

UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER ENDED (“3Q2012”) AND NINE MONTHS ENDED 30 SEPTEMBER 2012 (“9M2012”)
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income

	Group			Group		
	3Q2012	3Q2011	Change	9M2012	9M2011	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Continuing operations						
Revenue	2,985	2,103	42	8,929	2,955	202
Cost of sales	(369)	(1,579)	(77)	(1,109)	(1,776)	(38)
Gross profit	2,616	524	399	7,820	1,179	563
Other income	332	917	(64)	1,349	1,436	(6)
Administrative expenses*	(1,737)	(904)	92	(2,661)	(1,884)	41
Finance expenses	(930)	(1,434)	(35)	(2,929)	(1,487)	97
Profit/(loss) from continuing operations	281	(897)	NM	3,579	(756)	NM
Income tax expense	-	-	NM	-	-	NM
Profit/(loss) after tax from continuing operations	281	(897)	NM	3,579	(756)	NM
Profit/(Loss) for the period	281	(897)	NM	3,579	(756)	NM
Other comprehensive income for the year, net						
Exchange differences on translation of foreign operations representing other comprehensive for the year, net of tax	772	(1,063)	NM	951	(1,063)	NM
Total comprehensive income for the year	1,053	(1,960)	NM	4,530	(1,819)	NM
Profit/(Loss) for the year attributable to:						
Owners of the Company	128	(554)	NM	1,743	(413)	NM
Non-controlling interests	153	(343)	NM	1,836	(343)	NM
Total	281	(897)		3,579	(756)	
Total comprehensive income/(loss) attributable to:						
Owners of the Company	522	(1,001)	NM	2,229	(860)	NM
Non-controlling interests	531	(959)	NM	2,301	(959)	NM
Total	1,053	(1,960)		4,530	(1,819)	

Note:

NM – Not Meaningful

* Foreign exchange losses of US\$1.07 million (3Q2012) and US\$907,000 (9M2012) are included under “Administrative expenses”

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

Net profit for the period is determined after charging/(crediting) the following:

	Group		Group	
	3Q2012	3Q2011	9M2012	9M2011
	US\$'000	US\$'000	US\$'000	US\$'000
Depreciation of plant and equipment	383	376	1,141	577
Interest expense	930	1,434	2,929	1,486
Loss on disposal of plant and equipment	2	115	3	116
Other income	-	(3)	(1,026)	(3)
Profit on disposal of investment	(323)	-	(323)	-
Dividend income	(1,570)	(783)	(4,802)	(783)
Foreign exchange loss/(gain)	1,069	(904)	907	(1,398)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statement of Financial Position

	Group		Company	
	30 Sep 2012 US\$'000	31 Dec 2011 US\$'000	30 Sep 2012 US\$'000	31 Dec 2011 US\$'000
Non-current assets				
Plant and equipment	26,386	27,448	73	10
Investment in subsidiaries	-	-	24,798	24,798
Available-for-sale investments	117,650	124,440	-	690
	144,036	151,888	24,871	25,498
Current assets				
Trade receivables	925	2,294	43	91
Other receivables	4,034	7,030	28	90
Due from subsidiaries (non-trade)	-	-	4,653	5,353
Available-for-sale investments	86	86	86	86
Cash and bank balances	4,127	3,449	2,945	1,868
	9,172	12,859	7,755	7,488
Total assets	153,208	164,747	32,626	32,986
Non-current liability				
Term loans	72,606	83,224	-	-
Current liabilities				
Trade payables	-	2,434	-	-
Other payables	5,709	8,797	1,043	639
Term loans	14,147	14,084	-	-
Tax payable	78	70	-	-
	19,934	25,385	1,043	639
Total liabilities	92,540	108,609	1,043	639
Net assets	60,668	56,138	31,583	32,347
Equity				
Share capital	54,647	54,647	54,647	54,647
Foreign currency translation reserve	(136)	(622)	-	-
Accumulated losses	(19,783)	(21,526)	(23,064)	(22,300)
Equity attributable to owners of the company	34,728	32,499	31,583	32,347
Non-controlling interests	25,940	23,639	-	-
Total equity	60,668	56,138	31,583	32,347

