PACIFIC RADIANCE

2QFY2014 & 1HFY2014 Results

Delivering Steady Growth

14 August 2014

Pacific Radiance

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Delivering on Our Strategy

FOCUSED EXECUTION

Still Scaling Up

Adding New Markets

- Formed JVs in targeted markets of Australia and Mexico recently.
- Grow presence in these markets as well as those in Indonesia and Malaysia.
- Eyeing other high-growth and/or protected markets in Asia, Latin America and Africa.

Growing Revenue & Income

- Driven by strategic fleet renewal programme.
- Progressive delivery of over 20 newbuilds will boost revenue and income in the next 2-3 years.
- Deploy newbuilds in targeted markets and segments.

Improving Cost Efficiency

- Close supervision of own fleet construction lowers acquisition cost.
- New marine equipment fabrication yard gives greater control over delivery time and costs.
- New ship repair yard (early 2016) will cut costs and vessel downtime, and also bring in a new income stream.

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Robust 1HFY2014 Performance

KEY SNAPSHOTS

	Q2 vs Q2	HY vs HY
Revenue	6% ↑	17% ↑
GP Margin	10 ppt ↑	11 ppt ↑
PATMI	52% ↑	68% ↑

Higher Vessel Utilisation
of expanded market relevant fleet

Beneficial Effects
of an owner-operator model

Focused Execution
of well-mapped out business model & growth strategies

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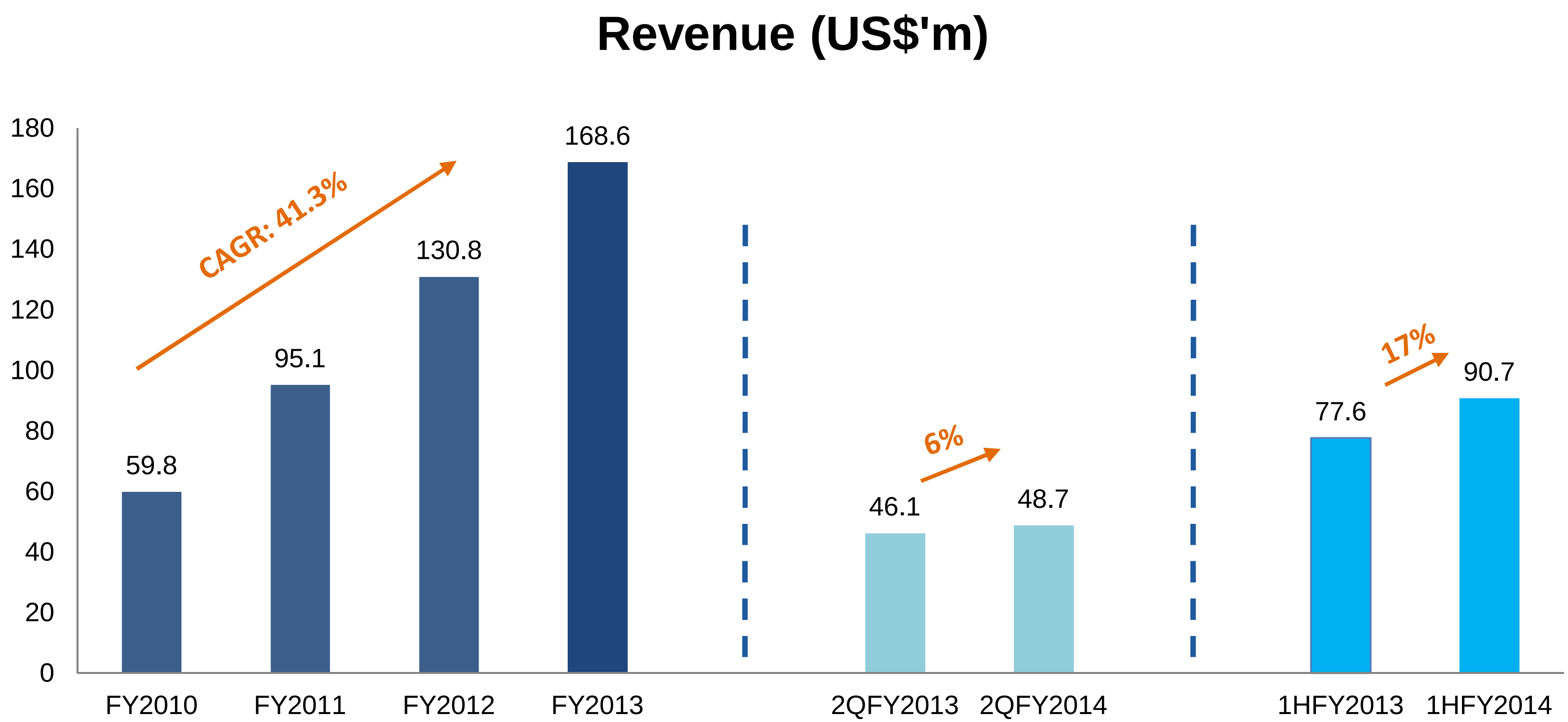
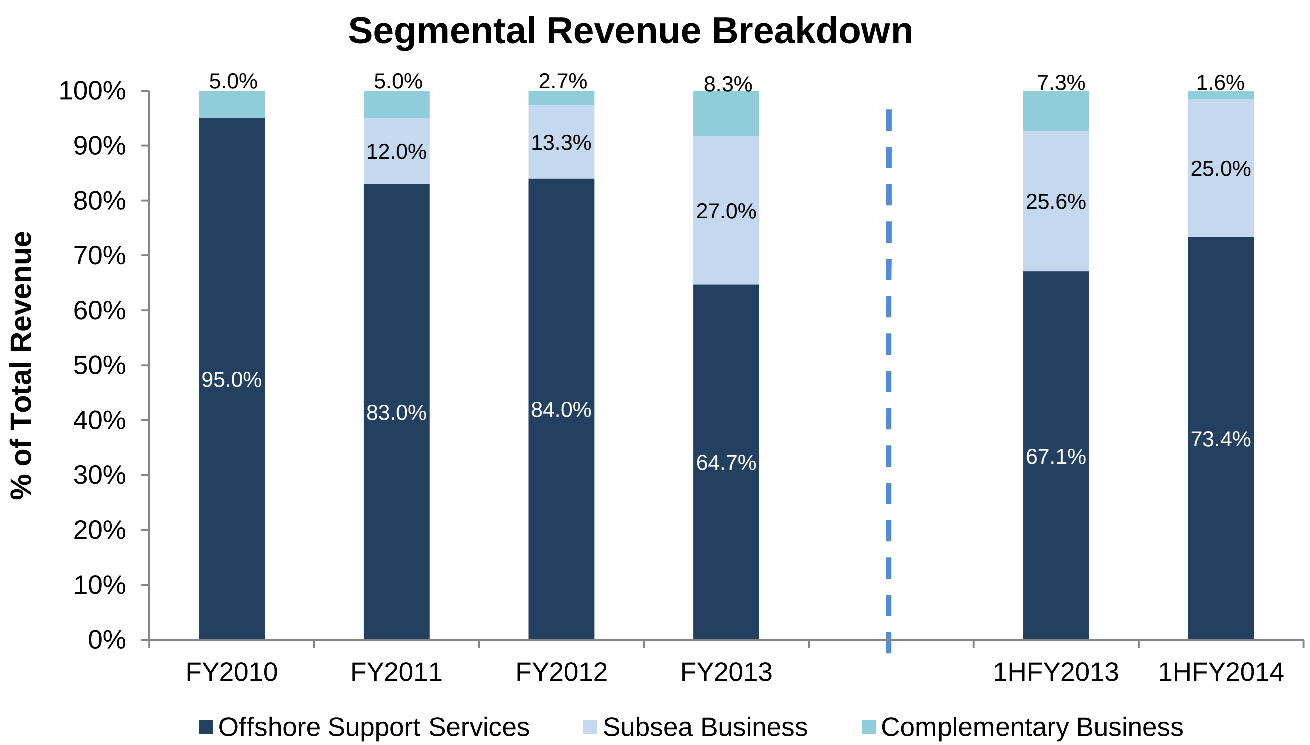
STRONG REVENUE GROWTH



