

UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED (“1Q2012”) 31 MARCH 2012
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		
	1Q2012	1Q2011	Change
	US\$'000	US\$'000	%
	(unaudited)	(unaudited)	
Continuing operations			
Revenue	3,076	315	877
Cost of sales	(369)	(99)	273
Gross profit	2,707	216	1,153
Other income	17	-	NM
Administrative expenses	(1,416)	(138)	926
Finance expenses	(1,030)	(26)	3,862
Profit from continuing operations	278	52	435
Income tax expense	-	-	NM
Profit after tax from continuing operations	278	52	435
Profit for the period	278	52	435
Other comprehensive income for the period, net of tax			
Exchange differences on translation of foreign operations representing other comprehensive for the year, net of tax	1,050	-	NM
Total comprehensive income for the period	1,328	52	2,454
Profit for the period attributable to:			
Owners of the Company	150	52	188
Non-controlling interests	128	-	NM
Total	278	52	
Total comprehensive income attributable to:			
Owners of the Company	686	52	1,219
Non-controlling interests	642	-	NM
Total	1,328	52	

Note:

NM – Not Meaningful

- 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/(loss) for the period is determined after charging/(crediting) the following:

	Group	
	1Q2012	1Q2011
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Depreciation of plant and equipment	375	102
Gain on disposal of subsidiaries and joint venture	-	-
Interest expense	1,030	26
Loss on disposal of plant and equipment	-	-
Gain on disposal of held for trading investment securities	-	-
Dividend income	(1,673)	-
Interest income	-	-
Foreign exchange loss/(gain)	896	(234)

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	
	31 March 2012	31 Dec 2011	31 March 2012	31 Dec 2011
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Plant and equipment	27,073	27,448	9	10
Investment in subsidiaries	-	-	24,798	24,798
Available-for-sale investments	121,440	124,440	690	690
	148,513	151,888	25,497	25,498
Current assets				
Trade receivables	1,994	2,294	165	91
Other receivables	6,848	7,030	136	90
Due from subsidiaries (non-trade)	-	-	4,653	5,353
Available-for-sale investments	86	86	86	86
Cash and bank balances	3,512	3,449	2,247	1,868
	12,440	12,859	7,287	7,488
Total assets	160,953	164,747	32,784	32,986
Non-current liability				
Term loans	79,690	83,224	-	-
Current liabilities				
Trade payables	835	2,434	-	-
Other payables	8,780	8,797	616	639
Term loans	14,105	14,084	-	-
Tax payable	77	70	-	-
	23,797	25,385	616	639
Total liabilities	103,487	108,609	616	639
Net assets	57,466	56,138	32,168	32,347
Equity				
Share capital	54,647	54,647	54,647	54,647
Foreign currency translation reserve	(86)	(622)	-	-
Accumulated losses	(21,376)	(21,526)	(22,479)	(22,300)
Equity attributable to owners of the company	33,185	32,499	32,168	32,347
Non-controlling interests	24,281	23,639	-	-
Total equity	57,466	56,138	32,168	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 31 Mar 2012		As at 31 Dec 2011	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
14,105	-	14,084	-

Amount repayable after one year

Group		Group	
As at 31 Mar 2012		As at 31 Dec 2011	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
79,690	-	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	
	1Q2012	1Q2011
	US\$'000	US\$'000
Cash flows from operating activities		
Profit before tax	278	52
Adjustments for:		
Depreciation of plant and equipment	375	102
Loss on disposal of associate	-	16
Interest expenses	1,030	26
Dividends received	(1,673)	-
Unrealised exchange loss/(gain)	896	-
Operating cash flows before working capital changes	906	196
Changes in operating assets and liabilities		
Receivables	2,143	6
Payables	(1,454)	(352)
Cash generated from operations	1,595	(150)
Income taxes paid	-	-
Net cash from/(used in) operating activities	1,595	(150)
Cash flows from investing activities		
Acquisition of subsidiaries	-	(16,000)
Dividends received	11	-
Redemption of preference shares	3,000	-
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	3,011	(15,728)
Cash flows from financing activities		
Interest paid	(1,030)	(18)
Proceeds from share placement	-	23,170
Transaction costs on issuance of shares	-	(32)
Repayment of term loan	(3,513)	(150)
Net cash (used in)/from financing activities	(4,543)	22,970
Net effect of exchange rate changes due to cash and cash balances	-	-
Net increase in cash and cash equivalents	63	7,092
Cash and cash equivalents at beginning of period	3,449	4,036
Cash and cash equivalents at end of period	3,512	11,128

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.

