

UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER ENDED (“2Q2012”) AND HALF YEAR ENDED 30 JUNE 2012 (“HY2012”)
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		
	2Q2012	2Q2011	Change	HY2012	HY2011	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Continuing operations						
Revenue	2,868	537	434	5,943	852	598
Cost of sales	(370)	(99)	274	(739)	(198)	273
Gross profit	2,498	438	470	5,204	654	696
Other income	2,058	285	622	1,179	519	127
Administrative expenses	(567)	(624)	NM	(1,086)	(980)	11
Finance expenses	(969)	(26)	3,627	(1,999)	(52)	3,744
Profit from continuing operations	3,020	73	4,037	3,298	141	2,239
Income tax expense	-	-	NM	-	-	NM
Profit after tax from continuing operations	3,020	73	4,037	3,298	141	2,239
Profit for the period	3,020	73	4,037	3,298	141	NM
Other comprehensive income for the year, net						
Exchange differences on translation of foreign operations representing other comprehensive for the year, net of tax	(872)	-	NM	179	-	NM
Total comprehensive income for the year	2,148	73	2,842	3,477	141	2,366
Profit for the year attributable to:						
Owners of the Company	1,465	73	1,907	1,615	141	1,045
Non-controlling interests	1,555	-	NM	1,683	-	NM
Total	3,020	73		3,298	141	
Total comprehensive income attributable to:						
Owners of the Company	1,020	73	1,298	1,707	141	1,111
Non-controlling interests	1,128	-	NM	1,770	-	NM
Total	2,148	73		3,477	141	

Note:

NM – Not Meaningful

* Restated due to reclassification of US\$494,000 foreign exchange gains from “Administrative expenses” to “Other income”

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	
	2Q2012	2Q2011	HY2012	HY2011
	US\$'000	US\$'000	US\$'000	US\$'000
Depreciation of plant and equipment	383	102	758	201
Interest expense	969	26	1,999	52
Loss on disposal of plant and equipment	1	1	1	1
Other income	(1,000)	-	(1,017)	-
Dividend income	(1,548)	-	(3,221)	-
Foreign exchange gain	(1,058)	(260)	(162)	(494)

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 Jun 2012 US\$'000	31 Dec 2011 US\$'000	30 Jun 2012 US\$'000	31 Dec 2011 US\$'000
Non-current assets				
Plant and equipment	26,771	27,448	81	10
Investment in subsidiaries	-	-	24,798	24,798
Available-for-sale investments	119,940	124,440	690	690
	146,711	151,888	25,569	25,498
Current assets				
Trade receivables	1,385	2,294	75	91
Other receivables	4,234	7,030	88	90
Due from subsidiaries (non-trade)	-	-	4,806	5,353
Available-for-sale investments	86	86	86	86
Cash and bank balances	3,070	3,449	1,883	1,868
	8,775	12,859	6,938	7,488
Total assets	155,486	164,747	32,507	32,986
Non-current liability				
Term loans	76,151	83,224	-	-
Current liabilities				
Trade payables	4	2,434	-	-
Other payables	5,521	8,797	690	639
Term loans	14,126	14,084	-	-
Tax payable	69	70	-	-
	19,720	25,385	690	639
Total liabilities	95,871	108,609	690	639
Net assets	59,615	56,138	31,817	32,347
Equity				
Share capital	54,647	54,647	54,647	54,647
Foreign currency translation reserve	(530)	(622)	-	-
Accumulated losses	(19,911)	(21,526)	(22,830)	(22,300)
Equity attributable to owners of the company	34,206	32,499	31,817	32,347
Non-controlling interests	25,409	23,639	-	-
Total equity	59,615	56,138	31,817	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 Jun 2012		As at 31 Dec 2011	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
14,126	-	14,084	-

Amount repayable after one year

Group		Group	
As at 30 Jun 2012		As at 31 Dec 2011	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
76,151	-	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

