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NEWS RELEASE

Vallianz's Net Profit Holds Firm at US\$20.1M in FY2015 Despite Depressed Industry Conditions

- Revenue increased 51.3% to US\$232.6 million
- EBITDA gained 33.4% to US\$82.0 million
- Robust order book of US\$950.0 million with charter contracts stretching up to year 2022

Singapore, 29 February 2016 – Vallianz Holdings Limited (“**Vallianz**” or “**Company**”, and together with its subsidiaries, the “**Group**”), an established provider of offshore support vessels and integrated marine solutions to the oil and gas industry, delivered a steady net profit of US\$20.1 million for the financial year ended 31 December 2015 (“**FY2015**”) amid the prevailing headwinds in the offshore marine industry.

Revenue in FY2015 jumped 51.3% to US\$232.6 million on the back of higher revenue from the Group's offshore support vessel (“**OSV**”) chartering and brokerage business, as well as new revenue streams from subsidiaries acquired in the last quarter of 2014.

The OSV chartering and brokerage business, which made up 64% of total revenue in FY2015, registered stronger revenue as a result of incremental contributions from new charter contracts, expansion of fleet size and healthy fleet utilisation rate. At the end of FY2015, the Group owns and operates 44 OSVs, compared to 37 OSVs at the end of FY2014. Its fleet had an average utilisation rate of around 81% in FY2015.

The Group improved its gross profit by 17.7% to US\$65.0 million. Gross profit margin for FY2015 was 27.9% compared to 35.9% in FY2014 due to a shift in the Group's revenue mix and expansion of its owned fleet.

Thanks mainly to higher revenue and gross profit, Vallianz achieved 18.1% growth in profit before tax to US\$25.5 million in FY2015. This was however undermined by higher tax expenses. Nevertheless, the Group's net profit after tax remained firm at US\$20.1 million in FY2015 compared to US\$20.4 million last year. Excluding interest, tax, depreciation and amortization, the Group's EBITDA for FY2015 gained 33.4% to US\$82.0 million.

CEO of Vallianz, Mr Ling Yong Wah said, “The Group delivered a respectable performance in the face of the volatile oil markets and ensuing slowdown of the global offshore industry. During FY2015, we reaped rewards from our continual efforts to build our order book, and optimise our operations and cost structure to enhance our market competitiveness.”

Growth in order book

Notwithstanding the industry headwinds, Vallianz recorded a substantial increase in its chartering services order book to a current value of around US\$950 million, comprising mainly of long term charters stretching up to 2022, as compared to US\$540 million at the end of December 2014.

During FY2015, the Group secured new charter contracts with a total value of up to US\$856 million. These contracts, which comprise the charter of 19 Anchor Handling Tug and Supply (“**AHTS**”) vessels, four Platform Supply Vessels (“**PSV**”), and two self-elevating platform vessels, were awarded by a national oil company (“**NOC**”) in the Middle East.

The new contracts involving 15 AHTS vessels and four PSVs lengthened the existing charters on these vessels which will continue to be deployed to the customer up to June 2020, including extension option.

The Group has deployed two self-elevating platform vessels to the NOC between the third quarter and fourth quarter of 2015. The Group also expects maiden revenue streams in FY2016 from its offshore floating storage and supply vessel (“**OFSSV**”) that is expected to commence operations in the current quarter ending 31 March 2016 (“**1Q2016**”), as well as four AHTS that will be deployed for the NOC’s offshore projects by the end of 1Q2016.

Positioned to withstand the difficult industry conditions

Said Mr Ling, “Business conditions in the offshore marine industry are expected to remain challenging in the foreseeable future. The OSV industry is facing downward pressure on charter rates and declining vessel utilisation. To ensure that Vallianz remains on a steady footing to overcome this difficult period, our management is actively working to strengthen our business operations and financial position.

“Despite the current volatile and depressed market climate, Vallianz continued to secure long-term charter contracts and grow our business. We also maintained a healthy fleet utilisation rate in FY2015. This resilient performance can be attributed to our entrenched reputation in the Middle East where offshore oil production remains active, as well as the Group’s capabilities to achieve operational and service excellence. Our continual efforts to maintain high standards of service quality and improve our customer value-add have enabled the Group to reinforce our relationship with a major state-owned customer in the Middle East.”

Leveraging on its proven track record in the Middle East, Vallianz is looking to solidify its position as a major OSV provider and explore new business opportunities to broaden its presence in this major oil producing region. The Group is presently bidding for charter contracts with a combined value of US\$1.8 billion mainly for projects located in the Middle East. The Group also continues to prepare itself for opportunities in other target markets such as Latin America when demand for OSVs start to recover.

Earlier this month, the Group also completed a refinancing exercise for its operations in the Middle East. It has issued a Saudi Riyal denominated Sukuk of SAR1.0 billion (US\$266.7 million) which has been used primarily to refinance the loans secured on 16 vessels operating in the Middle East. This refinancing exercise will benefit the Group by lowering cost of funding, improving its cash flow and

strengthening its balance sheet. At the same time, the Sukuk opens a new avenue of funding that enables the Group to tap the Islamic debt capital markets to fund its operations in the Middle East.

This news release should be read in conjunction with the Group's announcement posted on the SGX website on 29 February 2016.

About Vallianz Holdings Limited

Vallianz Holdings Limited is an established provider of offshore support vessels and integrated offshore marine solutions to the oil and gas industry. Headquartered in Singapore, the Group provides offshore marine services to oil majors and national oil companies worldwide. Today, Vallianz owns a young fleet of 44 offshore support vessels and covers markets in the Middle East, Asia Pacific and Latin America. To strengthen its foundation for growth, the Group is currently executing initiatives to expand its geographical reach, as well as broaden its range of marine assets and solutions. The Group also continues to seek opportunities and strategic alliances to increase its penetration in the major and emerging offshore oil and gas markets. Listed on SGX-Catalist, Vallianz is helmed by an experienced Board and management team. For more details, please refer to www.vallianzholdings.com

*This news release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Provenance Capital Pte. Ltd. ("**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this news release.*

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