INCORPORATED IN SINGAPORE
COMPANY REGISTRATION NO. 199901411N

EZRA HOLDINGS
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MEDIA RELEASE

Ezra starts FY13 with 54% surge in revenue and 44% jump in gross profit

- **1Q FY13 revenue of US$278.7m and gross profit of US$49.9m driven by subsea operations**
- **Offshore support services added to growth with an improved performance from an enlarged fleet**
- **EBITDA increased 12% year-on-year to US$38.7m in 1Q FY13; Group to focus on operational efficiency as offshore activity continues to ramp up through the year**

SINGAPORE ♦ 14 January 2013

Ezra Holdings Limited (Ezra or the Group) a leading contractor and provider of integrated offshore solutions to the oil and gas (O&G) industry, ushered in its new fiscal year with a 54% surge in revenue to US$278.7 million and a 44% jump in gross profit to US$49.9 million for the three months ended November 2012 (1Q FY13), over the previous corresponding period.

The strong step-up in subsea activity at EMAS AMC contributed US$86.2 million to the US$98.2 million increase in the Group's sales for the quarter, while its offshore support services division under EMAS Marine added another US$9.0 million as charter income rose. The growth in charter income was due mainly to the inclusion of three months of operations for one anchor handling tug and supply (AHTS) vessel and two platform supply vessels (PSVs).

Earnings continued to trend up at EMAS AMC, after it enjoyed a turnaround in operations in 4Q FY12. This, together with steady charter rates for an enlarged offshore support fleet, pushed the Group's gross profit up 44% to US$49.9 million in 1Q FY13. The Group's gross profit margin, however, dipped from 19% in 1Q FY12 to 18% in the current reporting quarter as Ezra's subsea services operations are still being ramped up.

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Ezra's Managing Director, Mr Lionel Lee, said: "We are pleased with the progress achieved by EMAS AMC, which is currently driven by subsea projects from our growing orderbook.

"EMAS AMC continues to build up its capabilities, and the delivery of our major subsea vessels will not only open up new and exciting opportunities, but also place Ezra in a solid position to ride the strong wave of global subsea activity."

The Group will further expand its modern construction fleet with the exclusive charters of two additional strategic pipelay installation assets - a dynamically positioned (DP) dual reeled-lay vessel and a deepwater DP S-Lay vessel, giving the subsea services division the capability to efficiently lay conventional and deepwater pipelines up to 30 inches in diameter.

These new additions will be introduced in the second and third quarter of this calendar year and suitably complement the Group's other construction assets, such as the *Lewek Connector* and *Lewek Constellation*. EMAS AMC can now offer and deploy a wide spectrum of vessel capabilities that will give increased access to a range of conventional and deepwater subsea activity in key areas, such as the Gulf of Mexico, Africa, the North Sea and Asia-Pacific.

The subsea services division further plans to take delivery of the *Lewek Constellation,* a DP-3 ice-class deepwater multi-lay vessel with portable reels on deck and heavy lift capability up to 3,000 metric tonnes in 2014.

The Group also recorded a net attributable profit of US$6.8 million for 1Q FY13, against US$13.3 million for the previous corresponding quarter. This decrease was mainly attributable to higher personnel costs incurred to build up the subsea services division's manpower base in preparation of new projects and vessels, lower contributions from associated companies and higher financial expenses in respect of the Group's expansion programme.

Mr Lee noted: "We continue to build our subsea tendering, engineering and execution team in anticipation of our new vessels and projects which has led to the current disproportionate general and administrative expenses relative to revenue. However, we expect stronger operating leverage and efficiencies in the second half of the financial year as subsea activities ramp up. This will continue to improve in the longer term as the general subsea infrastructure we build today will be sufficient to support us for years to come."

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The Group's administrative expenses increased 34% year on year to US$35.8 million but moderated from US$43.0 million in the prior quarter (4Q FY12), down approximately 17%. Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased US$4.2 million, or 12%, year-on-year to US$38.7 million in 1Q FY13.

Commenting on the Group's prospects, Mr Lee said: "A gradual recovery in the offshore support services sector as well as our focus on improving operational efficiency and our continued ability to deliver a growing orderbook positions the Group well to reap the benefits through the rest of FY13."

The Group also announced multiple new contract wins totalling more than US$160 million. The contracts involved the Group's various business divisions, and are located across the North Sea and Asia Pacific regions.

ABOUT THE COMPANY

www.emas.com ♦ SGX mainboard listing: December 2005

EMAS – a leading global contracting group providing offshore/subsea construction, marine, production and well intervention services – is Ezra's operating brand. With offices across five continents, it delivers best-value solutions to the oil and gas (O&G) industry by combining its global footprint and proven engineering skills with a diverse offering of premium assets and services designed to fully meet clients' needs.

Operating in unison, Ezra's core divisions are able to execute a full spectrum of seabed-to-surface engineering, construction, marine and production services anywhere in the world.

EMAS AMC – created after the acquisition of Aker Marine Contractors AS, is a global EPCIC service provider of comprehensive subsea-to-surface solutions for the offshore construction sector, in particular the vibrant subsea segment. Offerings include subsea construction, umbilicals/power cables, pipelines, platforms and FPSO installations.

EMAS Energy provides well intervention, workover, plug and abandonment, and pipeline and process services both onshore and offshore, offering fully integrated

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solutions that combine its marine assets with state-of-the-art intervention equipment and services.

EMAS Marine manages and operates a young, versatile fleet of advanced offshore support vessels, offering an extensive range of maritime services that cater to the client's needs throughout a field's life cycle. It also manages EMAS AMC's fleet of construction assets and third-party vessels.

EMAS Production, under approximately 45.7%-owned EOC Limited, owns and operates FPSO (floating production, storage and offloading) facilities, offering services that support the post-exploration needs of offshore fields, such as FPSO conversion management.

TRIYARDS is fast becoming an acknowledged leader in developing advanced and customised solutions for world-class vessels. By focusing on sophisticated platforms and equipment that can tackle even the most complex offshore projects, it has already established itself as a front runner in the fabrication of SEUs (self-elevating, mobile offshore units). TRIYARDS provides its integrated engineering, ship construction and fabrication services out of three yard facilities located in Vietnam and the US.

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