

Pacific Radiance Ltd.

Investor Presentation

18 August 2014



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Agenda

GROUP OVERVIEW

PROSPECTS & GROWTH STRATEGY

KEY INVESTMENT HIGHLIGHTS

Group Overview

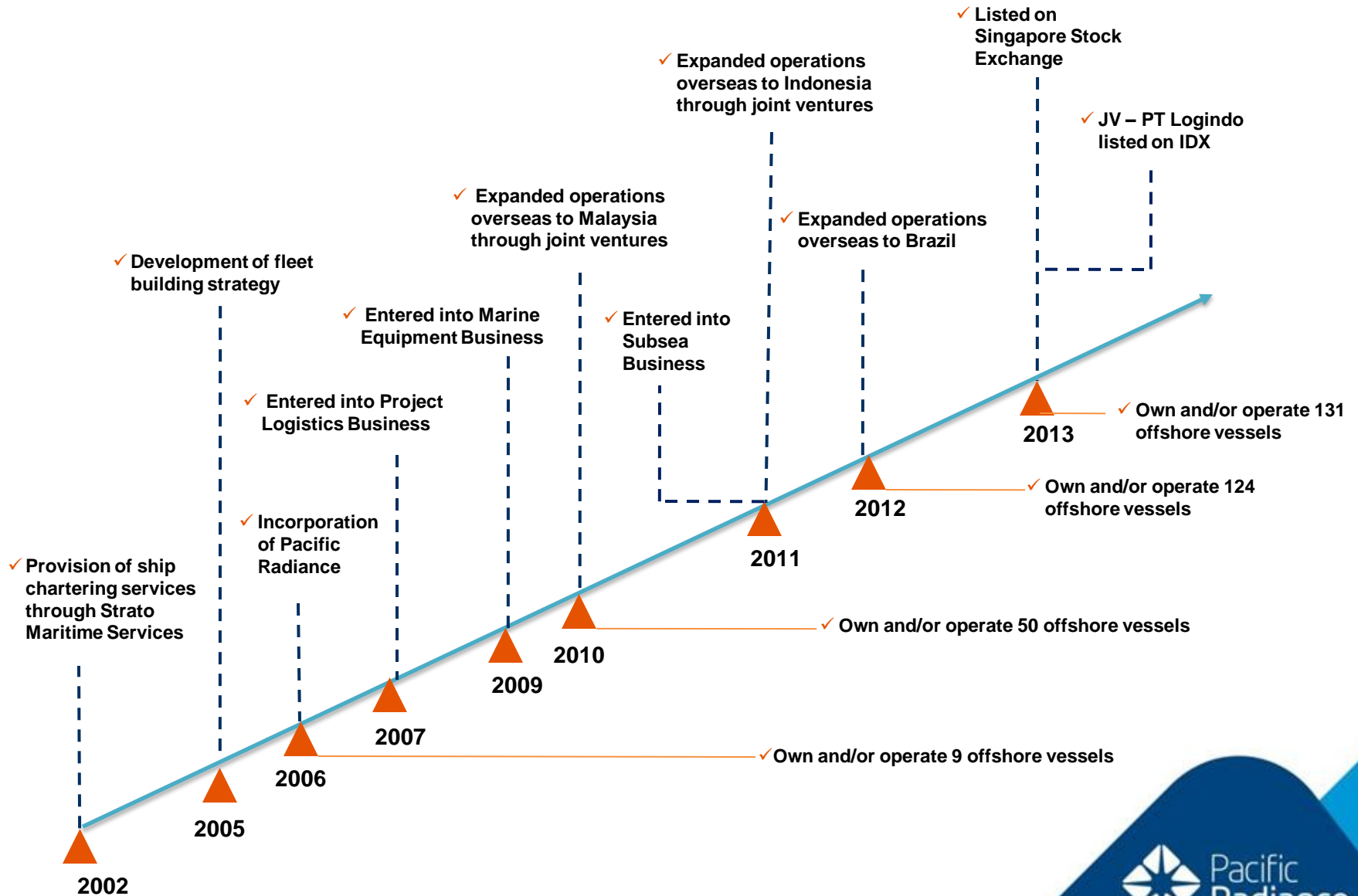


Corporate Profile

Synergy in Services

- ▶ **Fast expanding owner and operator** of a young and diverse fleet of offshore vessels and offshore support services provider in Asia and beyond. The Group currently owns and operates over 130 offshore vessels.
- ▶ **Extensive global reach** with operations spanning across Asia, Latin America, Africa and Australia to meet the needs of a diverse and global customer base.
- ▶ **Two thriving core businesses:** Offshore Support Services and Subsea with complementary support services in Project Logistics, Marine Equipment fabrication and Ship Repair (operational by early 2016).
- ▶ Listed on the Mainboard of the SGX-ST with a **market capitalisation** of approximately S\$1.08bn as at 14 August 2014.

Key Milestones



Pacific Radiance Today

> 200

▶ Onshore Personnel

>1,000

▶ Offshore Personnel (including associated companies)

> 130

▶ Wholly & jointly-owned vessels

US\$762.1m

▶ Total assets as at 30 June 2014

US\$168.6m

▶ Revenue for FY2013

US\$90.7m

▶ Revenue for 6M 2014

US\$56.8m

▶ Net Profit for FY2013

US\$48.9m

▶ Net Profit for 6M 2014

Business Operations



Pacific Radiance

Offshore Support Services Business

- ▶ Own, manage, charter & operate offshore vessels
- ▶ Fleet comprises OSVs, AWBs, SCVs, and tugs & barges

Subsea Business

- ▶ Inspection, repair & maintenance services
- ▶ Light construction services
- ▶ Owns two DSVs

Complementary Businesses

- ▶ **Marine Equipment Business**
 - Design, supply & maintenance (e.g. winches and cranes)
- ▶ **Project Logistics Business**
 - Provide logistics solutions for project cargo
- ▶ **Ship Repair Business**
 - Yard to be completed by early 2016

