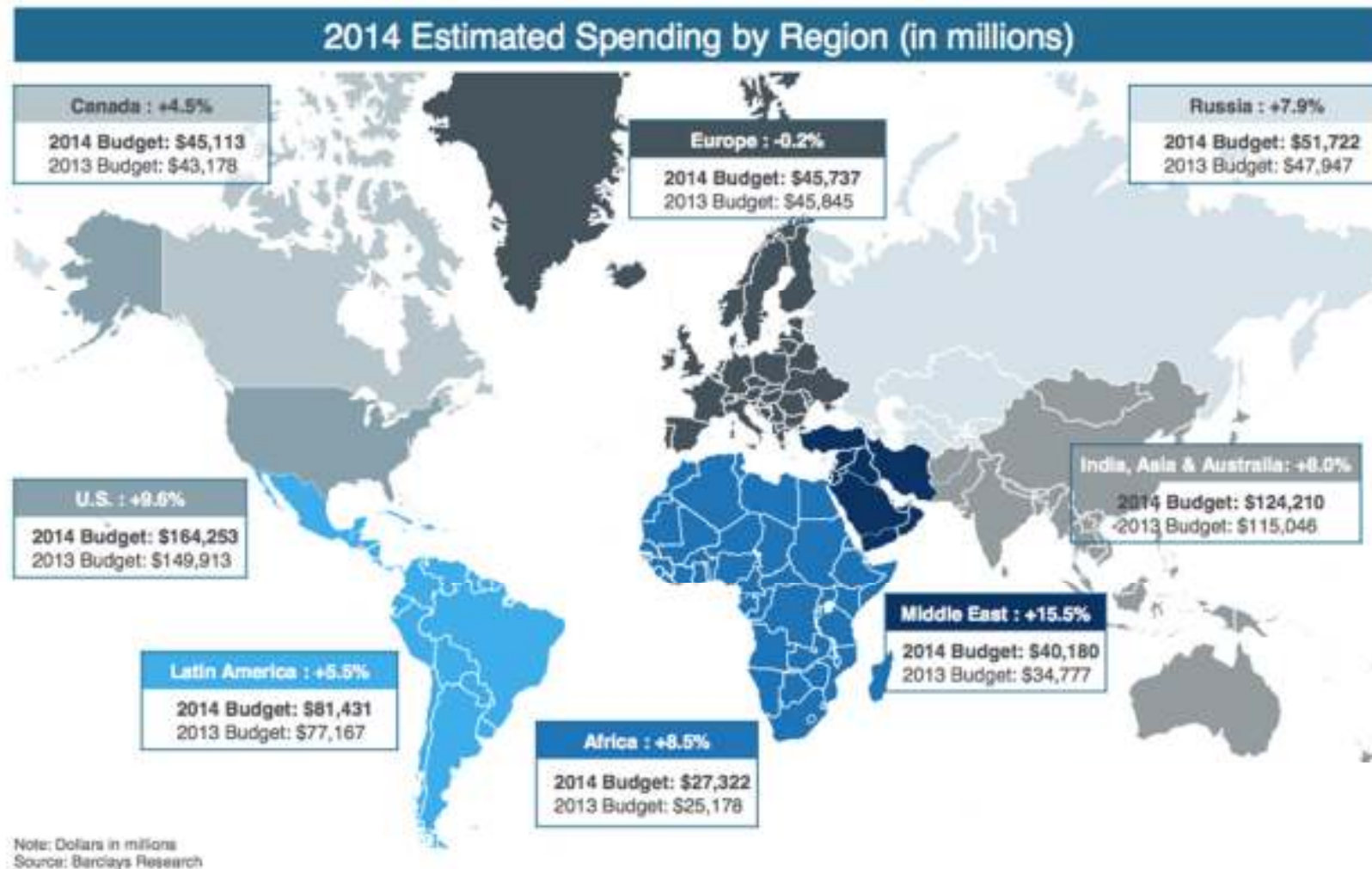


Industry & Business Outlook



INDUSTRY OUTLOOK

Global E&P Spending Expected to Increase 6.2% to \$712 billion

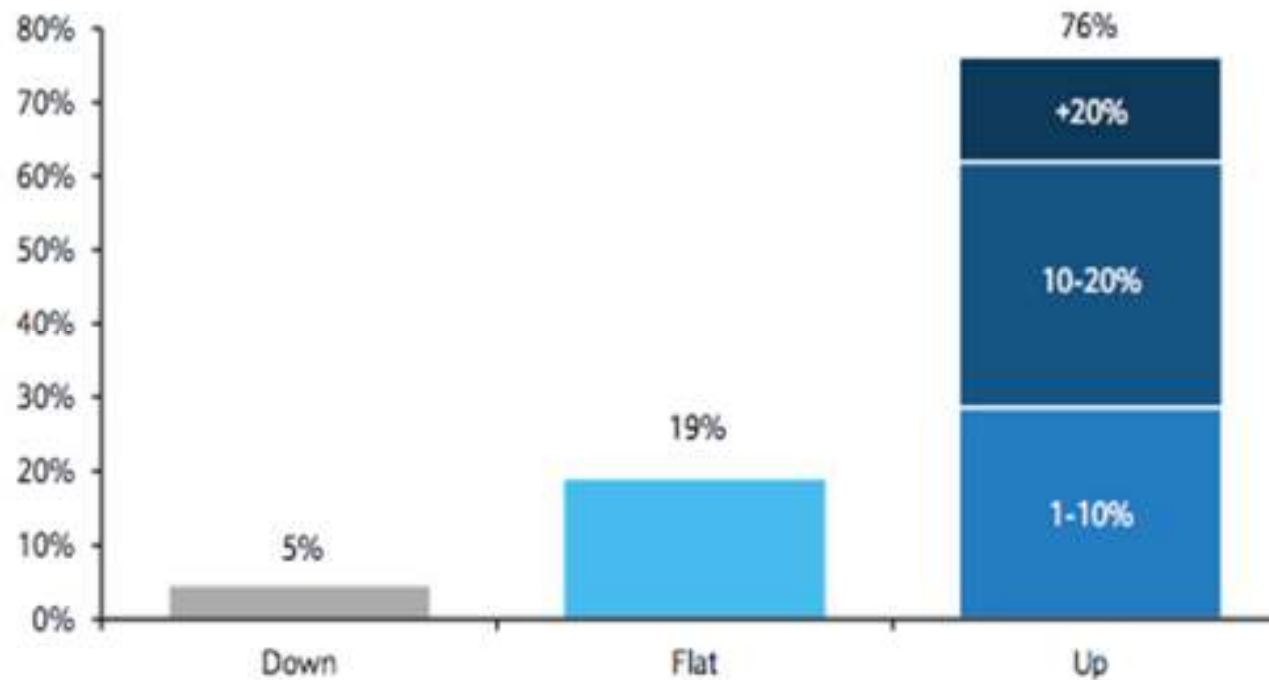


Source: Barclays Research, Global 2014 E&P Spending Update, 18 June 2014

INDUSTRY OUTLOOK

Strong Indications For Another Record Year in 2015

Direction of 2015 CAPEX vs 2014 Levels (% of Surveyed Companies)



Source: Barclays Research, Global 2014 E&P Spending Update, 18 June 2014

INDUSTRY OUTLOOK

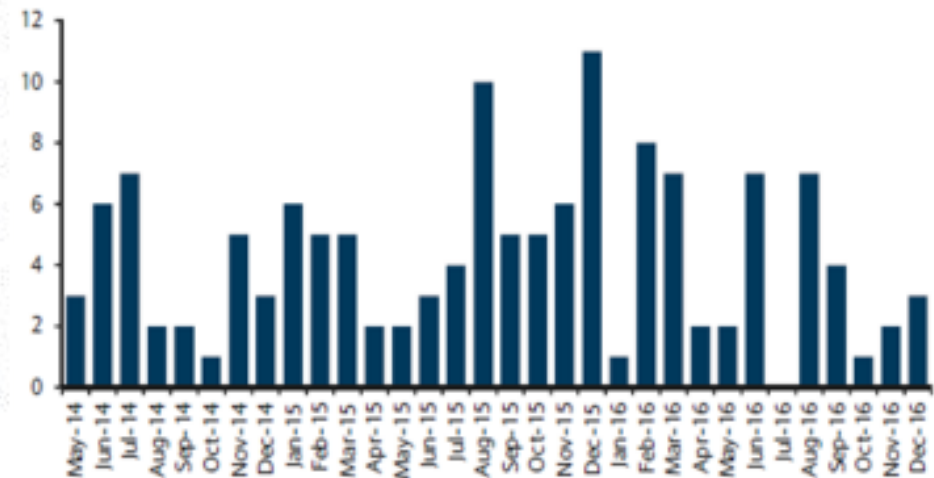
Jackup Utilisation Rate Remains High

Jackup Utilisation



High utilisation of 87%

Scheduled Jackup Deliveries



146 jackups currently on order worldwide

*Source: IHS-Petrodata Barclays Research

MARKET PROSPECTS

Middle East and Latin America to exhibit continued spending growth

Middle East - fastest growth region

- Barclays expects Middle East to extend lead in expected spending, with an increase of 16% in 2014
- Saudi Aramco has on average 9.4mbpd of crude oil production – roughly 1/8th world production
- Aggressive offshore expansion in Saudi Arabia.

