

UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED ("1Q2013") 31 March 2013
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		
	1Q2013	1Q2012	Change
	US\$'000	US\$'000	%
Continuing operations			
Revenue	2,726	3,076	(11)
Cost of sales	(370)	(369)	NM
Gross profit	<u>2,356</u>	<u>2,707</u>	(13)
Other income	6	17	NM
Administrative expenses*	(214)	(1,416)	(85)
Finance expenses	(818)	(1,030)	(21)
Profit from continuing operations	<u>1,330</u>	<u>278</u>	378
Income tax expense	-	-	NM
Profit after tax from continuing operations	<u>1,330</u>	<u>278</u>	378
Profit for the year	<u>1,330</u>	<u>278</u>	378
Other comprehensive income for the year, net of tax			
Exchange differences on translation of foreign operations representing other comprehensive for the year, net of tax	81	1,050	(92)
Total comprehensive income for the year	<u>1,411</u>	<u>1,328</u>	6
Profit for the year attributable to:			
Owners of the Company	588	150	292
Non-controlling interests	742	128	480
Total	<u>1,330</u>	<u>278</u>	
Total comprehensive income attributable to:			
Owners of the Company	630	686	(8)
Non-controlling interests	781	642	22
Total	<u>1,411</u>	<u>1,328</u>	

Note:

NM – Not Meaningful

* Foreign exchange gains of US\$174,000 (1Q2013) and foreign exchange losses of US\$896,000 (1Q2012) 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/(loss) for the period is determined after charging/(crediting) the following:

	Group	
	1Q2013	1Q2012
	US\$'000	US\$'000
Depreciation of plant and equipment	377	375
Gain on disposal of subsidiaries and joint venture	-	-
Interest expense	818	1,030
Loss on disposal of plant and equipment	-	-
Gain on disposal of held for trading investment securities	-	-
Dividend income	(1,475)	(1,673)
Interest income	-	-
Foreign exchange (gain)/loss	(174)	896

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 Mar 2013 US\$'000	31 Dec 2012 US\$'000	31 Mar 2013 US\$'000	31 Dec 2012 US\$'000
Non-current assets				
Plant and equipment	25,618	25,995	57	65
Investment in subsidiaries	-	-	24,798	24,798
Available-for-sale investments	110,400	115,650	-	-
	136,018	141,645	24,855	24,863
Current assets				
Trade receivables	821	432	-	-
Other receivables	3,356	3,282	22	29
Due from subsidiaries (non-trade)	-	-	5,915	8,006
Available-for-sale investments	86	86	86	86
Cash and bank balances	5,195	3,352	3,871	1,819
	9,458	7,152	9,894	9,940
Total assets	145,476	148,797	34,749	34,803
Non-current liability				
Term loans	65,249	69,055	-	-
Current liabilities				
Other payables	1,819	2,541	872	220
Term loans	14,441	14,169	-	-
	16,260	16,710	872	220
Total liabilities	81,509	85,765	872	220
Net assets	63,967	63,032	33,877	34,583
Equity				
Share capital	54,647	54,647	54,647	54,647
Foreign currency translation reserve	140	98	-	-
Accumulated losses	(19,003)	(19,115)	(20,770)	(20,064)
Equity attributable to owners of the company	35,784	35,630	33,877	34,583
Non-controlling interests	28,183	27,402	-	-
Total equity	63,967	63,032	33,877	34,583

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 2013		As at 31 Dec 2012	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
14,441	-	14,169	-

Amount repayable after one year

Group		Group	
As at 31 Mar 2013		As at 31 Dec 2012	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
65,249	-	69,055	-

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	
	1Q2013	1Q2012
	US\$'000	US\$'000
Cash flows from operating activities		
Profit before tax	1,330	278
Adjustments for:		
Depreciation of plant and equipment	377	375
Finance expenses	818	1,030
Dividend income	(1,475)	(1,673)
Unrealised exchange loss	81	896
Operating cash flows before working capital changes	1,131	906
Changes in operating assets and liabilities		
Receivables	(537)	2,143
Payables	(1,222)	(1,454)
Cash (used in)/generated from operations	(628)	1,595
Income taxes paid	-	-
Net cash (used in)/from operating activities	(628)	1,595
Cash flows from investing activities		
Dividends received	1,549	11
Redemption of preference shares	5,250	3,000
Net cash from investing activities	6,799	3,011
Cash flows from financing activities		
Interest paid	(794)	(1,030)
Repayment of term loan	(3,534)	(3,513)
Net cash used in financing activities	(4,328)	(4,543)
Net effect of exchange rate changes due to cash and cash balances	-	-
Net increase in cash and cash equivalents	1,843	63
Cash and cash equivalents at beginning of period	3,352	3,449
Cash and cash equivalents at end of period	5,195	3,512

- 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

	Share capital	Foreign currency translation reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group						
For quarter ended 31 March 2013						
At 1 January 2013	54,647	98	(19,115)	35,630	27,402	63,032
Total comprehensive income for the period	-	42	588	630	781	1,411
Dividends	-	-	(476)	(476)	-	(476)
At 31 March 2013	54,647	140	(19,003)	35,784	28,183	63,967
Group						
For quarter ended 31 March 2012						
At 1 January 2012	54,647	(622)	(21,526)	32,499	23,639	56,138
Total comprehensive income for the period	-	536	150	686	642	1,328
At 31 March 2012	54,647	(86)	(21,376)	33,185	24,281	57,466
Company						
For quarter ended 31 March 2013						
	Share capital	Accumulated losses	Total equity			
	US\$'000	US\$'000	US\$'000			
At 1 January 2013	54,647	(20,064)	34,583			
Total comprehensive income for the period	-	(230)	(230)			
Dividends	-	(476)	(476)			
At 31 March 2013	54,647	(20,770)	33,877			
Company						
For quarter ended 31 March 2012						
At 1 January 2012	54,647	(22,300)	32,347			
Total comprehensive income for the period	-	(179)	(179)			
At 31 March 2012	54,647	(22,479)	32,168			

- 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 2013	31 Dec 2012
	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 31 March 2013 and 31 December 2012.