Area of Operations

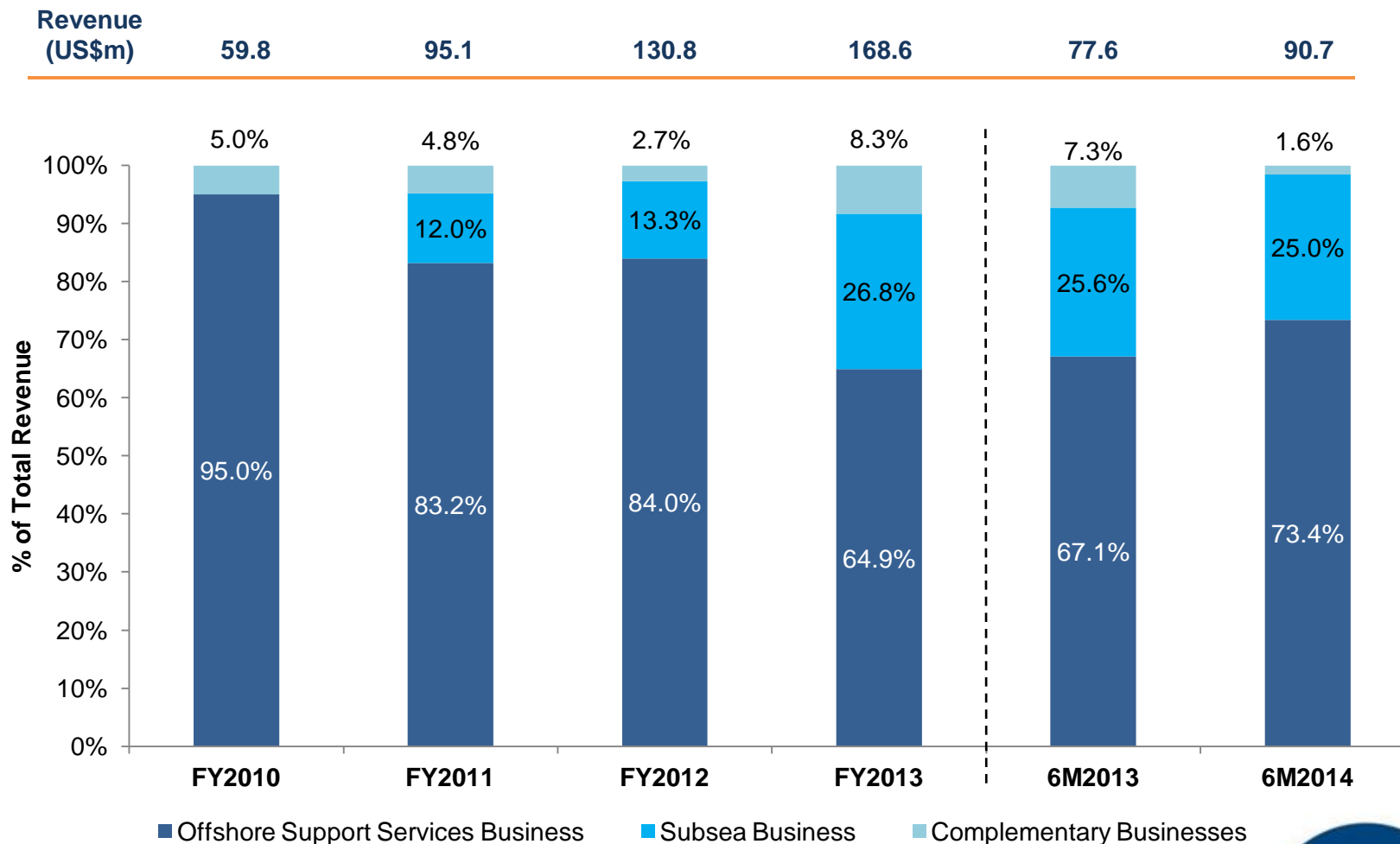
Growing presence in Southeast Asia and other key emerging regions.



 Area of Operations



Segmental Revenue Breakdown



Diverse Fleet Supports O&G Project Life Cycle

Oil and Gas Project Life Cycle

Exploration

Development

Production

Decommissioning

Key Activities Performed by Our Fleet

- Seismic surveys support
- Towing drilling rigs
- Positioning and/or mooring drilling rigs
- Stand by duties
- Transporting personnel and supplies
- Assisting with the demobilization of drilling rigs and supporting vessels

- Stand by duties
- Towing drilling rigs
- Positioning and/or mooring drilling rigs
- Assisting with or supporting installation and commissioning of field infrastructure
- Transporting personnel and supplies
- Towing of floating production systems
- Mooring of the floating production system
- Deployment of divers and/or ROVs for subsea installation support
- Assisting with the demobilization of drilling rigs and supporting vessels

- Stand by duties
- Transporting personnel and supplies
- Deployment of divers and/or ROVs for IRM operations
- Functioning as temporary accommodation
- Providing crane lifting capacity and platform maintenance

- Stand by duties
- Assisting with the demobilization of FPSO/FSO or platform
- Transporting personnel and supplies

Offshore Vessels Provided by Our Group

**AHT
AHTS
PSV
MPSVs**

**Tugs
barges
AHT
AHTS
PSV**

**MPSVs
AWB
MWV
SCVs
DSVs**

**AHT
AHTS
PSV
MPSVs**

**DSVs
AWB
MWV**

**Tugs
Barges
AHT
AHTS
PSV**

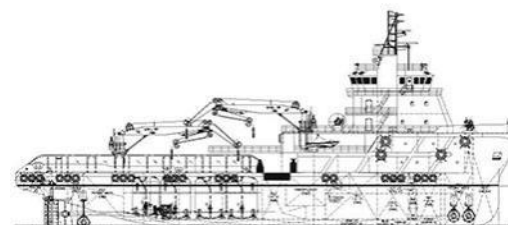
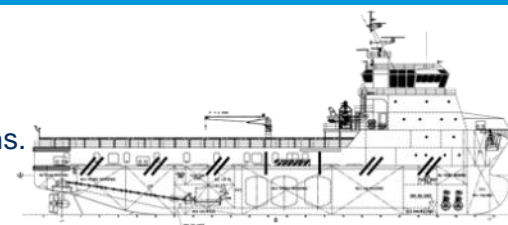
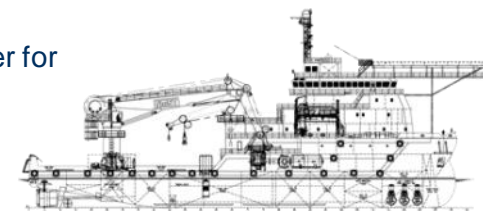
**MPSVs
DSVs
AWB
MWV
SCVs**

