

Pacific Radiance reports 2QFY17 revenue of US\$17.5m, narrows net loss after tax to US\$8.5m

- ◆ Second consecutive revenue rise since 4QFY16 is due to higher overall fleet utilisation and improved contribution from shipyard business
- ◆ Operating conditions to remain challenging over next 12 months despite pick-up in activity; efforts continue to curb costs and step up marketing
- ◆ Working closely with lenders since downturn; appointed advisers to help review overall capital structure to sustain operations for the long term

SINGAPORE ◆ 14 August 2017

For immediate release

Pacific Radiance Ltd. (Pacific Radiance or the Group), a provider of integrated offshore marine support services, achieved a revenue of US\$17.5 million for the second quarter ended 30 June 2017 (2QFY17), better than the US\$12.1 million and US\$14.0 million posted for 4QFY16 and 1QFY17 respectively. EBITDA turned positive to US\$4.3 million in 2QFY17 and US\$1.6 million in first half of FY17.

The improved topline for 2QFY17 was due to higher utilisation of its offshore support and subsea services fleet, as well as a steady rise in repair revenue from the Group's shipyard, which started operations in August last year. These developments and heightened cost-cutting measures enabled Pacific Radiance to narrow its net loss after tax to US\$8.5 million from US\$15.2 million in the first quarter and US\$16.9 million (before impairments) in 2QFY16.

Mr Pang Yoke Min (冯学民), the Executive Chairman of Pacific Radiance, said: "We have been proactive and prudent in managing our costs and cashflow while ensuring that we do not compromise on quality or our ability to service current contracts and take on new work.

"Although there has been a pick-up in activity in the offshore market, operating conditions are expected to remain challenging over the next 12 months. Thus, the Group has taken additional measures to rein in costs, which include further right-sizing of our fleet and reduction of overheads, even as we press on with our marketing efforts."



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In line with its goal to build a sustainable business for the long term, Pacific Radiance has 'warm stacked' several of its vessels, and the cost savings from this move are expected to flow through from 3QFY17.

"We will continue to focus on growing revenue while exercising prudence in our cashflow management. We have worked closely with our lenders to assess our debt position and working capital requirements since the industry downturn began in late 2014. In addition, we recently appointed advisers to review our overall capital structure and develop plans that will allow Pacific Radiance to sustain its operations in the current environment and for the long term," added Mr Pang.

ABOUT THE COMPANY

www.pacificradiance.com ♦ SGX mainboard listing: 13 November 2013

Pacific Radiance Ltd. provides offshore support solutions to an expanding client base, catering to their key needs throughout the oil and gas (O&G) project life cycle. Our offshore support services division owns and charters out a young and diverse offshore vessel fleet that helps ensure efficient and successful project execution. We also offer subsea inspection, repair and maintenance services.

Our Group's fleet of more than 130 vessels has given us a strong foothold across Asia and other emerging O&G markets, namely Africa, Latin America and Australia. We are well-placed to benefit from the eventual growth in exploration and production as well as subsea spending in these regions over the long term.

FOR FURTHER ENQUIRIES

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