- 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 2012.

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 2013. 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 2013.

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	
	1Q2013	1Q2012
Profit after tax (US\$'000)	1,330	278
Basic		
Weighted average number of shares applicable to basic earnings per share ('000)	1,189,412	1,189,412
Earning per share (US\$ cents)	0.11	0.02

Diluted

No diluted earnings per share for first quarters ended 31 March 2013 and 31 March 2012 is disclosed as there were no dilutive potential ordinary shares for the period.

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 2013	31 Dec 2012	31 Mar 2013	31 Dec 2012
Net asset value (US\$'000)	35,784	35,630	33,877	34,583
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)	3.01	3.00	2.85	2.91

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 decreased by US\$350,000 for the three months ended 31 March 2013 ("**1Q2013**") when compared to the corresponding period ended 31 March 2012 ("**1Q2012**"). The decrease in revenue was due to the absence of vessel brokerage transactions and corporate management service fees which existed in 1Q2012. The main source of revenue for the Group was vessel charter activity, which remained consistent for both 1Q2013 and 1Q2012.

(b) Cost of sales and gross profit

The Group's gross profit for 1Q2013 was US\$2.36 million (1Q2012: US\$2.71 million). Cost of sales of US\$370,000 in 1Q2013 and US\$369,000 in 1Q2012 relate to depreciation on the Group's vessel fleet.

(c) Administrative expenses

Administrative expenses decreased from US\$1.42 million in 1Q2012 to US\$214,000 in 1Q2013. The decrease is largely due to foreign exchange losses incurred during 1Q2012 of US\$896,000 as compared to 1Q2013 where the group incurred foreign exchange gains of US\$174,000.

(d) Finance expenses

Finance expense of the Group decreased from US\$1.03 million in 1Q2012 to US\$818,000 in 1Q2013. The decrease in interest expense was a result of the decrease in the Group's term loan balance over the last twelve months.

(e) Profit for the period

The Group recorded a profit of US\$1.33 million for 1Q2013 as compared to a profit of US\$278,000 for 1Q2012. The improvement in financial performance for 1Q2013 was attributable to lower finance expenses as well as the absence of large foreign exchange losses which existed during 1Q2012.

Consolidated Statement of Financial Position

(f) Plant and equipment

The decrease in plant and equipment from US\$26 million as at 31 December 2012 to US\$25.62 million as at 31 March 2013 is due to depreciation costs on the Group's vessels and other equipment.

(g) Available-for-sale investment

As at 31 December 2012 the Group had preferential shares in Resolute Offshore Pte Ltd valued at US\$115.65 million. During the quarter ended 31 March 2013, Resolute Offshore Pte Ltd redeemed 52,500 preference shares for a total value of US\$5.25 million.

Consolidated Statement of Financial Position

(h) Trade and other receivables

Trade and other receivables increased from US\$3.71 million as at 31 December 2012 to US\$4.18 million as at 31 March 2013.

(i) Term loans

Term loans decreased from US\$83.22 million as at 31 December 2012 to US\$79.69 million as at 31 March 2013 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\$6.83 million as at 31 March 2013.

(j) Trade and other payables

The Group's trade payables decreased by approximately US\$720,000 from US\$2.54 million as at 31 December 2012 to US\$1.82 million as at 31 March 2013.

Consolidated Statement of Cash Flows

Cash and cash equivalents increased from US\$3.35 million as at 31 December 2012 to US\$5.20 million as at 31 March 2013.

(k) Cash flow (used in)/from operating activities

The Group's net cash outflow from operating activities for 1Q2013 amounted to US\$628,000. This comprised of operating cash flow before working capital changes of US\$1.13 million, and adjusted for net working capital outflows of US\$1.76 million.

(l) Cash flow from investing activities

Net cash generated from investing activities amounted to US\$6.80 million in 1Q2013 due to the proceeds from the redemption of 52,500 preference shares and US\$1.55 million of dividends received from the Group's available-for-sale investment.

(m) Cash flow used in financing activities

Net cash used in financing activities amounted to US\$4.33 million in 1Q2013 due to various repayments on bank borrowings of US\$3.53 million and interest paid of US\$794,000 in 1Q2013.

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.

There is a good demand for alternative finance structures to help support the growing need for offshore marine assets. As such, the Group will continue to make investments with a focus on acquiring long term income producing assets and these investments will 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 first quarter ended 31 March 2013 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\$1,251,000 ⁽¹⁾	Nil
Swiber Holdings Ltd	Nil	US\$77,040 ⁽²⁾

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

The transaction relates to chartering income for the first quarter ended 31 March 2013. 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 major 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 2013 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Raymond Kim Goh
Director
Non-Executive Chairman

Yeo Chee Neng
Director
Chief Executive Officer

BY ORDER OF THE BOARD

Lee Bee Fong
Company Secretary
14 May 2013

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 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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