Saudi Arabia (US\$bn)	Onshore	Offshore	Total
2011	85	29	114
2012	98	38	136
2013E	47	126	173

Source: IHS Petrodata, Barclays Research

Energy reform to drive LatAm growth

- Mexico is world's 7th largest crude producer with 2.5 mbpd
- Pemex invested US\$26 bn in 2013 and is expected to increase to US\$28bn (85% E&P) in 2014. (Source : Pemex)

LatAm (US\$bn)	2013E	2014E	2015E	2020E
Onshore	45.6	47.8	49.9	64.3
Shallow Water	21.3	23.0	28.3	32.9
Deepwater	38.5	40.9	47.1	77.7

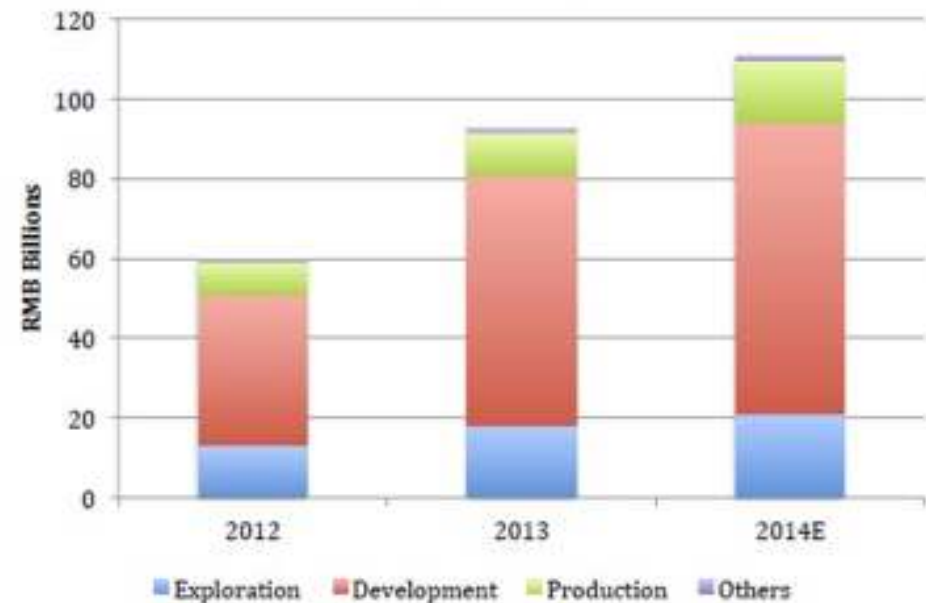
Source: Morgan Stanley Research, 28 May 2014

MARKET PROSPECTS

Asia-Pacific Potential


- Offshore Oil Engineering Co., Ltd (“**COOEC**”) is the largest offshore engineering and construction company in China and is a subsidiary of China National Offshore Oil Corporation (“**CNOOC**”)
- CNOOC is the largest offshore O&G producer in focusing on exploration for and production of offshore resources
- CNOOC expected 2014 CAPEX will be between US\$17.0-19.5 billion, representing 16-32% growth over 2013.

CNOOC's Capital Expenditure



Source: Breaking Energy, April 3, 2014

GROUP OUTLOOK



Outlook for Next 12 Months

- Higher revenue and profit expected in FY2014
- Confident of prospects especially in the Middle East and Latin America markets
- Tendered for projects valued approximately at US\$1.2 billion across the regions
- Strong competitive position in the Middle East; established relationships with national oil companies (“**NOCs**”)
- Targeting to enter West Africa
- Larger fleet with a wider range of vessel types

OUR STRATEGY



EXPAND ASSET BASE TO PROPEL GROWTH

- Target the best offshore marine support vessels for the O&G industry, and maintain low average age profile
- Collaboration with first class Chinese shipyard provides flexibility
- Broaden product offering



IMPROVE REVENUE VISIBILITY THROUGH LONGER-TERM CHARTERS

- Focus on securing charter arrangements of up to 5 years ensures long-term profitability of assets
- Customers typically employ long-term charters for dedicated oil field and offshore installations
- Medium-term charters provide flexibility to capitalise on upside potential of the assets



DIVERSIFY GEOGRAPHICAL PRESENCE & EXPAND CUSTOMER BASE

- Penetrate regional and global offshore O&G exploration markets through strategic alliances
- Strengthen relationships with existing customers and build new relations with customers who utilise chartered-in assets

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