Our vessels can be deployed across the oilfield lifecycle



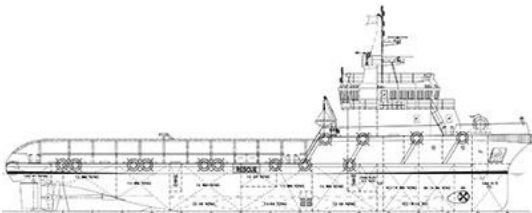
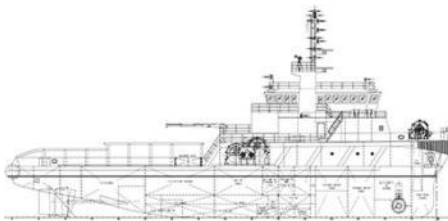
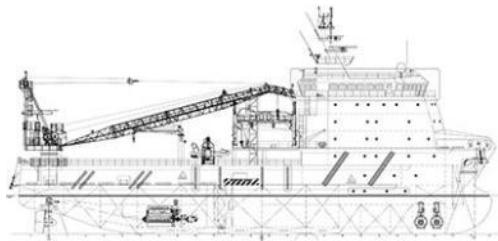
Fleet Composition – (1)

Type	Number of Vessels	Description
Diving Support Vessels		
Diving Support Vessels	2	<p>Versatile subsea vessels with integrated saturation dive chamber for</p> <ul style="list-style-type: none"> • Saturation Diving for deep waters • Air diving for shallow waters • ROV operations
Offshore Support Vessels		
Platform Supply Vessels	3	<p>Equipped to supply drilling and production platforms with fuel, water, dry bulk and other supplies required for operations.</p>
Anchor Handling Tug & Supply Vessels	5	<p>Capable of a range of offshore operations including:</p> <ul style="list-style-type: none"> • Towing of drilling rigs, construction vessels and other type of vessels • Anchor handling for permanent and temporary mooring • Resupply of platforms and other offshore vessels



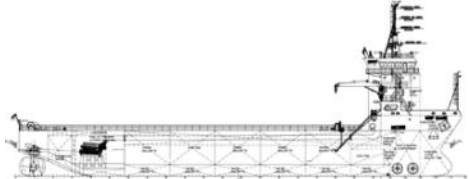
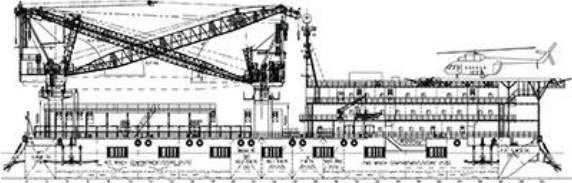
As at 31 July 2014

Fleet Composition – (2)

Type	Number of Vessels	Description	
Offshore Support Vessels			
Multi-purpose Support Vessels	4	<p>Versatile towing and resupply vessels with good clear deck space</p> <p>Equipped with bowthrusters for additional maneuverability</p>	
Anchor Handling Tugs	6	<p>Anchor handling for permanent and temporary mooring.</p> <p>Specially designed for towing of AWBs and offshore barges</p>	
Maintenance Work Vessels	3	<p>Maneuverable self-propelled vessels for accommodation and maintenance operations.</p>	

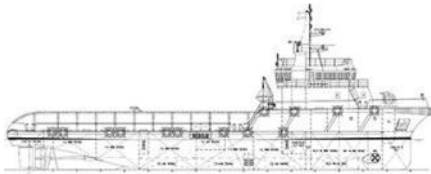
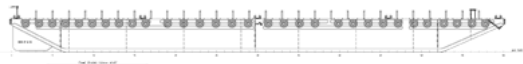
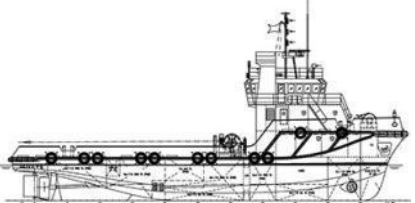
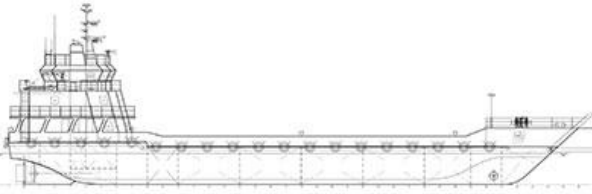
As at 31 July 2014

Fleet Composition – (3)

Type	Number of Vessels	Description
Special Carrier Vessels		
Special Carrier Vessels	1	<p>Special purpose vessels which provide improved operational efficiencies for a particular scope of work.</p> 
Accommodation Work Barges		
Accommodation Work Barges	3	<p>Non-propelled vessels for accommodation and maintenance operations.</p> 

As at 31 July 2014

Fleet Composition – (4)

Type	Number of Vessels	Description	
Tugs and Barges			
Ocean Towing Tugs	7	Support a variety of offshore operations, towing requirements and seismic survey activities.	
Offshore Barges	19	Features high deck loading capacities and ballastable capabilities making them well-suited to the transport of offshore modules, pipes and other cargoes.	
Utility Supply Vessels	2	Versatile supply vessels with space for deck cargo. Equipped with bowthrusters for additional maneuverability and equipped for short distance towage.	
Landing Craft	1	Equipped with bow ramp for rapid embarkation and disembarkation of personnel and cargo	

As at 31 July 2014

Utilisation Rates

Type of Vessels	FY2011	FY2012	FY2013
Offshore Support Vessels (OSVs)	87%	79%	82%
Diving Support Vessels (DSVs)	48%	54%	81%
Accommodation Work Barges (AWBs)	32%	54%	55%
Tugs and Barges	77%	63%	63%
Special purpose Carrier Vessels (SCVs) ⁽¹⁾	-	-	21%

Note:

(1) The SCVs are used for the Group's Project Logistics Business operated by Consolidated Pipe Carriers. The Group acquired 100% ownership of the two SCVs on 23 November 2012 and the utilisation rates are presented from 1 January 2013.