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	
	2Q2012 US\$'000	2Q2011 US\$'000	HY2012 US\$'000	HY2011 US\$'000
Cash flows from operating activities				
Profit before tax	3,020	73	3,298	141
Adjustments for:				
Depreciation of plant and equipment	383	99	758	201
Loss on disposal of associate	-	16	-	16
Loss on disposal of plant and equipment	1	1	1	1
Interest expenses	969	26	1,999	52
Dividends received	(1,548)	-	(3,221)	-
Unrealised exchange gain	(1,058)	-	(162)	-
Gain on bargain purchase	-	(24)	-	(24)
Operating cash flows before working capital changes	1,767	191	2,673	387
Changes in operating assets and liabilities				
Receivables	1,562	(73)	3,705	(67)
Payables	(3,912)	(83,863)	(5,366)	(84,247)
Net cash (used in)/from operating activities	(583)	(83,745)	1,012	(83,927)
Cash flows from investing activities				
Acquisition of subsidiaries	-	(3,692)	-	(19,692)
Dividends received	3,210	-	3,221	-
Redemption of preference shares	1,500	-	4,500	-
Purchase of plant and equipment	(82)	-	(82)	-
Proceeds from disposal of investment in an associate	-	-	-	933
Purchase of available-for-sale investments	-	-	-	(690)
Proceeds from disposal of intangible asset	-	-	-	29
Net cash from/(used in) investing activities	4,628	(3,692)	7,639	(19,420)
Cash flows from financing activities				
Interest paid	(969)	(25)	(1,999)	(43)
Proceeds from share placement	-	-	-	23,170
New bank loan raised	-	84,229	-	84,229
Transaction costs on issuance of shares	-	(32)	-	(32)
Repayment of term loan	(3,518)	(150)	(7,031)	(300)
Net cash (used in)/from financing activities	(4,487)	84,022	(9,030)	107,024
Net increase in cash and cash equivalents	(442)	(3,415)	(379)	3,677
Cash and cash equivalents at beginning of period	3,512	11,128	3,449	4,036
Cash and cash equivalents at end of period	3,070	7,713	3,070	7,713

* Amount less than US\$1,000

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	Equity 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 year	-	92	-	1,615	1,707	1,770	3,477
Balance as at 30 June 2012	54,647	(530)	-	(19,911)	34,206	25,409	59,615
Balance as at 1 January 2011	31,509	-	-	(22,320)	9,189	-	9,189
Total comprehensive income for the year	-	-	-	141	141	-	141
Issuance of shares, net of transaction costs	23,138	-	-	-	23,138	-	23,138
Acquisition of subsidiaries	-	-	195	-	195	19,831	20,026
Balance as at 30 June 2011	54,647	-	195	(22,179)	32,663	19,831	52,494

COMPANY	Accumulated		Total equity	
	Share capital US\$'000	losses US\$'000	US\$'000	US\$'000
Balance at 1 January 2012	54,647	(22,300)	32,347	
Total comprehensive income for the year	-	(530)	(530)	
Balance as at 30 June 2012	54,647	(22,830)	31,817	
Balance at 1 January 2011	31,509	(22,644)	8,865	
Total comprehensive income for the year	-	548	548	
Issuance of shares, net of transaction costs	23,138	-	23,138	
Balance as at 30 June 2011	54,647	(22,096)	32,551	

- 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 Jun 2012	31 Dec 2011
	No. of shares	No. of shares
	('000)	('000)
The number of issued shares	1,189,412	1,189,412

There were no treasury shares as at 30 June 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 second quarter ended 30 June 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>	
	2Q2012	2Q2011	HY2012	HY2011
Profit after tax from continuing operations (US\$'000)	3,020	73	3,298	141
Basic				
Weighted average number of shares ('000)	1,189,412	1,120,030	1,189,412	1,120,030
Earning per share from continuing operations (US\$ cents)	0.25	0.01	0.28	0.01

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 June 2011: 1,120,030,000) 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 Jun 2012	31 Dec 2011	30 Jun 2012	31 Dec 2011
Net asset value (US\$'000)	32,406	32,499	31,817	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)	2.72	2.73	2.68	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\$2.33 million for the three months ended 30 June 2012 ("2Q2012") when compared to the corresponding period ended 30 June 2011 ("2Q2011"). For HY2012, the Group's revenue increased from US\$0.85 million in HY2011 to US\$5.94 million, a 598% increase in gross revenue.

This growth was due to dividends received on the Group's investments, higher charter activity from the expansion of the Group's vessel fleet and other vessel brokerage transactions.

(b) Cost of sales and gross profit

The Group's gross profit for 2Q2012 was US\$2.50 million (2Q2011: US\$438,000) and US\$5.2 million for HY2012 (HY2011: US\$654,000).

Cost of sales of US\$370,000 in 2Q2012 relate to depreciation of the Group's expanded fleet of vessels while 2Q2011 cost of sales of US\$99,000 relates to depreciation of the one vessel which was acquired in FY2010. For HY2012, cost of sales increased by US\$541,000 from US\$198,000 in HY2011 to US\$739,000 in HY2012. The 273% increase in cost of sales was also due to the increased size of the Group's vessel fleet.