Statements of Changes in Equity

Group	Share capital US\$'000	Foreign currency translation reserve US\$'000	Accumulated losses US\$'000	Attributable to equity holders of the Company US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
For quarter ended 31 March 2012						
Balance as at 1 January 2012	54,647	(622)	(21,526)	32,499	23,639	56,138
Total comprehensive income for the year	-	536	150	686	642	1,328
Balance as at 31 March 2012	54,647	(86)	(21,376)	33,185	24,281	57,466

Group	Share capital US\$'000	Foreign currency translation reserve US\$'000	Accumulated losses US\$'000	Attributable to equity holders of the Company US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
For quarter ended 31 March 2011						
Balance as at 1 January 2011	31,509	-	(22,320)	9,189	-	9,189
Total comprehensive income for the year	-	-	52	52	-	52
Issuance of shares, net of transaction costs	23,138	-	-	23,138	-	23,138
Balance as at 31 March 2011	54,647	-	(22,268)	32,379	-	32,379

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. (cont'd)

Statements of Changes in Equity (cont'd)

Company For quarter ended 31 March 2012	Share capital US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Balance at 1 January 2012	54,647	(22,300)	32,347
Total comprehensive income for the year	-	(179)	(179)
Issuance of shares, net of transaction costs	-	-	-
Balance as at 31 March 2012	54,647	(22,479)	32,168

Company For quarter ended 31 March 2011	Share capital US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Balance at 1 January 2011	31,509	(22,644)	8,865
Total comprehensive income for the year	-	(138)	(138)
Issuance of shares, net of transaction costs	23,138	-	23,138
Balance as at 31 March 2011	54,647	(22,782)	31,865

- 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

	31 Mar 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 31 March 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 first quarter ended 31 March 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.**

	Group	
	1Q2012	1Q2011
Profit/(loss) after tax (US\$'000)	278	52
- Profit/(loss) after tax from continuing operations	278	52
- Profit after tax from discontinued operations	-	-
Basic		
Weighted average number of shares ('000)	1,189,412	1,050,647
Earning/(loss) per share (US\$ cents)	0.02	0.01
- Earning/(loss) per share from continuing operations (US\$ cents)	0.02	0.01
- Earning per share from discontinued operations (US\$ cents)	N/A	N/A

Earning/(loss) 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 (31 March 2011: 1,050,647,000) 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.**

	Group		Company	
	31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011
Net asset value (US\$'000)	33,185	32,499	32,168	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)	2.79	2.73	2.70	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\$2.76 million for the three months ended 31 March 2012 ("1Q2012") when compared to the corresponding period ended 31 March 2011 ("1Q2011"). The growth in revenue was due to dividends received on the Group's investments, higher charter activity from the expansion of the Group's vessel fleet, vessel brokerage transactions and corporate management service fees.

(b) Cost of sales and gross profit

The Group's gross profit for 1Q2012 was US\$2.71 million (1Q2011: US\$216,000). Cost of sales of US\$369,000 in 1Q2012 relate to depreciation of the Group's expanded fleet of vessels while 1Q2010 cost of sales of US\$99,000 relates to depreciation of the one vessel which was acquired in FY2010.

(c) Other income

Other income for 1Q2012 increased to US\$17,000 (1Q2011: nil) which consisted of dividend income and the receipt of lease income on the Group's office premises during 1Q2012.

(d) Administrative expenses

Administrative expenses increased from US\$138,000 in 1Q2011 to US\$1.42 million in 1Q2012. The increase in administrative costs was due to the expansion of the Group, foreign exchange losses and higher overhead costs.

(e) Finance expenses

Finance expense of the Group increased from US\$26,000 in 1Q2011 to US\$1.03 million in 1Q2012. 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/(loss) for the period

The Group recorded a profit of US\$278,000 for 1Q2012 as compared to a profit of US\$52,000 for 1Q2011. The financial performance for 1Q2012 is mainly attributable to the 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\$27.448 million as at 31 December 2011 to US\$27.073 million as at 31 March 2012 is due to depreciation costs on the Group's vessels and other equipment.

(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 the quarter ended 31 March 2012, Resolute Offshore Pte Ltd redeemed 30,000 preference shares for a total value of US\$3 million.

Consolidated Statement of Financial Position

(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\$9.324 million as at 31 December 2011 to US\$8.842 million as at 31 March 2012 due to the settlement of outstanding debts.

(j) Cash and bank balances

Cash and cash equivalents increased from US\$3.45 million as at 31 December 2011 to US\$3.51 million as at 31 March 2012.

(k) Current and long term liabilities

Term loans decreased from US\$97.31 million as at 31 December 2011 to US\$93.79 million as at 31 March 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\$11.36 million as at 31 March 2012.

The Group's trade payables decreased by approximately US\$1.6 million from US\$2.434 million as at 31 December 2011 to US\$836,000 as at 31 March 2012.

Consolidated Statement of Cash Flows

(l) Cash flow from operating activities

The Group's net cash inflow from operating activities for 1Q2012 amounted to US\$1.595 million. This comprised of operating cash flow before working capital changes of US\$906,000, and adjusted for net working capital inflows of US\$689,000.

(m) Cash flow from investing activities

Net cash generated from investing activities amounted to US\$3 million in 1Q2012 due to the redemption of 3,000 preference shares originally issued by Resolute Offshore Pte Ltd in FY2011.

(n) Cash flow from financing activities

Net cash used in financing activities amounted to US\$4.54 million in 1Q2012 due to various repayments on bank borrowings of US\$3.513 million and interest paid of US\$1.03 million in 1Q2012.

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 Catalyst), there were no transactions with interested persons for the first quarter ended 31 March 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\$1,264,900 ⁽¹⁾	Nil
Swiber Holdings Ltd	Nil	US\$77,040 ⁽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 first quarter ended 31 March 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 first quarter financial results for the period ended 31 March 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

Anders Hagbarth Schau
Chief Executive Officer
9 May 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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