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

Group		Group	
As at 30 Sep 2012		As at 31 Dec 2011	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
14,147	-	14,084	-

Amount repayable after one year

Group		Group	
As at 30 Sep 2012		As at 31 Dec 2011	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
72,606	-	83,224	-

Details of any collateral

The Group's borrowings are secured by:

- (i) First legal mortgage over all the Group's vessels
- (ii) Corporate guarantee given by the Company and its major shareholder
- (iii) Assignment of marine insurances of certain vessels
- (iv) Assignment of earnings/charter proceeds of certain vessels
- (v) Unquoted cumulative preference shares held by the Group

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated statements of cash flows

	Group		Group	
	3Q2012 US\$'000	3Q2011 US\$'000	9M2012 US\$'000	9M2011 US\$'000
Cash flows from operating activities				
Profit/(loss) before tax	281	(897)	3,579	(756)
Adjustments for:				
Depreciation of plant and equipment	383	376	1,141	577
Gain on disposal of available-for-sale investments	(323)	-	(323)	-
Loss on disposal of associate	-	-	-	16
Loss on disposal of plant and equipment	2	115	3	116
Interest expenses	930	1,434	2,929	1,486
Dividends received	(1,570)	(783)	(4,802)	(783)
Unrealised exchange loss/(gain)	1,069	(904)	907	(1,398)
Gain on bargain purchase	-	-	-	(24)
Operating cash flows before working capital changes	772	(659)	3,434	(766)
Receivables	660	(7,156)	4,365	(6,729)
Payables	(104)	6,503	(5,470)	6,435
Net cash from/(used in) operating activities	1,328	(1,312)	2,329	(1,060)
Cash flows from investing activities				
Acquisition of subsidiaries	-	-	-	(19,693)
Dividends received	1,570	783	4,802	783
Redemption of preference shares	1,600	-	6,100	-
Purchase of plant and equipment	-	-	(82)	-
Proceeds from disposal of available-for-sale investments	1,013	-	1,013	-
Proceeds from disposal of investment in an associate	-	-	-	933
Purchase of available-for-sale investments	-	-	-	(84,859)
Proceeds from disposal of plant and equipment	-	20	-	20
Proceeds from disposal of intangible asset	-	-	-	29
Net cash from/(used in) investing activities	4,183	803	11,833	(102,787)
Cash flows from financing activities				
Interest paid	(930)	(1,434)	(2,929)	(1,486)
Proceeds from share placement	-	-	-	23,170
New bank loan raised	-	-	-	84,229
Transaction costs on issuance of shares	-	-	-	(32)
Repayment of term loan	(3,524)	(3,063)	(10,555)	(3,363)
Net cash (used in)/from financing activities	(4,454)	(4,497)	(13,484)	102,518
Net increase/(decrease) in cash and cash equivalents	1,057	(5,006)	678	(1,329)
Cash and cash equivalents at beginning of period	3,070	7,713	3,449	4,036
Cash and cash equivalents at end of period	4,127	2,707	4,127	2,707

1(d)(i) A statement (for the issuer and group) showing either
(i) all changes in equity, or

(ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP	Share capital US\$'000	Foreign currency translation reserve US\$'000	Accumulated losses US\$'000	Attributable to equity holders		Total equity US\$'000
				Company US\$'000	Non- controlling interests US\$'000	
Balance as at 1 January 2012	54,647	(622)	(21,526)	32,499	23,639	56,138
Total comprehensive income for the period	-	486	1,743	2,229	2,301	4,530
Balance as at 30 September 2012	54,647	(136)	(19,783)	34,728	25,940	60,668
Balance as at 1 January 2011	31,509	-	(22,320)	9,189	-	9,189
Total comprehensive loss for the period	-	(447)	(413)	(860)	(959)	(1,819)
Issuance of shares, net of transaction costs	23,138	-	-	23,138	-	23,138
Acquisition of subsidiaries	-	-	-	-	23,751	23,751
Balance as at 30 September 2011	54,647	(447)	(22,733)	31,467	22,792	54,259

