EOC LIMITED

2nd Quarter FY2013

Unaudited Consolidated

Financial Information

Together We Deliver

1. Introduction

EOC Limited ("EOC", "the Company" or "the Group"), incorporated in February 2007, was spun off from Ezra Holdings Limited ("Ezra" or "Ezra Group"), a leading global offshore contractor and provider of integrated offshore solutions to the oil and gas ("O&G") industry, and listed on the Oslo Børs in 2007. The Group is headquartered in Singapore and owns as well as operates three construction and accommodation units (including one with heavy-lift and pipe laying capability) and two floating production, storage and offloading ("FPSO") systems. Our excellent operational and HSE (health, safety and environment) track records have allowed us to establish strong working relationships with leading international oil majors, national oil companies and various independent operators.

2. Company Profile

EOC is a provider of offshore construction and production vessels and services. We add value throughout the post-exploration phases of the O&G life cycle of offshore fields. We engage in various activities such as the installation of field infrastructure, the provision of FPSO systems, the operation of offshore production assets and field abandonment services.

Our operational footprint has stretched from the Republic of Congo (Africa) in the West to Australia in the East, and we have significant experience in operating across key regions of exploration and production ("E&P") activity in Asia, including in Brunei, India, Indonesia, Malaysia, the Middle East, the Philippines, Vietnam and Thailand.

Our core capabilities lie in two business segments, namely:

- Offshore Construction ("Construction")
- Offshore Production ("Production")

For our Construction Division, services provided include:

- Pipe laying, heavy-lift, offshore transportation and installation
- Hook-up and commissioning
- Leasing of offshore accommodation work barges and heavy-lift derrick lay vessels

Under our Production Division, we are positioned for opportunities in the following services:

- Provision of FPSO systems
- Provision of floating storage and offloading ("FSO") systems
- Engineering, procurement and project management for FPSO and FSO conversion as well as associated mooring and fluid transfer systems

3. Strategy

Pursuant to the stock exchange announcement made by the Group on 30 November 2012, EOC entered into a share sale-and-purchase agreement with Perisai Petroleum Teknologi Bhd for the sale of 51% of the equity interest in the entities that will own and operate the Lewek Arunothai and the purchase of a 49% equity interest in SJR Marine (L) Ltd which owns a pipe-lay construction barge. This will allow the Group to realign its resources in implementing the Group's medium term growth strategy.

Our growth strategy for achieving this goal entails

i) allocating the Group's resources to sharpening our competitive strengths in identified areas within the offshore construction; and
ii) reducing our exposure in ownership of production assets whilst maintaining production services via specialist management, engineering and operations expertise via partnerships and strategic alliances.

With the above strategy, the Group will be in position to capitalise on the buoyant market for offshore construction services, which is being driven largely by the increase in demand for offshore hydrocarbon-based energy, firm oil prices and the heightened level of offshore exploration and drilling activities.

4. Outlook

Demand for global offshore production and construction services is driven by oil prices. Oil prices determine the level of E&P spending by international oil majors, national oil companies and independent oil companies ("oil companies").

Throughout the calendar year 2012 and up till today, oil prices remained consistently above average budget planning prices indicated by the oil companies, which in turn sustained the strong momentum in E&P investments. Oil prices are likely to remain above this level in the mid-to-long term, with some short-term dips resulting from uncertainties over the global economy.

Currently, both of EOC's accommodation work barges, the *Lewek Chancellor* and the *Lewek Conqueror*, are secured on relatively long-term charter contracts. In addition, EOC's flagship DP2 heavy-lift derrick pipe lay barge, the *Lewek Champion*, is chartered out long-term, until early 2015, with an international oil major as the end-client, for the execution of offshore projects in the Gulf of Thailand.

At the Production Division, EOC's second FPSO, the *Lewek EMAS*, has been operating under a six-year firm charter with Premier Oil (Vietnam) Offshore at the Chim Sao Field off Vietnam since October 2011. In October 2012, the Group announced the award of a contract to its associated company to provide project management as well as engineering and procurement services for the modification of the Lewek EMAS to accommodate a subsea tie-back linking the FPSO to the nearby Premier-operated Dua oil field, offshore Vietnam. A subsea tie-back connects the new oil and gas development to an existing production facility, thereby potentially maximising the use of the Lewek EMAS as a production platform.

