

Pacific Radiance Limited

1st Informal Noteholders Meeting

15 December 2017

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Current Situation

Indicative Timeline

Mid January 2018

- **2nd Informal Noteholder Meeting**



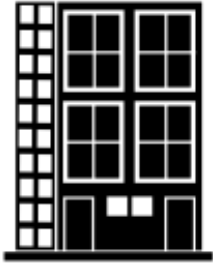
15 December 2017

- **1st Informal Noteholder Meeting**

End of February 2018

- **Formal CSE Meeting**

Group Overview



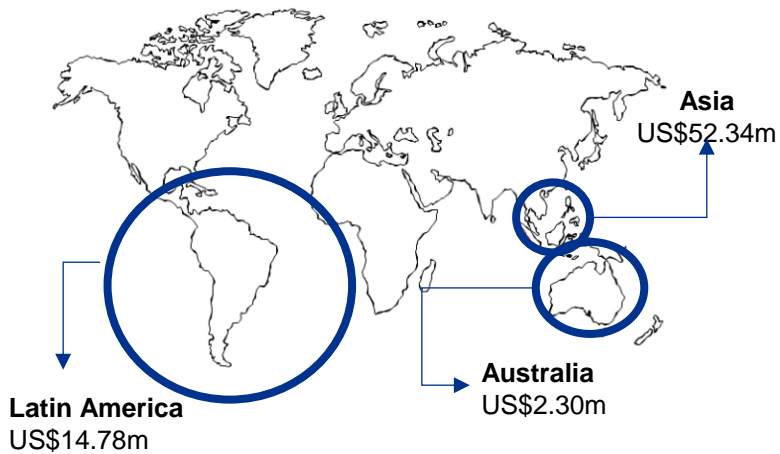
Established in 2012



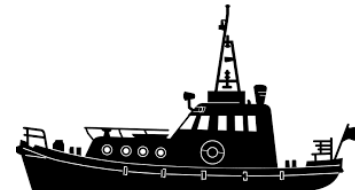
Listed on SGX exchange in 2013



Group owns 72 vessels with an average age of 6 years



Geographical revenue FY16



Offshore Support Services Business (89%)

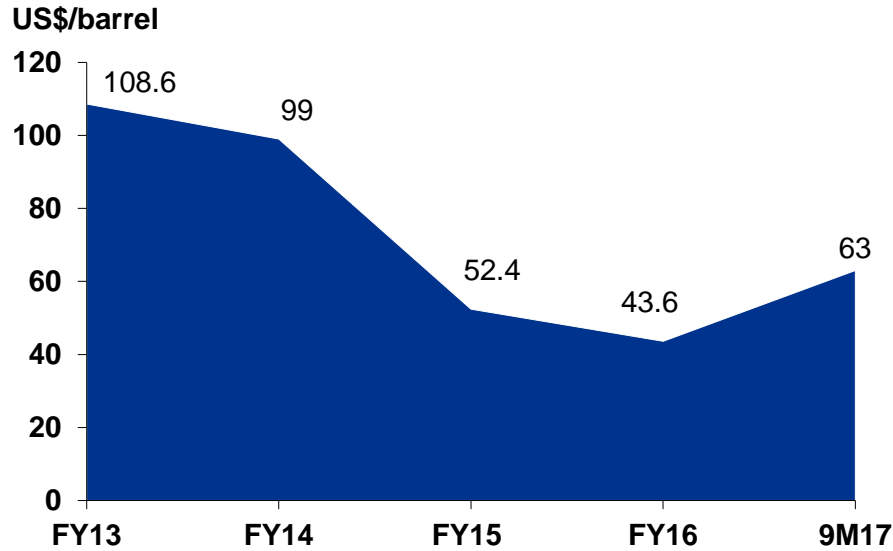


Shipyard Business (11%)