COMPANY	Share capital US\$'000	Accumulated losses US\$'000	Total equity US\$'000	
			Share capital US\$'000	Accumulated losses US\$'000
Balance at 1 January 2012	54,647	(22,300)	32,347	
Total comprehensive loss for the period	-	(764)	(764)	
Balance as at 30 September 2012	54,647	(23,064)	31,583	
Balance at 1 January 2011	31,509	(22,644)	8,865	
Total comprehensive income for the period	-	101	101	
Issuance of shares, net of transaction costs	23,138	-	23,138	
Balance as at 30 September 2011	54,647	(22,543)	32,104	

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

None.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Group and Company		
	30 Sep 2012 No. of shares (‘000)	31 Dec 2011 No. of shares (‘000)
The number of issued shares	<u>1,189,412</u>	<u>1,189,412</u>

There were no treasury shares as at 30 September 2012 and 31 December 2011.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Group does not have any treasury shares at the end of the financial period.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The financial statements have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as those applied in the audited financial statement for the year ended 31 December 2011.

5. If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well the reasons for, and the effect of, the change.

The Group has adopted the new or revised Financial Reporting Standard (“FRS”) and the interpretation of FRS (“IFRS”) that become effective for the entities with financial period commencing 1 January 2012. The adoption of the new and revised FRSs and IFRS has no material impact on the unaudited financial statements for the third quarter ended 30 September 2012.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<u>Group</u>		<u>Group</u>	
	3Q2012	3Q2011	9M2012	9M2011
Profit/(loss) after tax from continuing operations (US\$'000)	281	(897)	3,579	(756)
<u>Basic</u>				
Weighted average number of shares ('000)	1,189,412	1,145,684	1,189,412	1,145,684
Earning/(loss) per share from continuing operations (US\$ cents)	0.02	(0.08)	0.30	(0.07)

Earning per share is calculated by dividing the Group's profit/(loss) attributable to owners of the Company for the period by the weighted average number of 1,189,412,000 (30 September 2011: 1,145,684,000) ordinary shares in issue during the financial period.

Diluted

There is no dilution of earnings per share as the Group has no dilutive potential ordinary shares.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) **current financial period reported on; and**
 (b) **immediately preceding financial year.**

	<u>Group</u>		<u>Company</u>	
	30 Sep 2012	31 Dec 2011	30 Sep 2012	31 Dec 2011
Net asset value (US\$'000)	34,728	32,499	31,583	32,347
Total number of shares issued ('000)	1,189,412	1,189,412	1,189,412	1,189,412
Net asset value per share (US\$ cents per share)	2.92	2.73	2.66	2.72

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets and liabilities of the group during the current financial period reported on.

Review of Group Performance

Consolidated Statement of Comprehensive Income

(a) Revenue

The Group's revenue increased by US\$882,000 for the three months ended 30 September 2012 ("3Q2012") when compared to the corresponding period ended 30 September 2011 ("3Q2011"). For 9M2012, the Group's revenue increased from US\$2.96 million in 9M2011 to US\$8.93 million, a 202% increase in gross revenue. The revenue growth of both periods was mainly due to dividends received on the Group's investments in Resolute Offshore Pte Ltd.

(b) Cost of sales and gross profit

The Group's gross profit for 3Q2012 was US\$2.62 million (3Q2011: US\$524,000) and US\$7.82 million for 9M2012 (9M2011: US\$1.18 million).