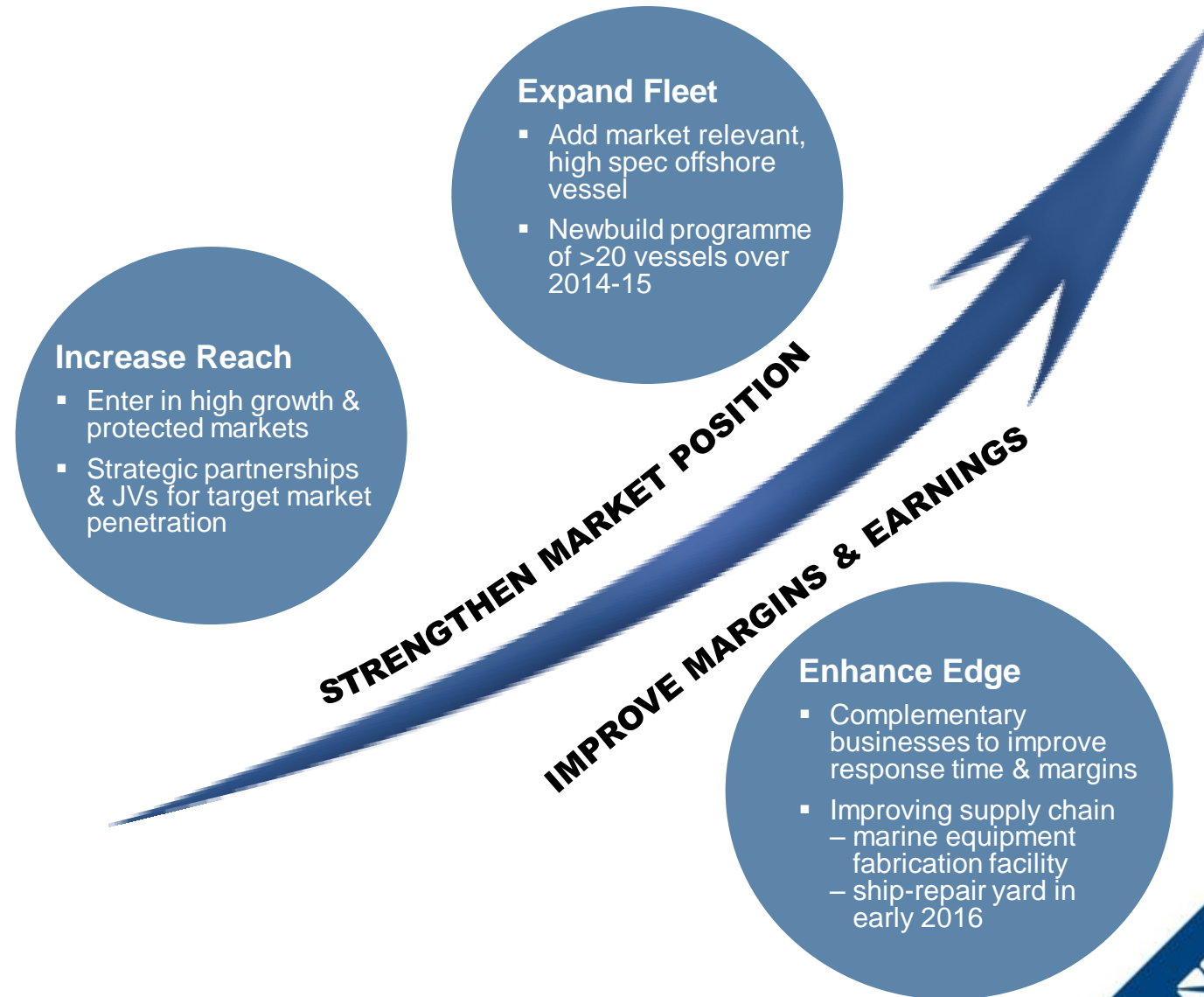
Prospects & Growth Strategy



Positive Sector Prospects

- ▶ **Firm oil prices underpin strong E&P spending and demand for offshore support services**
- ▶ **Rising E&P spending in Southeast Asia, Latin America and Africa**
 - Group to ride on this to expand geographic footprint
 - Establish stronger presence in existing markets
- ▶ **Expect strong demand for Group's fleet**
 - Drive utilisation and charter rates of offshore support and subsea vessels
 - Quick deployment of newbuilds upon delivery

Scaling Up Operations



Key Investment Highlights



Key Investment Highlights

1 Experienced Management Team

- Key management has established a strong track record in the offshore marine industry, demonstrating success to read and capitalise on market trends to grow companies.

2 Access to High Growth & Cabotage-Protected Areas

- Key partnerships with strong local knowledge in markets like Indonesia and Malaysia give greater access and allow Group to capitalize on their growth.

3 Diverse & Modern Fleet catering to the Oil & Gas project life cycle

- Diverse and young offshore support fleet will benefit from increasing E&P spending in high growth markets like Latin America, Africa and Australia.

4 Strong Global Customer Base & Customer Relationships

- Customers include IOCs and NOCs, international O&G contractors and international seismic companies. Pacific Radiance's OSVs operate in Asia, South America, Africa and Australia through its subsidiaries, associated companies and JVs.

Key Investment Highlights

5 Expertise in Shipbuilding Management

- Outsource model for shipbuilding enables flexibility and scalability.
- Consistently strengthening supply chain channels and processes for increased cost effectiveness and faster response time.
- Quicker vessel turnaround with equipment fabrication facility completed in 1QFY2014 and ship repair yard ready by early 2016.

6 Established Track Record

- Success in identifying the right assets and partners has driven:
 - PATMI to US\$56.8m in FY2013 from US\$14.8m in FY2010.
 - Fleet size to 131 in FY2013 from 50 vessels in FY2010.

7 Strong Financial Performance & Prudent Financial Management

- Strong financial performance with 4-year Revenue CAGR at 41.3% and 4-year net profit CAGR at 56.6%.
- Satisfactory leverage position with Debt/Asset and Debt/Equity ratios at 0.36x and 0.66x respectively as at 30 June 2014.

1. Experienced Management Team



MR PANG YOKE MIN
Executive Chairman

- ▶ Co-founder of Pacific Radiance.
- ▶ A veteran of the offshore oil and gas industry with more than 30 years of experience, he co-founded Jaya Holdings Limited in 1981 and was its managing director until 2006.
- ▶ Instrumental in leading the Group in its swift transformation into a promising major player in the sector.
- ▶ Responsible for the Group's overall strategic direction and growth.

MR MOK WENG VAI
Managing Director
(Offshore Support Services Division)

- ▶ Co-founder of Pacific Radiance.
- ▶ Has over 20 years of experience in the offshore O&G industry.
- ▶ Oversees Group's daily management & policy implementation.

MR LAU BOON HWEE
Managing Director
(Shipyard & Marine Equipment Divisions)

- ▶ Over 20 years experience in the marine shipbuilding & repair industry.
- ▶ In charge of technical & service aspects of the Group's operations and new building projects.

