



EMAS

EMAS Offshore Limited

EMAS OFFSHORE LIMITED

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EMAS Offshore records net profit of US\$36.3 million in 4QFY15, amidst volatile oil and gas environment

- ◆ Newly awarded contract wins¹ of US\$33.0 million adds to Offshore Supply Vessels (OSVs) backlog
- ◆ Floating Production Storage Offloading (FPSO) vessels on long time charters performing well with operational uptime of more than 95%
- ◆ Continued efforts to strengthen balance sheet improves net gearing ratio to 1.04x from 1.28x

SINGAPORE ◆ 20 OCTOBER 2015

For immediate release

The Company's admission to and listing on the SGX-ST is sponsored by DBS Bank Ltd.

EMAS Offshore Limited ("EMAS Offshore" or the "Company"), reported an increase in net profit to US\$199.5 million for the full year ended 31 August 2015 ("FY15"), boosted by a US\$154.7 million negative goodwill arising from the completion of the business combination of EOC Limited and EMAS Marine on 3 October 2014.

The Company posted lower revenue of US\$54.3 million for the three months ended 31 August 2015 ("4QFY15"), a 19% decrease from the corresponding period, mainly due to weakness in both the shallow water platform support vessels ("PSV") and anchor handling, towing and supply vessels ("AHTS") segments. Gross profit for 4QFY15 was also impacted as a result of additional mobilisation costs incurred to prepare the vessels for new contracts as well as vessel repairs and maintenance costs.

Profits before tax for the quarter came in at US\$40.7 million, as a result of contributions from the Production segment, gains from the sale of vessels (under sale and leaseback arrangements), and an adjustment to the negative goodwill for the financial year in respect of the business combination. 4QFY2015 net profit stood at US\$36.3 million, up from US\$12.9 million in the same period a year before ("4QFY14").

¹ Please refer to announcement titled 'EMAS Offshore awarded contracts worth US\$33.0 million in 4QFY15' on SGX



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Captain Adarash Kumar, EMAS Offshore's Chief Executive Officer, said: "As global concerns continue to affect the oil and gas services providers, we expect the near term pressure to continue. The Group is likely to experience an intense price competition on its charter rates and a tapered rate for its vessel utilisation. This will inevitably have an impact on the Group's operating and financial performance. However, we continue to adopt measures to strengthen our balance sheet and conserve cash. We are focused on opportunities for our offshore assets and accommodation and support services, and barring any major long-term disruption, we will be able to benefit from an eventual upturn."

Additionally, EMAS Offshore announced today that it has won contracts valued at US\$33.0 million for work in West Africa and Asia. The contracts awarded are part of EMAS Offshore's strategy of focusing its efforts in West Africa where offshore activities remain healthy.

In the **Offshore Support and Accommodation Services division**, offshore support vessel achieved an utilisation rate of 75% for FY15. The Company continues to see strong demand for larger specifications vessels in the AHTS segment, with an utilisation rate of over 90% for FY15.

In the **Offshore Production Services division**, the two FPSO vessels continue to perform well, with an operational uptime of more than 95% for FY15. Contribution from the FPSOs continue to be stable in the past quarter.

"In the face of significant volatility and weakness in the oil price environment, we have taken further steps to reduce cost, targeting a further reduction between 10-20% on vessel cost and general administrative expenses. We will continue to streamline the fleet, potentially looking to dispose of smaller tonnage vessels and strengthening the balance sheet through monetisation of certain assets. In addition, we have been implementing initiatives to improve operational efficiency and increasing our focus on vessel utilisation as we leverage synergies with Ezra Group to win tenders globally. One of our focus areas is West Africa, as we establish new operational readiness for our business," said Captain Kumar.

Vessel operating cost and administrative expense for 4QFY15 dropped 17% and 26% respectively, in line with cost rationalisation initiatives.



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Net gearing ratio improved to 1.04x in FY15 from 1.28x in FY14. As part of EMAS Offshore's continued efforts to strengthen the balance sheet, the Company aims to further reduce the net gearing ratio over the next financial year.

ABOUT THE COMPANY

www.emasoffshore.com ♦ Oslo Børs listing: October 2007 ♦ SGX mainboard listing: October 2014

EMAS Offshore Limited (EMAS Offshore or the Company) is an established offshore services provider offering offshore support, accommodation, construction and production services to customers in the oil and gas industry throughout the oilfield life cycle, spanning the exploration, development, production and decommissioning stages. Headquartered in Singapore, EMAS Offshore holds a leading market position in the Asia-Pacific region, with global operations across Latin America, Africa and Australia.

Business activities are carried out by two core business segments, namely: (i) the Offshore Support and Accommodation Services division, and (ii) the Offshore Production Services division.

EMAS Offshore's excellent operational and HSE (health, safety and environment) track record has allowed the Company to establish strong working relationships with leading international oil majors, national oil companies and various independent operators.

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