



EMAS Offshore Limited

EMAS OFFSHORE LIMITED

15 Hoe Chiang Road
#28-01 Tower Fifteen
Singapore 089316

Tel: +65 6349 8535
Fax: +65 6345 0139

EMAS Offshore reports net loss for FY2016 on continued industry downturn

- ◆ Extremely challenging market conditions and impairments continue to weigh on financial results given downturn in the industry
- ◆ Encouraging signs of stabilisation in utilisation rates
- ◆ Continual significant presence in West Africa, with further expansion expected in India

SINGAPORE ◆ 30 OCTOBER 2016

For immediate release

This announcement should be read in conjunction with the Company's unaudited financial statements as announced

EMAS Offshore Limited ("EMAS Offshore" or the "Group"), announced today a net loss of US\$265.3 million for the full year ended 31 August 2016 ("FY2016"). Net loss for the three months ended 31 August 2016 ("4QFY2016") stood at US\$98.5 million.

For the full year period under review, the Group recorded revenue of US\$167.6 million, as compared to revenue of US\$247.2 million in the year-ago period ("FY2015"). This decline in revenue was the result of continual weakness in the offshore industry leading to markedly lower demand as well as general over-supply in the offshore support vessels ("OSV") segment.

Gross loss for the year stood at US\$49.8 million as compared to gross profit of US\$29.4 million in the previous corresponding period.

Captain Adarash Kumar, EMAS Offshore's Chief Executive Officer, said: "The market continues to paint an extremely challenging landscape for the Group. Amidst this, one bright spot for the Group is that we are starting to see signs of stabilisation in utilisation rates though daily charter rates are expected to remain depressed for a considerable period of time."

In the Offshore Support and Accommodation Services division, offshore support vessel achieved an utilisation rate of 55% for FY2016. In the Offshore Production Services division, the single FPSO vessel continues to perform well, with an operational uptime of close to 100% for FY2016.



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“Looking ahead, we believe that FY2017 will continue to be an extremely challenging period for the Group. However we remain on track on the initiatives we have implemented to strengthen our financial position and conserve cash. The divestment of our FPSO¹ has allowed us the flexibility to rework our costs and capital allocation, and streamlined our operational focus.

In terms of geographical expansion, West Africa continues to be a strategic market for the Group. In anticipation of new business engagements, we intend to deploy more vessels in West Africa and also increase our presence in India,” Captain Kumar added.

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. Its global presence also includes operations in West Africa and Australia.

Business activities are carried out by two 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.

¹ On 1 July 2016, the Group formalised the sale of its entire 41.7% equity share in PV Keez Ltd¹, which owns FPSO *Lewek* EMAS, through a sale and purchase agreement. The sale is consistent with EMAS Offshore's strategy of moving away from the ownership of FPSO assets and to leverage on the Group's experience in FPSO conversion to provide value-added services to third parties instead



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FOR ENQUIRIES

MR HSU CHONG PIN

EMAS Offshore

+65 6800 1202

investor_relations@emasoffshore-cnp.com

MR CLARENCE FU

BELL POTTINGER

+65 6333 3449

cfu@bellpottinger.com

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