In November 2012, the Group concluded contract negotiations for the redeployment of its first FPSO, the *Lewek Arunothai,* for a project in Southeast Asia, which is expected to commence from 3Q-2013. The *Lewek Arunothai* is currently undergoing upgrading to her existing configuration at Keppel Shipyard in preparation for her deployment to the North Malay Basin in Malaysia.

Consolidated Statement of Comprehensive Income

The discussion below refers to the three months covering the financial period ended 28 February 2013 ("2Q FY2013") and the corresponding figures are for the three months covering the financial period ended 29 February 2012 ("2Q FY2012") for the Group's consolidated financial information. The discussion should be read in conjunction with the first quarter announcement for the period ended 30 November 2012 released on 10 Jan 2013, to obtain an overall understanding of the results for the first half financial year 2013 ("1H FY2013").

Revenue

Revenue for 2Q FY2013 was USD 8.0 million, a decrease of 75% or USD 23.5 million from USD 31.5 million in 2Q FY2012. The decrease was due mainly to the following factors:

(i) There was no one-off project revenue contribution in 2Q FY2013 as compared with a construction project undertaken in Papua New Guinea in 2Q FY2012 which contributed USD 16.7 million in revenue.

(ii) Lower revenue contribution from Lewek Champion of approximately USD 2.0 million resulting from lower charter rate.

(iii) Reduced revenue contribution from Lewek Conqueror in 2Q FY2013 as the vessel was under maintenance.

Gross profit

Gross profit for 2Q FY2013 amounted to USD 3.6 million, as compared to a gross profit of USD 1.0 million for 2Q FY2012 despite reduction in revenue. The improvement was due mainly to demobilisation expenses for the *Lewek Arunothai,* which amounted to approximately USD 5.8 million in 2Q FY2012.

Other operating income (expense)

Other operating income (expense) changed from an operating expense of USD 325,000 in 2Q FY2012 to an operating income of USD 1.1 million in 2Q FY2013. The change was due mainly to the foreign exchange gain of USD 0.9 million recorded in 2Q FY2013, as compared a loss of USD 331,000 in 2Q FY2012, as a result from appreciation of United State Dollar against Singapore Dollar on our Singapore Dollar denominated loans in this quarter.

Administrative expenses

The decrease in administrative expenses is in line with the decrease in activities of the Group.

Financial income

This item relates mainly to interest income derived from loans to an associate as well as cash and fixed deposit accounts placed with banks.

Financial expense

This item relates to interest incurred on bank loans. The increase in financial expenses was mainly due reclassification adjustment made in prior period.

Income tax

Income tax expense pertains to the amount paid or expected to be paid to the respective taxation authorities. The Group has exposure to income taxes in various jurisdictions. The tax rates and tax laws used to compute the amounts are those that had been enacted or substantively enacted at the end of the reporting periods.

Consolidated Statement of Financial Position

The discussion below refers to the financial position of the Group as at 28 February 2013 and 31 August 2012.

The Group's total assets amounted to USD 669.6 million as at 28 February 2013 and USD 632.7 million as at 31 August 2012. The increase in total assets was due mainly to costs incurred for the upgrading of *Lewek Arunothai* for the North Malay Basin project.

The Group's total liabilities amounted to USD 509.9 million as at 28 February 2013 and USD 475.2 million as at 31 August 2012. The increase is in line with the costs incurred in the upgrading of *Lewek Arunothai* as mentioned above.

6. Consolidated Statement of Comprehensive Income (in USD thousands)

	3 months ended			6 months ended		
	28 Feb 13	**29 Feb 12**	**% increase/ (decrease)**	**28 Feb 13**	**29 Feb 12**	**% increase/ (decrease)**
Revenue	7,953	31,458	(75%)	18,484	92,246	(80%)
Cost of sales	(4,382)	(30,416)	(86%)	(9,136)	(76,105)	(88%)
Gross profit	3,571	1,042	243%	9,348	16,141	(42%)
Other operating income (expenses)	1,117	(325)	n.m.	(14)	220	n.m.
Administrative expenses	(2,424)	(4,801)	(50%)	(5,134)	(8,354)	(39%)
Profit (loss) from operations	2,264	(4,084)	n.m.	4,200	8,007	(48%)
Financial income	435	189	130%	875	200	338%
Financial expenses	(1,712)	(1,565)	9%	(4,135)	(5,783)	(28%)
Share of profit (loss) of associated company	156	(259)	n.m.	1,192	744	60%
Share of profit of joint venture company	275	14	n.m.	52	14	271%
Profit (loss) before income tax	1,418	(5,705)	n.m.	2,184	3,182	(31%)
Income tax	(32)	(389)	(92%)	(32)	(794)	(96%)
Profit (loss) for the financial period representing total comprehensive income for the financial period	1,386	(6,094)	n.m.	2,152	2,388	(10%)
Profit (loss) for the financial period attributable to:						
Equity holder of the Company	1,355	(6,143)	n.m.	2,102	2,339	(10%)
Non-controlling interests	31	49	(37%)	50	49	2%
Total comprehensive income for the financial period	1,386	(6,094)	n.m.	2,152	2,388	(10%)
Earnings (loss) per share (US cents)	1.22	(5.54)	n.m.	1.89	2.11	(10%)