- **Revenue growth**: Largely supported by higher earnings from Offshore Support Services division, which saw improved utilisation on existing vessels and new revenue contributions from new vessels added to the fleet.

REVENUE BREAKDOWN

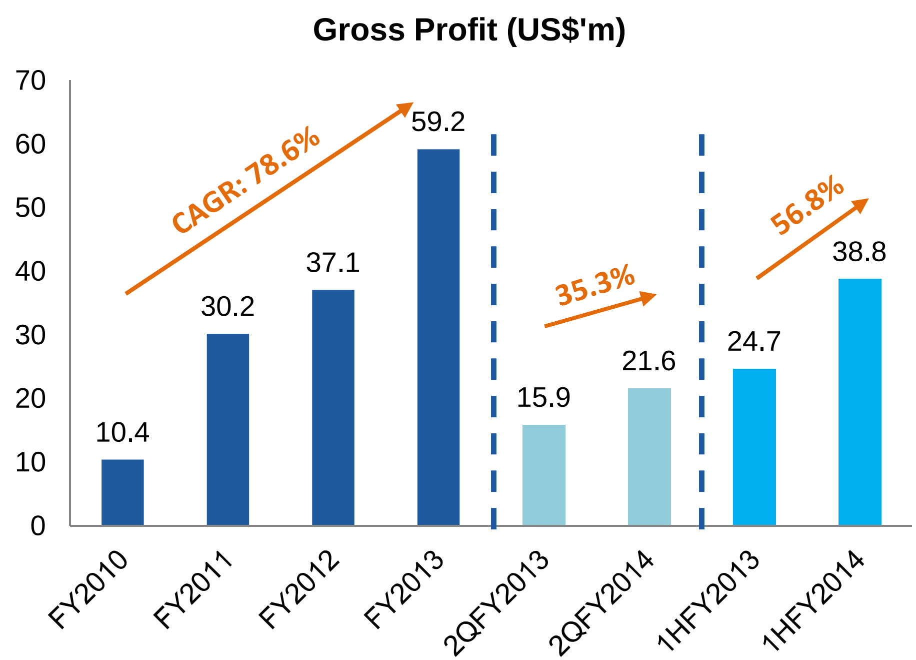


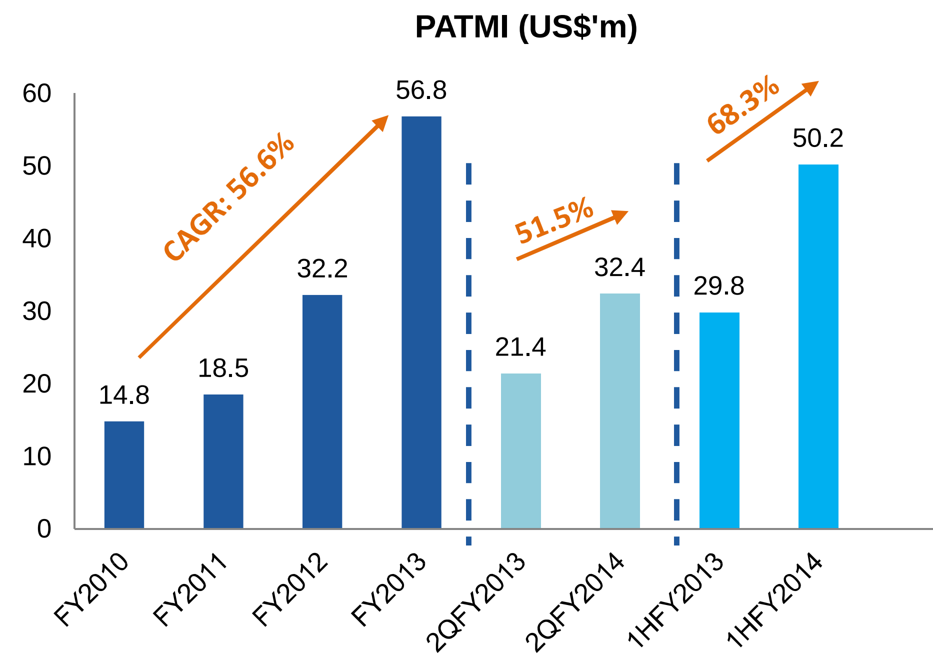
1HFY2014:

- **Offshore Support Services**: Remains Group's key revenue contributor; revenue rose 28% y-o-y to US$66.4m.

- **Subsea Services:** Contributed to 25% of Group's revenue for 1HFY2014; revenue rose 14% y-o-y to US$22.6m.

STRONG PROFIT GROWTH





- Firm demand for Group's market relevant offshore support vessels lifted total gross profit by 57.0% to US$38.8m for 1HFY2014.
- Gross profit margin improved from 32% in 1HFY2013 to 43% in 1HFY2013. 2QFY2014 gross profit margin has increased to 44% compared to 35% in 2QFY2013.
- PATMI jumped 51.5% for 2QFY2014 and 68.3% for 1HFY2014, supported by higher other operating income, which included gain on sale of vessels; and lower in finance costs due to lower bank debt and overall cost of financing.

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STRONG FINANCIAL POSITION

US$'000	As at 30 Jun 2014	As at 31 Dec 2013
Non-current assets	600,108	593,774
Current assets	161,992	152,095
Current liabilities	109,544	118,834
Non-current liabilities	237,459	249,584
Total equity	415,097	377,451
Net gearing (x)	0.5	0.6

- Non-current assets expanded as Group increased its investments in joint ventures and associates.
- Net gearing improved to 0.5x as at 30 Jun 2014.

POSITIVE OPERATING CASHFLOW

(US$'000)	2QFY2014	2QFY2013
Net cash generated from / (used in) operating activities	20,447	19,927
Net cash generated from / (used in) investing activities	35,070	(9,680)
Net cash generated from / (used in) financing activities	(35,942)	5,722
Net increase in cash	19,575	15,969
Cash and cash equivalents at beginning of period	53,475	18,668
Cash and cash equivalents at end of period	73,050	34,637

- Group generated US$20.4m in net cash from operations
- Net cash outflow from financing activities was mainly due to repayment of debt and dividend payout of US$11.4m.

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Industry Prospects

POSITIVE SECTOR PROSPECTS

- Firm oil prices continue to underpin strong E&P spending and demand for offshore support services

- Rising E&P spending in South East Asia, Latin America and Africa
  - **Mexico**: To address declining domestic oil production, the government instituted energy reforms in Dec 2013, ending PEMEX's monopoly on the oil and gas sector and opening it to greater foreign investment; plans to offer acreage for bidding that is open to international firms by 2016-17

  - **Malaysia**: Petroliam Nasional Berhad (Petronas) plans to spend US$90 billion in E&P by 2016 to meet growing domestic oil consumption

  - **Indonesia**: To meet the 1.6 million bpd demand of its more than 200 million population, the country is now stepping up its E&P spending, which is expected to triple over 2013-2017

Source:

1) *US Energy Information Administration, International Energy Statistics, Independent Statistics & Analysis; Mexico, April 24, 2014*
2) *US Energy Information Administration, International Energy Statistics, Independent Statistics & Analysis; Indonesia, March 4, 2014*
3) *US Energy Information Administration, International Energy Statistics, Independent Statistics & Analysis; Malaysia, September 3, 2013*

Thank You

Questions & Answers