Business segments

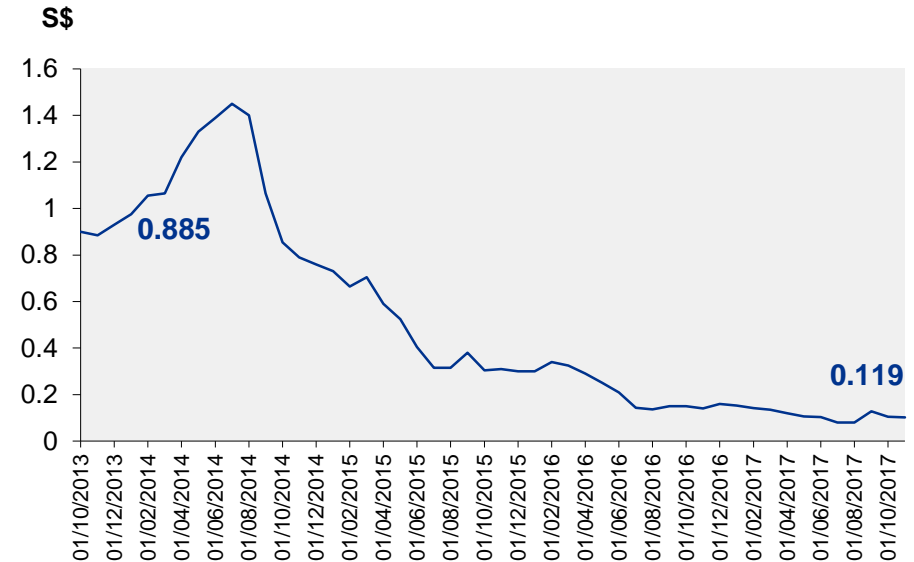
Declining Crude Oil and Share Price

Crude Oil price trend from FY13 to 9M17



Crude oil price decreased by 42% from FY13 to 9M17

PACRA Share price trend

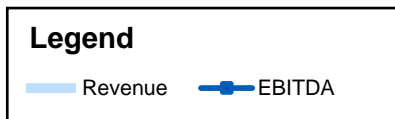
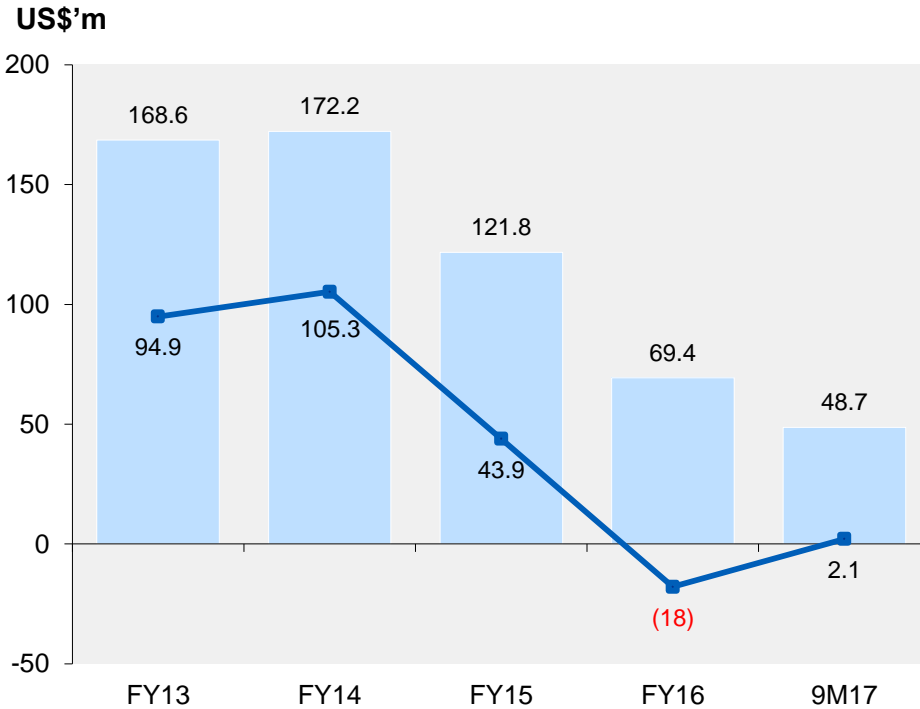


Share price dipped by 86% from Nov'13 to Nov'17

- PACRA financial performance deteriorated in line with the crude oil price trend.
- Market capitalisation has declined from S\$631m to S\$85m from November 2013 to 2017.

Sources: Oilprice.org and Bloomberg.com

PACRA's Financial Performance



Revenue decreased by 72% and EBITDA declined by 98% from FY14 to 9M17

- Declined market activities lead to falling utilization and charter rates.
- Revenue is unable to cover expenses resulting in depletion of cash balances.
- Cost cutting measures are in place since FY15.

Debt restructuring to a sustainable level is necessary

- Prolonged downturn compared to previous cycles, utilization and charter rates remains depressed, current debt level is unsustainable.

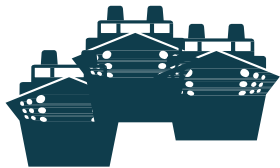
Cost Savings Efforts

Group's continuing cost rationalisation exercise since FY15 has resulted in a cost saving through the efforts below

Reduction in operating related expenses

1

- Right sizing of fleet
- 36 vessels in layup status to reduce maintenance cost



2

- Crew headcount reduction by 35%



3

- Wage reduction for senior management
- Suspended bonus payout



4

- Headcount reduction at corporate/management level



Reduction in corporate expenses

Group's Bank Borrowings and MTN Overview



PACRA is seeking your support for the restructuring of the Group together with the financial lenders.

Note:

(1) For the purpose of this presentation we have illustrated S\$100 million MTN as US\$75million MTN

Development with Lenders and Investors

Investors



Ongoing discussions with potential investors on the investment amount

Potential investors have indicated that they will only invest with a condition of successful debt restructuring (bank borrowings and Notes)

Lenders



Lenders' Meeting was held on 22 August 2017

Lenders have been apprised of PACRA's financial position and discussions on debt restructuring options are still ongoing

Consequences of Acceleration

Estimated Outcome Statement

For Illustration Only

Estimated recovery for
Unsecured Creditors



The estimated recovery of 0% for unsecured creditors is due to the following:

- 1 Majority of the group's vessels has been pledged.
- 2 Extensive exposures on the corporate guarantees provided to the Lenders.
- 3 PACRA is unlikely to receive any returns from the investments in subsidiaries.

Estimated recovery for
Noteholders (unsecured)



&

- 1 The estimated recovery of 4.3% for Noteholders relates to the S\$4.3m (approximately US\$3m equivalent) of cash in the Escrow Account, if attributable to Noteholders.

What to Expect
Next?

What to Expect Next?

- MTN coupon is due on 28 February 2018;
- We noted S\$4.3 million in the Escrow Account which can be used to meet the coupon due on February 2018;
- A Consent Solicitation Exercise (“CSE”) needs to be carried out to facilitate the release of the monies in the Escrow Account to meet the coupon due in February 2018; and
- PACRA is seeking your support for the restructuring of the Group together with the financial Lenders.

What to Expect Next?



Form a steering committee of 3 or more (odd numbers) of Noteholders by December 2017 to have frequent communication and discussion

2nd

Informal meeting to be held by mid January 2018

A proposal will be tabled to the Noteholders as soon as possible



Formal CSE planned to be held by late February 2018

Q&A Session