Notes:
Profit for the financial period is arrived at after (charging)/crediting the following:

	3 months ended			6 months ended		
	28 Feb 13	29 Feb 12		28 Feb 13	29 Feb 12	% increase/ (decrease)
Exchange gain (loss)	914	(331)	n.m.	(403)	67	n.m.
Depreciation	(2,677)	(2,390)	12%	(5,354)	(8,815)	(39%)
Fair value gain (loss)	212	(198)	n.m.	404	(109)	n.m.

n.m – Not meaningful

7. Consolidated Statement of Financial Position (in USD thousands)

	As at 28 Feb 2013	As at 31 Aug 2012	% Increase / (Decrease)
ASSETS			
Current assets			
Cash and bank balances	58,638	61,651	(5%)
Trade receivables	7,799	11,877	(34%)
Other receivables, deposits and prepayments	22,279	22,316	0%
Non-current assets classified as held for sale	346,127	297,961	16%
Total current assets	434,843	393,805	10%
Non-current assets			
Property, plant and equipment	149,246	154,597	(3%)
Investment in associate	85,053	83,861	1%
Investment in joint venture	502	450	12%
Total non-current assets	234,801	238,908	(2%)
Total assets	**669,644**	**632,713**	6%
LIABILITIES AND EQUITY			
Current liabilities			
Bank loans	218,352	186,621	17%
Trade payables	39,234	47,778	(18%)
Other payables and accruals	43,657	19,763	121%
Derivative financial instruments	412	814	(49%)
Income tax payable	425	602	(29%)
Total current liabilities	302,080	255,578	18%
Non- current liabilities			
Bank loans	170,067	181,790	(6%)
Other payables and accruals	37,800	37,800	-
Total non-current liabilities	207,867	219,590	(5%)
Capital and reserves			
Share capital	94,578	94,578	-
Restructuring deficit	(31,191)	(31,191)	-
Accumulated profits	96,081	93,979	2%
	159,468	157,366	1%
Non-controlling interests	229	179	28%
Total equity	159,697	157,545	1%
Total liabilities and equity	**669,644**	**632,713**	6%

n.m – Not meaningful

8. Consolidated Statement of Changes in Equity (in USD thousands)

(i) Statement of changes in equity for the 6 months period ended 28 February 2013

	Share capital	Restructuring deficit	Accumulated profits	Total equity attributable to owners of the Parent	Non-controlling interest	Total equity
At 31 August 2012	94,578	(31,191)	93,979	157,366	179	157,545
Total comprehensive income for the financial period	-	-	2,102	2,102	50	2,152
At 28 February 2013	94,578	(31,191)	96,081	159,468	229	159,697

(ii) Statement of changes in equity for the 6 months period ended 29 February 2012

	Share capital	Restructuring deficit	Accumulated profits	Total equity attributable to owners of the Parent	Non-controlling interest	Total equity
At 31 August 2011	94,578	(31,191)	106,556	169,943	-	169,943
Total comprehensive income for the financial period	-	-	2,339	2,339	49	2,388
At 29 February 2012	94,578	(31,191)	108,895	172,282	49	172,331

9. Consolidated Statement of Cash Flows (in USD thousands)

	3 months ended		6 months ended	
	28 Feb 2013	**29 Feb 2012**	**28 Feb 2013**	**29 Feb 2012**
Net cash flow from operating activities	8,349	31,761	10,663	41,041
Net cash flow used in investing activities	(15,124)	(9,761)	(33,684)	(2,032)
Net cash flow from (used in) financing activities	7,587	(34,729)	19,349	(43,895)
Net increase (decrease) in cash and cash equivalents	812	(12,729)	(3,672)	(4,886)
Cash and cash equivalents at beginning of financial period	3,880	23,733	8,364	15,890
Cash and cash equivalents at end of financial period	4,692	11,004	4,692	11,004

Note:

Breakdown of cash and cash equivalents is as follows:

	As at	
	28 Feb 2013	**29 Feb 2012**
Cash and bank balances	58,638	57,593
Less: Restricted cash/charged accounts	(53,946)	(46,589)
Cash and cash equivalents	4,692	11,004

10. Segment Information (in USD thousands)

The Group is organised into two main operating divisions, namely Construction and Production.