Cost of sales of US\$369,000 in 3Q2012 relate to depreciation of the Group's fleet of vessels while 3Q2011 cost of sales of US\$1.58 million includes additional cost of sales incurred through its investment in CSOTL Offshore Co as well as depreciation of the Group's vessels. For 9M2012, cost of sales decreased by US\$667,000 from US\$1.78 million in 9M2011 to US\$1.10 million in 9M2012 due to lower activity in CSOTL Offshore Co during the 9M2012 period.

(c) Other income

Other income decreased from US\$917,000 in 3Q2011 to US\$332,000 in 3Q2012. Other income incurred for the period 3Q2012 was mainly derived from the gain on disposal of its investment in Atlantis Navigation AS, as compared to the period 3Q2011 where other income was derived from favourable exchange gains.

(d) Administrative expenses

Administrative expenses increased from US\$904,000 in 3Q2011 to US\$1.74 million in 3Q2012. The increase was due to the Group incurring unfavourable exchange gains of US\$1.07 million. For 9M2012, administrative expenses increased by US\$780,000 from US\$1.88 million in 9M2011 to US\$2.66 million. The increase in administrative costs was due to higher overhead costs and unfavourable exchange gains.

(e) Finance expenses

Finance expense of the Group decreased from US\$1.43 million in 3Q2011 to US\$930,000 in 3Q2012. For 9M2012, interest expense increased by US\$1.44 million from US\$1.49 million in 9M2011 to US\$2.93 million.

Finance costs for 9M2011 relate to three months interest on loans assumed by the Group at 30 June 2011, as compared to the finance costs of 9M2012 where interest has been incurred for the full nine months.

(f) Profit for the period

The Group recorded a profit of US\$281,000 for 3Q2012 as compared to a loss of US\$897,000 for 3Q2011. For 9M2012, net profit for the year increased by US\$4.34 million from a loss of US\$756,000 in 9M2011 to US\$3.58 million.

The financial performance for 3Q2012 is attributable to the Group's investment returns and charter hire activity of the Group, offset by unfavourable exchange gains incurred during the period. The Group yielded higher investment returns through the dividends received from its investment in Resolute Offshore Pte Ltd.

(g) Comprehensive income for the year

Comprehensive income of the Group increased from a loss of US\$1.96 million in 3Q2011 to a profit of US\$1.05 million in 3Q2012. For 9M2012, comprehensive income increased by US\$6.35million from a loss of US\$1.82 million in 9M2011 to a profit of US\$4.53 million. For the current period, exchange differences on the translation of foreign operations relate to the Group's investment in CSOTL Offshore Co and the appreciating US dollar against the Thai Baht.

Consolidated Statement of Financial Position

(h) Plant and equipment

The decrease in plant and equipment from US\$27.45 million as at 31 December 2011 to US\$26.39 million as at 30 September 2012 is due to depreciation costs on the Group's vessels and other equipment.

(i) Available-for-sale investments

As at 31 December 2011 the Group had preferential shares in Resolute Offshore Pte Ltd valued at US\$123.75 million. During 9M2012, Resolute Offshore Pte Ltd redeemed 61,000 preference shares for a total value of US\$6.1 million.

The Group also disposed of its shareholding in Atlantis Navigation AS during the period, recording a US\$323,000 gain on the sale of its investment.

(j) Trade and other receivables

Trade and other receivables mainly relate to three of the Group's subsidiaries – Vallianz Samson, Vallianz Marine and Resolute Pte Ltd. Trade and other receivables decreased from US\$9.32 million as at 31 December 2011 to US\$4.96 million as at 30 September 2012 due to the settlement of outstanding debts.

(k) Cash and bank balances

Cash and cash equivalents increased from US\$3.45 million as at 31 December 2011 to US\$4.13 million as at 30 September 2012.

(l) Current and long term liabilities

Term loans decreased from US\$97.31 million as at 31 December 2011 to US\$86.75 million as at 30 September 2012 due to the repayment of the Group's various loans. The amortisation profiles of these loans caused the Group to record a working capital deficit of US\$10.76 million as at 30 September 2012.