1. Experienced Management Team

MR ANTHONY PANG WEI MENG

Managing Director

(Subsea and Project Logistics Divisions)

- ▶ Played a key role in the Group's formative years
- ▶ Responsible for the day-to-day operations of these divisions and in dealing with new clients

MR JAMES PANG WEI KUAN

Managing Director

(Commercial and Business Development)

- ▶ Joined the Group in 2011 from the finance industry
- ▶ Spearheads Group's push into new geographic markets to extend its global footprint

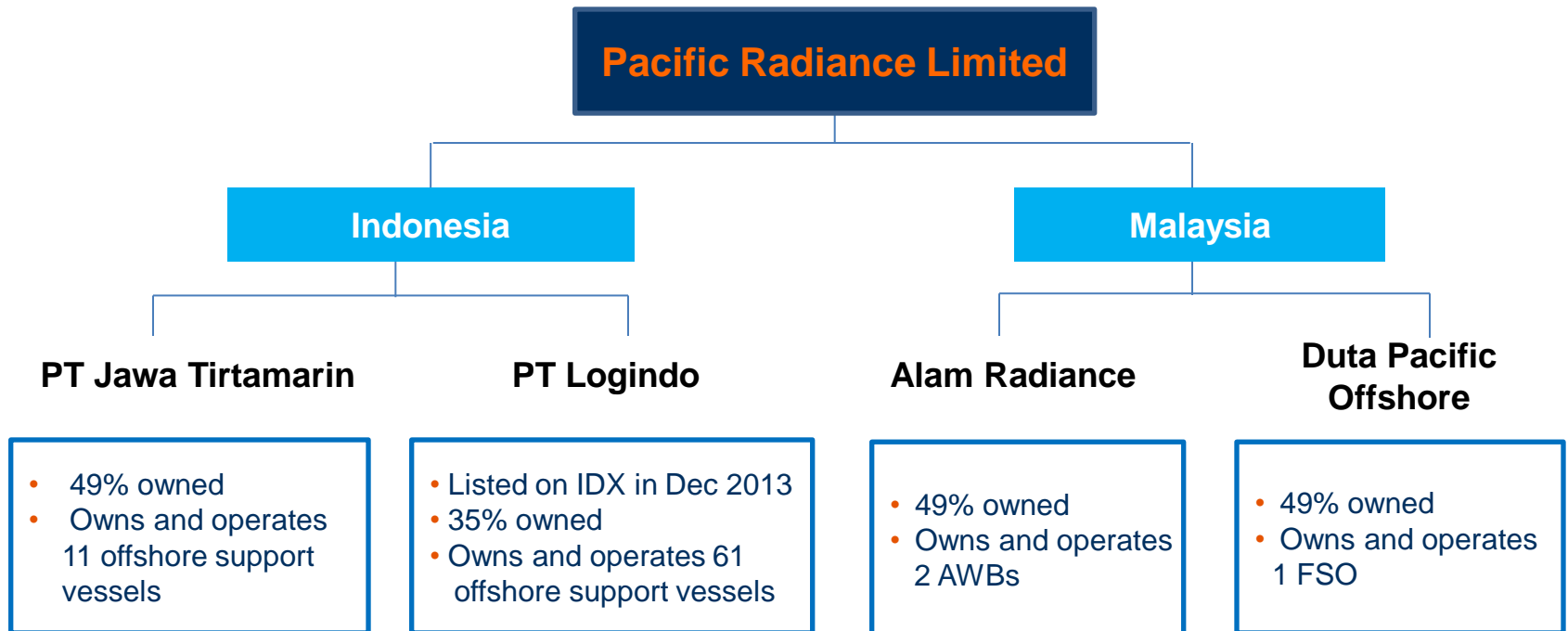
MR LOO CHOO LEONG

Group Finance Director

- ▶ Began career in 1990 with major public accounting firm
- ▶ With the Sime Darby Group from 1992-2010 where he rose to become Group Head of its Global Services Centre & Head of its Regional Finance Office
- ▶ Oversees Group's entire finance, treasury and funding matters

2. Access to High Growth & Cabotage-Protected Areas

- ▶ **Strategically positioned in high-growth cabotage markets** such as Malaysia and Indonesia which are among the **largest offshore O&G markets in Asia**.
 - Pacific Radiance enters into cabotage-protected markets by forming joint ventures with trusted local partners.
 - Tightening of cabotage laws in Indonesia will drive the demand and charter rates of Indonesian-flagged offshore vessels.
- ▶ The Group also operates in Latin America, another restricted-entry market.



3. Diverse and Modern Fleet Catering to Oil & Gas Project Life Cycle

Young offshore vessel fleet

- Pacific Radiance wholly owns and operates 56 offshore vessels and another 75 through its joint ventures and associates.
- Its own fleet has an **average young age of about four years**, which offers a competitive advantage in greater reliability, higher deployment rate and lower maintenance cost.



Targeted fleet expansion to meet robust chartering demand

- Pacific Radiance is set to take delivery of more than 20 new vessels over the next 2 years.
- Selected vessels may be divested to its high-growth joint ventures and associates in key emerging markets.
- Addition of these new vessels will keep the fleet young and relevant to customer demand.



Diverse fleet caters to needs of wide customer base

- Pacific Radiance has access to a large diverse fleet of 131 vessels comprising OSVs (include PSV, AHTS, AHT, MWV), DSVs, AWBs, SPV, and tugs and barges.
- Diverse fleet enables Pacific Radiance to cater to the various phases of the O&G project life-cycle, right from exploration to decommission.



4. Strong Global Customer Base

- ▶ Pacific Radiance has longstanding relationships with NOCs, IOCs & major offshore operators.
- ▶ High quality customer base includes the following prominent companies:



BG GROUP



Shell



PETROBRAS



CGG VERITAS



PERTAMINA



WesternGeco

subsea 7



TOTAL



Saipem



Pacific Radiance

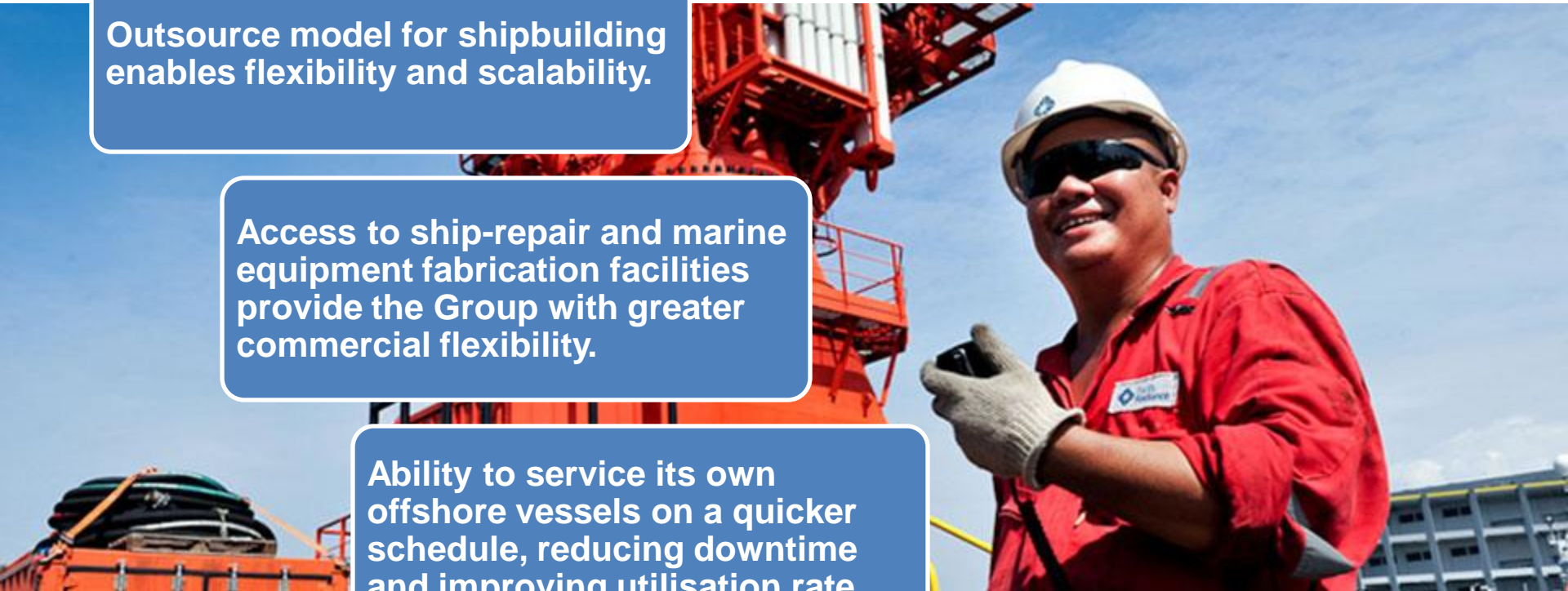
5. Expertise in Ship Building Management

- ▶ **Lower acquisition costs:** Strong in-house shipbuilding expertise has enabled the Group to manage and supervise vessel construction of its newbuild orders in third party shipyards. This has helped to lower overall newbuild costs.
- ▶ **Lower maintenance costs and higher operational efficiency:** The Group's ship-repair yard, equipped with drydocks, is targeted for completion by early 2016. This will allow the Group to maintain and repair its own vessels, as well as third-party vessels, and achieve faster turnaround time.

Outsource model for shipbuilding enables flexibility and scalability.

Access to ship-repair and marine equipment fabrication facilities provide the Group with greater commercial flexibility.

Ability to service its own offshore vessels on a quicker schedule, reducing downtime and improving utilisation rate.



6. Established Track Record

Success in identifying the right assets and partners has driven:

- ▶ PATMI to US\$56.8m in FY2013 from US\$14.8m in FY2010
- ▶ Fleet size to 131 vessels in 2013 from 50 in 2010
- ▶ Expand geographical reach from Southeast Asia to as far as Latin America and Africa

2010

- Invested in Malaysia, which is Asia's largest offshore exploration and production (E&P) market.
- More than tripled the fleet to 50 vessels from 16 in 2007.

2011

- Moved into the subsea inspection, repair and maintenance business with two newly delivered diving support vessels (DSVs), which opened up a new income stream.
- Expansion into Indonesian Market.

2012

- Moved into the high growth Brazil market.
- Fleet size grew to 124 wholly and jointly owned offshore vessels.

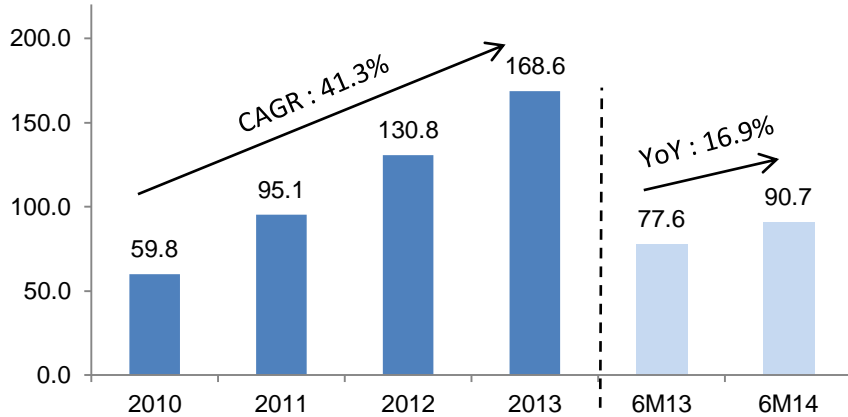
2013

- Successfully listed on SGX.
- Further expanded the fleet, which stood at 131 wholly and jointly owned offshore vessels 2013.