<u>Business segments</u>

<u>The following table presents revenue and results information regarding the Group's business segments for the 6 months period ended 28 February 2013 and 29 February 2012:</u>

	Construction		Production		Total	
	6 months ended 28 Feb 2013	6 months ended 29 Feb 2012	6 months ended 28 Feb 2013	6 months ended 29 Feb 2012	6 months ended 28 Feb 2013	6 months ended 29 Feb 2012
Revenue	18,484	71,207	-	21,039	18,484	92,246
Profit (loss) from operations	3,123	9,499	1,077	(1,492)	4,200	8,007
Allocated financial expenses	(2,007)	(1,886)	(1,085)	(2,814)	(3,092)	(4,700)
Unallocated financial expenses					(1,043)	(1,083)
Financial income					875	200
Income tax					(32)	(794)
Share of profit of associated company					1,192	744
Share of profit of joint venture company					52	14
Profit for the financial period					2,152	2,388

Business segments (cont'd)

The following tables present assets and liabilities related to the Group's business segments as at 28 February 2013 and 31 August 2012:

	As at 28 Feb 2013					
	Construction	**Production**	**Jointly Used**	**Unallocated**	**Elimination**	**Total**
Assets						
Segment Assets	227,471	471,032	284,391	106,470	(419,720)	**669,644**
Liabilities						
Segment Liabilities	142,085	425,536	307,977	54,069	(419,720)	**509,947**

Note: "Jointly Used" refers to assets and liabilities used by both the Construction and Production segment.

	As at 31 Aug 2012					
	Construction	**Production**	**Jointly Used**	**Unallocated**	**Elimination**	**Total**
Assets						
Segment Assets	229,625	409,559	255,204	107,197	(368,871)	**632,713**
Liabilities						
Segment Liabilities	153,530	376,418	260,919	53,172	(368,871)	**475,168**

	Construction		**Production**		**Total**	
	6 months ended 28 Feb 2013	**6 months ended 29 Feb 2012**	**6 months ended 28 Feb 2013**	**6 months ended 29 Feb 2012**	**6 months ended 28 Feb 2013**	**6 months ended 29 Feb 2012**
Other information:						
Capital expenditure	3	1,850	-	557	3	2,407
Depreciation	5,354	4,724	-	4,091	5,354	8,815

Geographical segment

The Group has operated and continues to operate in Brunei, India, Indonesia, Malaysia, the Middle East, Papua New Guinea, the Philippines, West Africa, Thailand and Vietnam. However, the geographical segment information is presented based on the notes as disclosed below:

Revenue, segment assets and capital expenditure by geographical segment are presented below:

a) Revenue – Note 1

	6 months ended 28 Feb 2013	**6 months ended 29 Feb 2012**	**% Increase/ (Decrease)**
Brunei	2,438	4,082	(40%)
Papua New Guinea	117	41,488	(100%)
Singapore	15,929	23,967	(34%)
Thailand	-	21,277	(100%)
Others	-	1,432	(100%)
Total	18,484	92,246	(80%)

b) Non-current assets – Note 2

	As at 28 Feb 2013	**As at 31 Aug 2012**	**% Increase/ (Decrease)**
Singapore	217,283	220,459	(1%)
British Virgin Islands	17,518	18,449	(5%)
Total	234,801	238,908	(2%)

Information about major customers

For the 6 months period ended 28 February 2013, revenue from the group's major customer per segment was as follows:

	6 months ended 28 Feb 2013
Construction division:	
Customer 1	10,860
Customer 2	5,068
Customer 3	2,438
Production division	-

For the 6 months period ended 29 February 2012, revenue from the group's major customer per segment was as follows:

	6 months ended 29 Feb 2012
Construction division:	
Customer 1	41,488
Customer 2	14,742
Production division	21,039