The Group's trade and other payables decreased by approximately US\$5.52 million from US\$11.23 million as at 31 December 2011 to US\$5.71 million as at 30 September 2012.

Consolidated Statement of Cash Flows

(m) Cash flow from operating activities

The Group's net cash inflow from operating activities for 9M2012 amounted to US\$2.33 million. This comprised of operating cash flow before working capital changes of US\$3.43 million, and adjusted for net working capital outflows of US\$1.10 million. For 9M2011, cash flow used in operating activities amounted to US\$1.06 million which related to the Group assuming additional receivable and payable balances as part of the various business acquisitions made in June 2011.

The Group's net cash inflow from operating activities for 3Q2012 amounted to US\$1.33 million. This comprised of operating cash flow before working capital changes of US\$772,000, and adjusted for net working capital inflows of US\$556,000.

(n) Cash flow from investing activities

Net cash generated from investing activities amounted to US\$ 11.83 million in 9M2012 due to the redemption of 61,000 preference shares originally issued by Resolute Offshore Pte Ltd in FY2011 and US\$4.80 million of dividends received from the Group's available-for-sale investments.

Net cash generated from investing activities amounted to US\$4.18 million in 3Q2012 due to the redemption of 16,000 preference shares originally issued by Resolute Offshore Pte Ltd in FY2011, US\$1.57 million of dividends received from the Group's available-for-sale investments and sale proceeds of US\$1.01 million from the disposal of its investment in Atlantis Navigation AS.

(o) Cash flow used in financing activities

Net cash used in financing activities amounted to US\$13.48 million in 9M2012 due to various repayments on bank borrowings of US\$10.55 million and interest paid of US\$2.93 million.

Net cash used in financing activities amounted to US\$4.45 million in 3Q2012 due to various repayments on bank borrowings of US\$3.52 million and interest paid of US\$930,000.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group will continue to make investments with a focus on acquiring long term income producing assets. These investments not only provide stable and predictable income, but also give the Group a good asset base to which it can expand upon.

We believe that there will be a number of opportunities in the future for the Group to capitalize on. The Group is cautiously optimistic for the outlook on the Oil and Gas industry.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date Payable

Not applicable.

(d) Book Closure Date.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the current financial period reported on.

13. Interested person transaction

In compliance with Chapter 9 of the SGX-ST Listing Manual (Section B: Rules of Catalyst), there were no transactions with interested persons for the nine months ended 30 September 2012 which exceeds the stipulated threshold except as disclosed below:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Newcruz Offshore Marine Pte Ltd	US\$3,808,600 ⁽¹⁾	Nil
Swiber Holdings Ltd	Nil	US\$231,120 ⁽²⁾

⁽¹⁾Newcruz Offshore Marine Pte Ltd is a subsidiary of Swiber Holdings Limited, a controlling shareholder of the Company.

The transaction relates to chartering income for the nine months ended 30 September 2012. No shareholder approval was obtained because all terms of the charter party agreement entered into between Vallianz Marine Pte. Ltd. ("Vallianz Marine") and Newcruz Offshore Marine Pte Ltd were finalized and signed prior to the Company acquiring the 51% interest in Vallianz Marine and before Swiber Holdings Limited became an interested party as in Chapter 9 of the SGX-ST Listing Manual (Section B: Rules of Catalyst).

⁽²⁾Swiber Holdings Ltd is a controlling shareholder of the Company.

The transaction relates to the provision of corporate management services provided to the Group.

14. Statement by Directors pursuant to Rule 705(5) of the Listing Manual

On behalf of the Board of Directors of the Company, we confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the third quarter and nine months' financial results for the period ended 30 September 2012 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Raymond Kim Goh
Director
Non-Executive Chairman

Anders Hagbarth Schau
Director
Chief Executive Officer

BY ORDER OF THE BOARD

Lee Bee Fong
Company Secretary
14 November 2012

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of the Exchange. The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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