7. Strong Financial Performance

Revenue

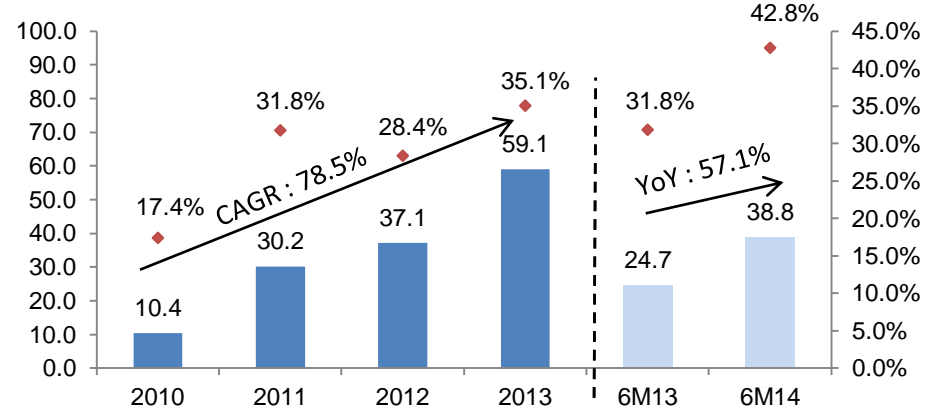
USD million



Gross Profit and Gross Profit Margin

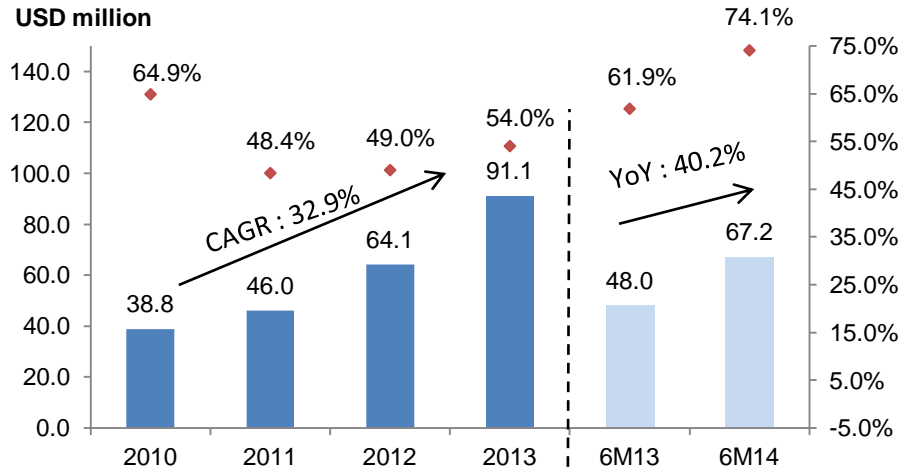
USD million

* Gross Profit Margin = Gross Profit / Total Revenue



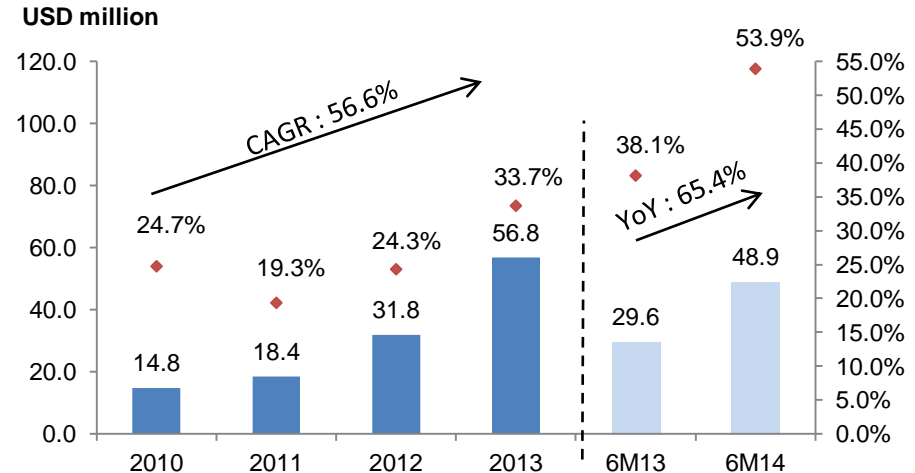
EBITDA and EBITDA Margin

USD million



Net Profit and Net Profit Margin

USD million



EBITDA = Profit before tax + finance costs + depreciation expense

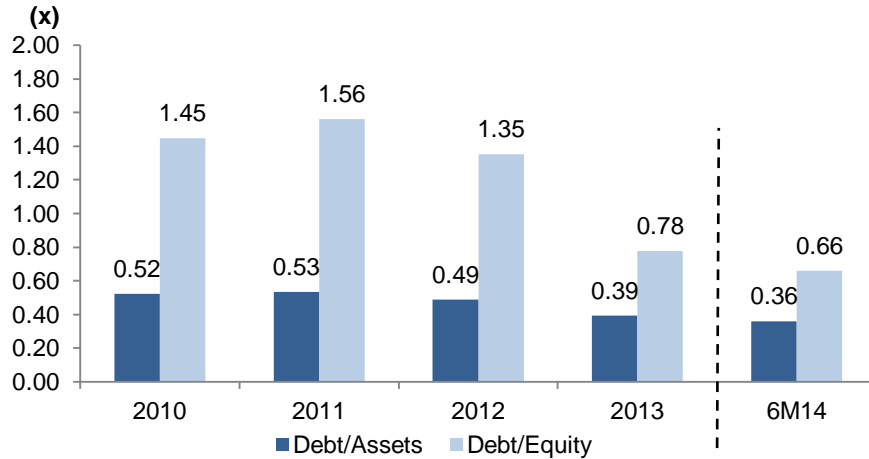
EBITDA Margin = EBITDA / Total Revenue

Net Profit Margin = Net Profit / Total Revenue

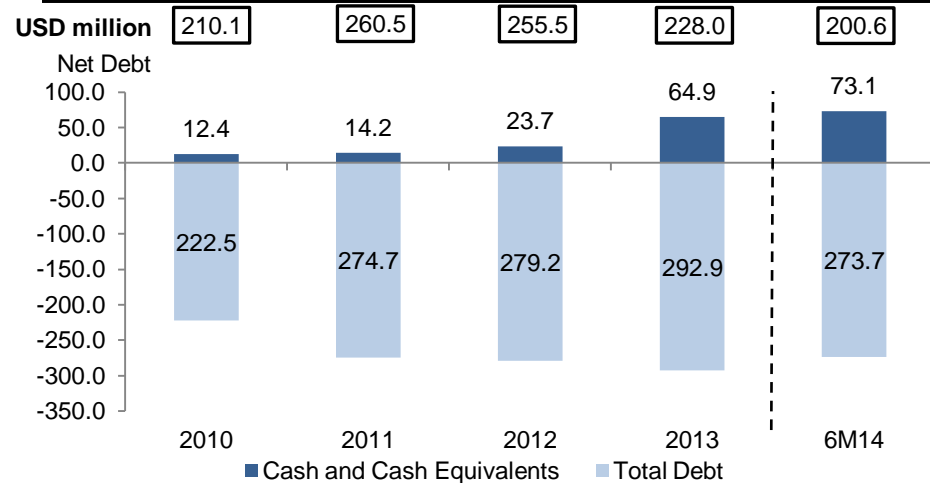


7. Prudent Financial Management – (1)

Debt/Assets and Debt/Equity

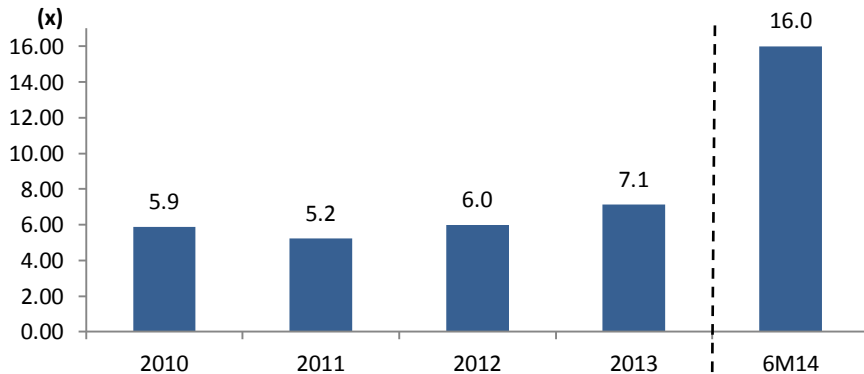


Net Debt Position

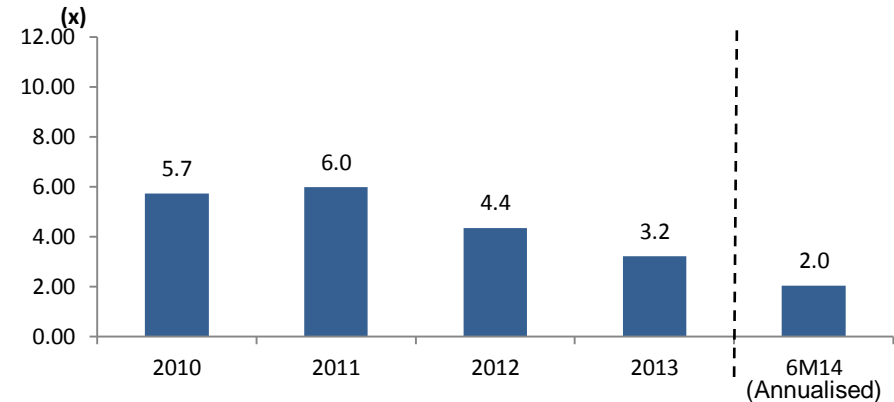


Total Debt = Total short-term and long-term borrowings
 Net Debt = Total Debt – Cash and Cash Equivalents

High Interest Coverage



Total Debt/EBITDA



Interest Coverage = EBITDA/Interest Expense
 Interest Expense excludes interest on borrowings from related parties



7. Prudent Financial Management – (2)

Capital Structure

USD millions	2010	2011	2012	2013	6M14