Notes:
1) Revenue is based on the location of customers
2) Non-current assets are based on the location of the companies that own those assets

n.m- Not meaningful

11. Significant Related Party Transactions (in USD thousands)

	6 months ended 28 Feb 2013	6 months ended 29 Feb 2012
<u>Income</u>		
Charter revenue from related parties	15,928	19,838
Interest income from an associate	860	179
Management fee income from an associate	-	250
<u>Expenses</u>		
Charter expenses charged by related parties	(543)	(3,719)
Vessel operating expenses charged by related parties	(2,300)	(1,105)
Interest expenses charged by a related party	(455)	(467)
Management fees charged by related parties	(1,794)	(1,618)
Construction project costs charged by a related party	-	(24,760)
Rental expense charged by a related party	(259)	(360)
Renovation expenses charged by a related party	-	(166)
Vessel demobilization expenses charged by a related party	(1,304)	-
Purchase of equipments and services from related parties	(3,860)	(2)
Key management personnel compensation		
- Salaries, bonus and allowance	(582)	(926)
- Defined contribution plan expense	(5)	(20)

12. Selected Notes to the Accounts

(i) Basis of preparation

This condensed consolidated financial information of the Group has been prepared in accordance with International Financial Reporting Standards ("IFRS"). The accounting policies and method of computations used are in accordance with the accounting policies and method of computation used in the last annual report. This financial information should be read in conjunction with the Group's FY2012 annual financial statements, which include a full description of the Group's accounting policies.

The consolidated financial information has been prepared on a historical cost basis, except for certain financial assets and financial liabilities that are stated at fair value.

The consolidated financial information has not been audited.

(ii) Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

a) <u>Critical judgments in applying the Group's accounting policies</u>

Management is of the opinion that there are no instances of application of judgments (other than those arising from estimates discussed below) are not expected to have a significant effect on the amounts recognised in the financial statements except as follows:

12. Selected Notes to the Accounts (cont'd)

ii) Critical accounting judgments and key sources of estimation uncertainty (cont'd)

Withholding tax recoverable

Withholding tax recoverable represents an advance payment to Thai tax authority of which the final amount to be recovered is based on finalization of the Thai corporate tax of a permanent establishment in Thailand. The withholding tax recoverable of the Group is based on the on-going assessment of collectability from various discussions with the tax authority and on management and our tax advisors judgement. A considerate amount of judgement is required in assigning the ultimate realization of the tax recoverable including the deductibility of expenses under the Thai tax law.

If the expense is deemed to be non-tax deductible, the amount that can be recovered from the tax authority would be reduced and accordingly, additional tax expense will be recognized and the amount of withholding tax recoverable will be reduced.

b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next three months and the next financial year are discussed below.

Estimated useful lives of vessels

Vessels are depreciated on a straight-line basis over their estimated useful lives. The estimated useful lives reflect management's estimate of the periods over which the Group intends to derive future economic benefits from the use of vessels. Changes in business plans and strategies, expected level of usage and future technological developments could affect the economic useful lives and the residual values of these assets, so future depreciation charges could be revised.

12. Selected Notes to the Accounts (cont'd)

ii) Critical accounting judgments and key sources of estimation uncertainty (cont'd)

b) <u>Key sources of estimation uncertainty (cont'd)</u>

Impairment in investment in an associate or a joint venture

Determining whether an investment in an associate or a joint venture is impaired requires an estimation of the value-in-use of those investments. The value-in-use calculation requires the Group to estimate the future cash-flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the recoverability of those investments based on such estimates and is confident that the allowance for impairment, where necessary, is adequate.

Allowance for trade and other receivables

The allowance policy for doubtful debts of the Group is based on the on-going evaluation of collectability and ageing analysis of the outstanding receivables and on management's judgment. A considerable amount of judgment is required in assigning the ultimate realisation of these receivables, including assessing the creditworthiness and the past collection history of each customer. If the financial conditions of the customer should deteriorate, resulting in an impairment of the customer's ability to make payments, additional allowances might be required.

Impairment of property, plant and equipment

The Group assesses annually whether its property, plant and equipment exhibit any indication of impairment. In instances where there are indicators of impairment, the recoverable amounts of property, plant and equipment have been determined based on market valuations obtained from professional valuers or value-in-use calculations.