(c) Other income

Other income increased from US\$285,000 in 2Q2011 to US\$2.06 million in 2Q2012. This increase was due to the reversal of various cost accruals raised in June 2011 and also favourable foreign exchange gains of US\$1.06 million.

(d) Administrative expenses

Administrative expenses decreased from US\$624,000 in 2Q2011 to US\$567,000 in 2Q2012. The decrease is due to the absence of consultancy fees and bank charges incurred from new bank loans raised which existed during 2Q2011.

For HY2012, administrative expenses increased by US\$106,000 from US\$980,000 in HY2011 to US\$1.09 million. The increase in administrative costs was due to the expansion of the Group and higher overhead costs.

(e) Finance expenses

Finance expense of the Group increased from US\$26,000 in 2Q2011 to US\$969,000 in 2Q2012. For HY2012, interest expense increased by US\$1.95 million from US\$52,000 in HY2011 to US\$2 million.

The increase in interest expense was due to the Group assuming additional loans which were associated with the business acquisitions made during FY2011.

(f) Profit for the period

The Group recorded a profit of US\$3.02 million for 2Q2012 as compared to a profit of US\$73,000 for 2Q2011. For HY2012, net profit for the year increased by US\$3.16 million from US\$141,000 in HY2011 to US\$3.3 million.

The financial performance for 2Q2012 is mainly attributable to the reversal of various cost accruals raised in June 2011, and other investment returns and charter hire activity of the Group.

Consolidated Statement of Financial Position

(g) Plant and equipment

The decrease in plant and equipment from US\$27.45 million as at 31 December 2011 to US\$26.77 million as at 30 June 2012 is due to depreciation costs on the Group's vessels and other equipment. The Group also purchased US\$82,000 of plant and equipment during 2Q2012.

(h) Available-for-sale investment

As at 31 December 2011 the Group had preferential shares in Resolute Offshore Pte Ltd valued at US\$123.75 million. During HY2012, Resolute Offshore Pte Ltd redeemed 45,000 preference shares for a total value of US\$4.5 million.

(i) 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\$5.62 million as at 30 June 2012 due to the settlement of outstanding debts.

(j) Cash and bank balances

Cash and cash equivalents decreased from US\$3.45 million as at 31 December 2011 to US\$3.07 million as at 30 June 2012.

(k) Current and long term liabilities

Term loans decreased from US\$97.31 million as at 31 December 2011 to US\$90.28 million as at 30 June 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\$10.95 million as at 30 June 2012.

The Group's trade and other payables decreased by approximately US\$5.7 million from US\$11.23 million as at 31 December 2011 to US\$5.53 million as at 30 June 2012.

Consolidated Statement of Cash Flows

(l) Cash flow used in operating activities

The Group's net cash inflow from operating activities for HY2012 amounted to US\$1.01 million. This comprised of operating cash flow before working capital changes of US\$2.67 million, and adjusted for net working capital outflows of US\$1.66 million.

The Group's net cash outflow from operating activities for 2Q2012 amounted to US\$583,000. This comprised of operating cash flow before working capital changes of US\$1.77 million, and adjusted for net working capital outflows of US\$2.35 million. Operating net cash outflows of US\$583,000 for 2Q2012 was mainly due to the significant decrease in the Group's payables during the same period.

(m) Cash flow used in investing activities

Net cash generated from investing activities amounted to US\$7.64 million in HY2012 due to the redemption of 45,000 preference shares originally issued by Resolute Offshore Pte Ltd in FY2011 and US\$3.22 million of dividends received from the Group's available-for-sale investment.

Net cash generated from investing activities amounted to US\$4.63 million in 2Q2012 due to the redemption of 15,000 preference shares originally issued by Resolute Offshore Pte Ltd in FY2011 and US\$3.22 million of dividends received from the Group's available-for-sale investment.

(n) Cash flow from financing activities

Net cash used in financing activities amounted to US\$9.03 million in HY2012 due to various repayments on bank borrowings of US\$7.03 million and interest paid of US\$2 million.

Net cash used in financing activities amounted to US\$4.49 million in 2Q2012 due to various repayments on bank borrowings of US\$3.52 million and interest paid of US\$969,000.

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 has made investments during the last twelve month period, 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 Catalist), there were no transactions with interested persons for the half year ended 30 June 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\$2,529,800 ⁽¹⁾	Nil
Swiber Holdings Ltd	Nil	US\$154,080 ⁽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 half year ended 30 June 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 Catalist).

⁽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 second quarter and half year financial results for the period ended 30 June 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 August 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.

*The contact person for the Sponsor is Mr. Bernard Lui.
Telephone number: 6389 3000 Email: bernard.lui@stamfordlaw.com.sg.*