Total Assets	426.5	515.1	570.8	745.9	762.1
Total Equity	153.7	176.1	206.4	377.5	415.1
Total Debt ⁽¹⁾	222.5	274.7	279.2	292.9	273.7
Cash and Cash Equivalents	12.4	14.2	23.7	64.9	73.1
Net Cash (Debt) ⁽²⁾	(210.1)	(260.5)	(255.5)	(228.0)	(200.6)
Revenue	59.8	95.1	130.8	168.6	90.7
EBITDA	38.8	46.0	64.1	91.1	67.2
Net Profit	14.8	18.4	31.8	56.8	48.9

Financial Ratios

Debt/EBITDA (x)	5.7	6.0	4.4	3.2	2.0*
Net Debt/EBITDA (x)	5.4	5.7	4.0	2.5	1.5*
Total Debt/Total Equity	144.8%	156.0%	135.3%	77.6%	65.9%
Net Debt/Total Equity	136.8%	148.0%	123.8%	60.4%	48.3%
Total Debt/Total Assets	52.2%	53.3%	48.9%	39.3%	35.9%
Interest Coverage (x) ⁽³⁾	5.9	5.2	6.0	7.1	16.0

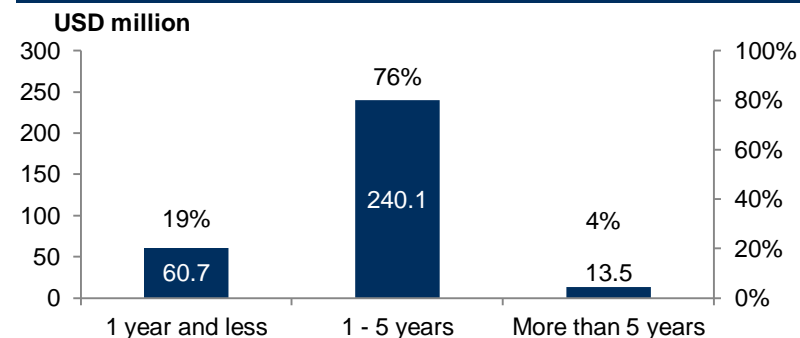
⁽¹⁾ Total Debt = Total short-term and long-term borrowings

⁽²⁾ Net Debt = Total Debt – Cash and Cash Equivalents

⁽³⁾ Interest Expense excludes interest on borrowings from related parties

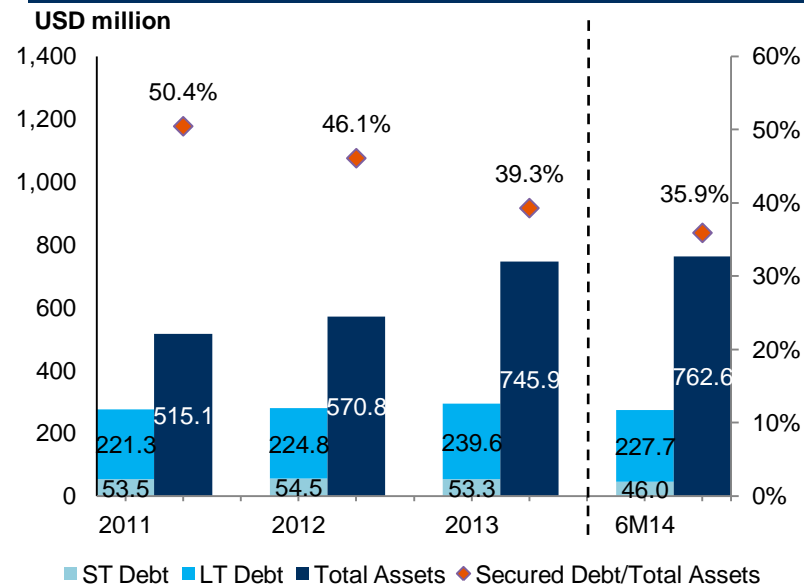
* Annualised

Debt Maturity Profile* (As at FY13)



*Based on contractual *undiscounted* repayment obligations

Debt Profile Analysis



■ ST Debt ■ LT Debt ■ Total Assets ◆ Secured Debt/Total Assets



Thank You