12. Selected Notes to the Accounts (cont'd)

ii) Critical accounting judgments and key sources of estimation uncertainty (cont'd)

b) Key sources of estimation uncertainty (cont'd)

Income taxes

The Group has exposure to income tax in numerous jurisdictions. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were recognised initially, such differences will affect the income tax and deferred tax provisions in the year in which such determinations are made.

iii) Foreign currency transactions and translation

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group are presented in United States dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

12. Selected Notes to the Accounts (cont'd)

iii) Foreign currency transactions and translation (cont'd)

Exchange differences arising from the settlement of monetary items and from retranslation of monetary items are included in profit or loss for the period. Exchange differences arising from the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities at the foreign operation and translated at the closing rate.

iv) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

12. Selected Notes to the Accounts (cont'd)

iv) Basis of consolidation (cont'd)

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders might be measured initially either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts recognised previously in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under *IAS 39 Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

12. Selected Notes to the Accounts (cont'd)

v) Non-current assets classified as held for sale

Non-current assets and disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

vi) Associate

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under FRS 105 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the group's interest in that associate (which includes any long-term interests that, in substance, form part of the group's net investment in the associate) are not recognised, unless the group has incurred legal or constructive obligations or made payments on behalf of the associate.

12. Selected Notes to the Accounts (cont'd)

vi) Associate (cont'd)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment in associate and is assessed for impairment as part of the investment. Any excess of the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a Group entity transacts with an associate of the Group, the profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

vii) Joint venture

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Where a group entity undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

Where the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture.

13. Principal Risks and Uncertainties

The Group is exposed to various known and unknown risks and uncertainties. These uncertainties and risks could develop into actual events that could materially and adversely affect our business or financial conditions, the results of our operations or our prospects. These uncertainties and risks could include, among others:

- Changes in financial markets
- Changes in socioeconomic environments
- The availability of substitute services
- The competitive nature of the offshore oil and gas industry
- Oil and gas prices
- Oil and gas demand
- Improvements in technology
- Changes in local and foreign government regulations
- Changes in economic conditions or political events
- The inability of the Group to obtain financing for potential new builds or to maintain existing assets on favourable financing terms
- Changes in the spending plans of our customers
- Changes in the Group's operating expenses, including crew wages, insurance, dry-docking, repairs and maintenance
- Redeployment risks

As disclosed in Pages 82 to 89 of the EOC Limited 2012 Annual Report, the Group is exposed to a number of financial risks including but not limited to credit risk, liquidity risk, foreign currency risk and interest rate risks. It is the policy of the Group to continuously monitor and review these risks and take the necessary steps to minimise the potential effects of these risks on the Group's performance.

Although some factors might be outside our control, as described above, the Group is actively managing any possible operational risk that could arise, through continuous improvements to the current business operational workflow, processes, practices and activities.

14. Key Financial Figures

	Notes	6 months ended 28 Feb 2013	6 months ended 29 Feb 2012
EBITDA (in USD thousands)		10,798	17,580
EBIT (in USD thousands)		5,444	8,765
Earnings per share			
– Basic and diluted (in USD cents)	A	1.89	2.11
Weighted average number of shares ('000)		110,955	110,955
Interest cover ratio (times)	B	3.31	3.15
Return on equity	C	1.36%	1.40%

	Notes	As at 28 Feb 2013	As at 31 Aug 2012
Net interest bearing debt (in USD thousands)	D	329,781	306,760
Net tangible assets attributable to the Parent (in USD thousands)		159,468	157,366
Debt equity ratio (times)	E	2.07	1.95
Current ratio (times)	F	1.44	1.54

Notes:

A. Net profit / Weighted average number of shares

B. EBITDA / Net interest expenses

C. Net profit / Average book equity

D. Interest bearing bank debts less cash and bank balances

E. Net interest bearing bank debts / Equity

F. Current assets/ Current liabilities

Responsibility Statement

We confirm that, to the best of our knowledge, the condensed set of financial statements as set out in Pages 4 to 25 for the period from 1 September 2012 to 28 February 2013, which have been prepared in accordance with the guidelines under IAS 34 – Interim Financial reporting, give a true and fair view of the Group's assets, liabilities, financial position and profit or loss as a whole.

We also confirm, to the best of our knowledge, that the unaudited consolidated financial information includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

The Board of Directors and the Executive Management

EOC Limited

12th April 2013

(signed)
Mr Lee Kian Soo
Chairman

(signed)
Mr Lee Chye Tek Lionel
Vice-Chairman

(signed)
Dr Wang Kai Yuen
Member

(signed)
Mr Dale Bruce Alberda
Member

(signed)
Mr Cuthbert (Chas)
I. J Charles
Member

(signed)
Mr Chan Eng Yew
Chief Financial Officer

(signed)
Mr Jon Dunstan
Acting Chief Executive Officer