



PACC OFFSHORE SERVICES HOLDINGS LTD.

MEDIA RELEASE

**POSH REPORTS LOWER Q1 FY2015 PROFITS REFLECTING
DIFFICULT MARKET CONDITIONS**

- Q1 FY2015 PATMI down to US\$21,000 in low oil price environment despite 9% YoY growth in revenue
- Long term contracts of US\$140 million secured

Group Financial Performance

	First Quarter Ended		
	31 March 2015 (US\$'000)	31 March 2014 (US\$'000)	% Change
Revenue	57,585	52,928	9
Gross Profit	7,994	15,819	(49)
Share of joint ventures' results	(1,320)	(3,196)	(59)
PATMI	21	36,677	(99.9)

SINGAPORE, 5 May 2015 – Offshore marine services provider, PACC Offshore Services Holdings Ltd. (“**POSH**” or the “**Group**”), today announced results for the three months ended 31 March 2015 (“**Q1 2015**”).

POSH reported a 9% year-on-year (“**YoY**”) growth in revenue of US\$58 million in Q1 2015, driven mainly by contribution from the *Offshore Supply Vessels* (“**OSV**”) and *Offshore Accommodation* (“**OA**”) business segments. However, gross profit fell 49% YoY to US\$8.0 million on higher costs incurred by the OSV segment and initial costs of newly delivered vessels.

Profit after tax and minority interests (“**PATMI**”) for the period was US\$21,000 (Q1 FY14: US\$36.7 million). The decrease in PATMI compared to the same period last year was in part because Q1 FY14 numbers included a US\$25.9 million one-off gain from the sale of five vessels. Other contributing factors include losses incurred by the Group’s Mexico joint ventures of US\$5.3 million, US\$2.2 million of which were depreciation costs.

Net gearing stood at 0.5 times as at end-March 2015.

Since the start of the year, the Group has secured long-term charters worth US\$140 million for the OA and OSV segment which will commence from Q2 2015.

Business Segment Performance

	Revenue			Gross Profit		
	Q1 15 US\$ '000	Q1 14 US\$ '000	% Change	Q1 15 US\$ '000	Q1 14 US\$ '000	% Change
Offshore Supply Vessels ("OSV")	32,755	28,908	13%	3,899	7,444	-48%
Transportation & Installation ("T&I")	6,041	13,446	-55%	1,540	6,525	-76%
Offshore Accommodation ("OA")	13,120	4,258	208%	1,613	287	462%
Harbour Services and Emergency Response ("HSER")	5,669	6,316	-10%	942	1,563	-40%
	<u>57,585</u>	<u>52,928</u>	9%	<u>7,994</u>	<u>15,819</u>	-49%

Offshore Supply Vessels ("OSV")

OSV revenue increased by 13% to US\$32.8 million (Q1 FY14: US\$28.9 million). Utilisation rate was 82% (Q1 FY14: 85%) (excluding 6 Mexico vessels which were progressively transferred to the OSV fleet). Gross profit decreased due to operating expenses incurred by the Mexico vessels amounting to US\$3.9 million, of which US\$1.3 million related to redeployment cost.

Transportation & Installation ("T&I")

Revenue for Q1 FY15 was US\$6.0 million, a 55% decrease as compared with Q1 FY14's US\$13.4 million. Utilisation of its AHT vessels and barges decreased to 60% (Q1 FY14: 62%) and 37% (Q1 FY14: 62%) respectively. Consequently, gross profit decreased by 76% in the period under review.

Offshore Accommodation ("OA")

POSH Xanadu and POSH Endurance commenced charter towards the end of Q1 FY15, contributing to higher revenue and gross profit in the quarter. Gross profit increased to US\$1.6 million (Q1 FY14: US\$0.3 million).

Harbour Services & Emergency Response ("HSER")

HSER revenue of US\$5.7 million (Q1 FY14: US\$6.3 million) was mainly due to lower utilisation of its heavy lift vessels and absence of salvage jobs during the period.

Outlook

The oil price continues to remain under pressure and consequently, the Group does not expect any significant increase in demand from offshore oilfield development activities. This will continue to put pressure on rates and utilisation.

In Q1 FY15, the Group has secured long term contracts worth US\$140 million, which will commence and contribute to the Group's earnings from Q2 FY15. In addition, the OA segment will contribute significantly to the Group's performance for the remainder of the year.

Mr Gerald Seow, Chief Executive Officer of POSH, said, "Like all companies in the offshore marine services sector, our financial performance has been and continues to be affected by headwinds faced by the Oil and Gas industry.

While we expect oil price volatility and macroeconomic uncertainty to continue to feature in the year ahead, we have been successful in securing long term charters and remain confident of the industry's long-term prospects."

For further information or to speak to a spokesperson, please contact:

Mr Kuan Zhan Peng

Manager, Corporate Affairs and Business Development

Pacc Offshore Services Holdings Ltd.

+65 9819 3466, +65 6839 7861, zhanpeng.kuan@paccoffshore.com.sg

Ms Josephine Chew

Associate Partner

WATATAWA Consulting

+65 90610353, +65 6592 6955, josephine.chew@watatawa.asia

About PACC Offshore Services Holdings Ltd. (“POSH”)

POSH is a leading offshore marine services provider that leverages some 60 years of operating experience and specialised expertise in offshore and marine oil field services. We operate a young and diverse fleet that is one of the largest globally, which is reflective of the depth and breadth of our capabilities and expertise. Our highly experienced team has been consistently recognised by customers for their professionalism and commitment to service quality and safety. In addition, our long and proven international track record serves as a benchmark for us to continuously raise the bar on operational excellence.

Our core competencies spread across four key business segments: Offshore Supply Vessels, Transport & Installation, Offshore Accommodation and Harbour Services & Emergency Response.

1) Offshore Supply Vessels

Our largest segment operates multifunctional vessels that provide support during the exploration, field development/ construction and production phases of the oil & gas life cycle. We operate one of the youngest fleets of mid water and deepwater Anchor Handling Tug Supply Vessels (“AHTS”) and Platform Supply Vessels (“PSV”)

2) Transportation & Installation

This segment supports marine contractors in construction and maintenance of oilfield infrastructure and pipelines in both shallow and deep waters. We are the leading operator in the deepwater space through our joint venture POSH Terasea, that has the largest deepwater Anchor Handling Tug (“AHT”) fleet globally.

3) Offshore Accommodation

Our fastest growing segment operates a fleet of vessels that offer a range of accommodation and “walk-to-work solutions” for professionals involved in the construction and/or maintenance of offshore field structures and platforms. Among the fleet of accommodation vessels, Wwe operate the world’s largest deepwater OA semi-submersible accommodation vessel that can accomodateaccommodate 750 paxoffshore personnel.

4) Harbour Services & Emergency Response

We own, operate and manage vessels that support harbour towage operators and shipyards, for which we have a public towing licence by the Maritime Port Authority of Singapore. We also provide worldwide emergency assistance to vessels that require assistance and clean-up operations for spills.