



**Swiber Holdings Limited**  
**4Q & Full Year 2008**  
**Results Briefing**

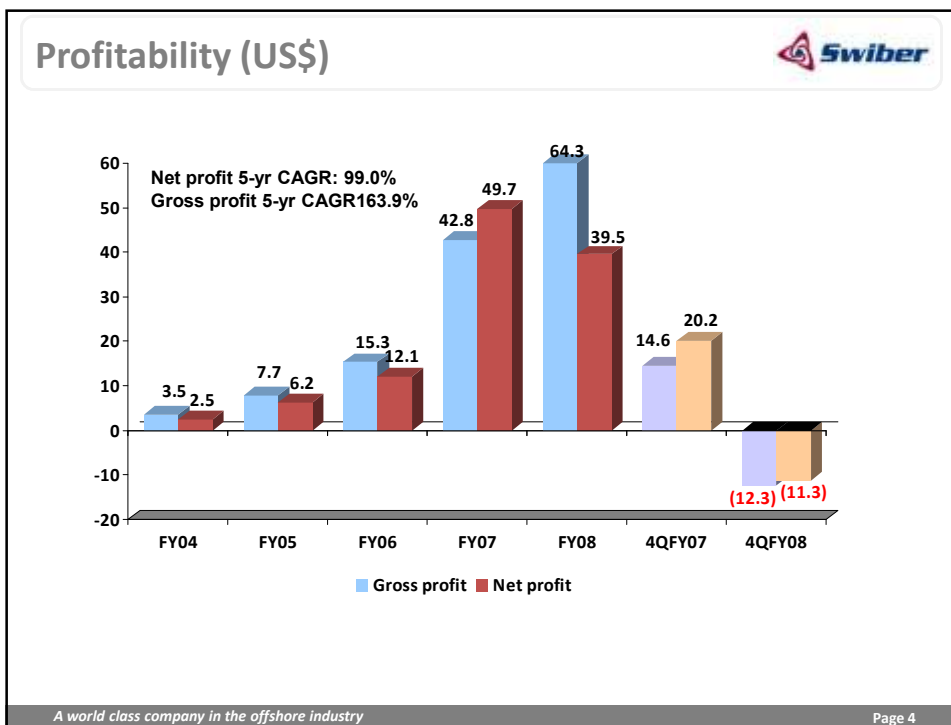
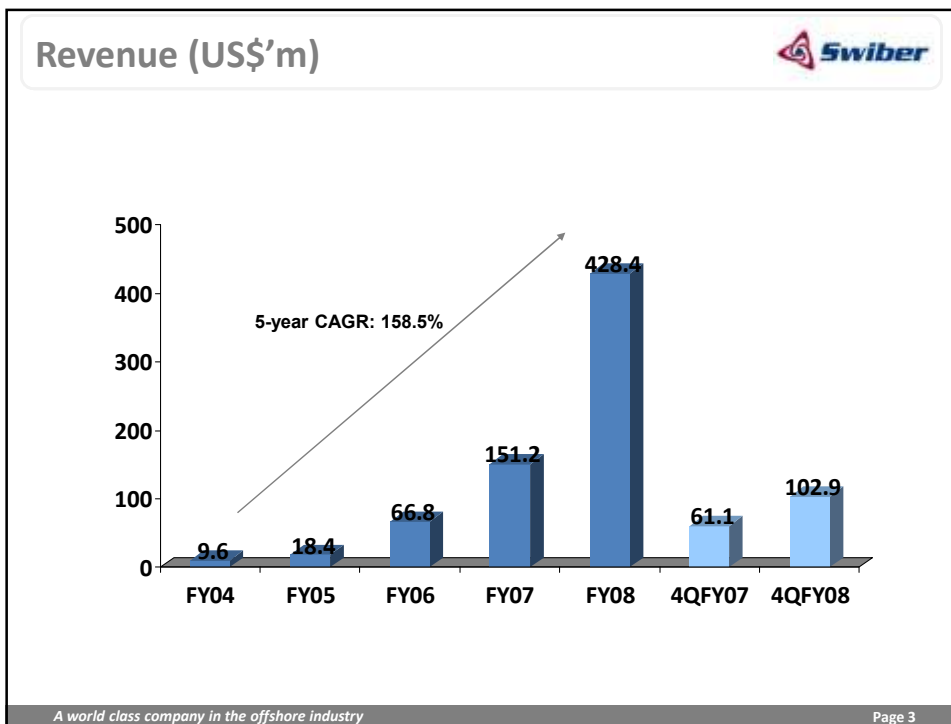
 **Swiber** *A world class company  
in the offshore industry*

2 March 2009



**Financial Highlights**

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## 4Q and 12M financial highlights



US\$'m	4QFY08 (3M)	4QFY07 (3M)	Chg (%)	FY08 (12M)	FY07 (12M)	Chg (%)
Revenue	102.9	61.1	+68.5	428.4	151.2	+183.4
Gross profit / (loss)	(12.3)	14.6	(184.3)	64.3	42.8	+50.2
Profit / (loss) before tax	(9.9)	20.5	(148.5)	45.2	52.0	(13.0)
Net profit / (loss)	(11.3)	20.2	(155.7)	39.5	49.7	(20.6)
EPS Weighted average (US cts)*	-	-	-	9.19	12.56	(26.8)

\* 12M FY08: 422,367,104 shares vs 12M FY07: 395,537,671 shares

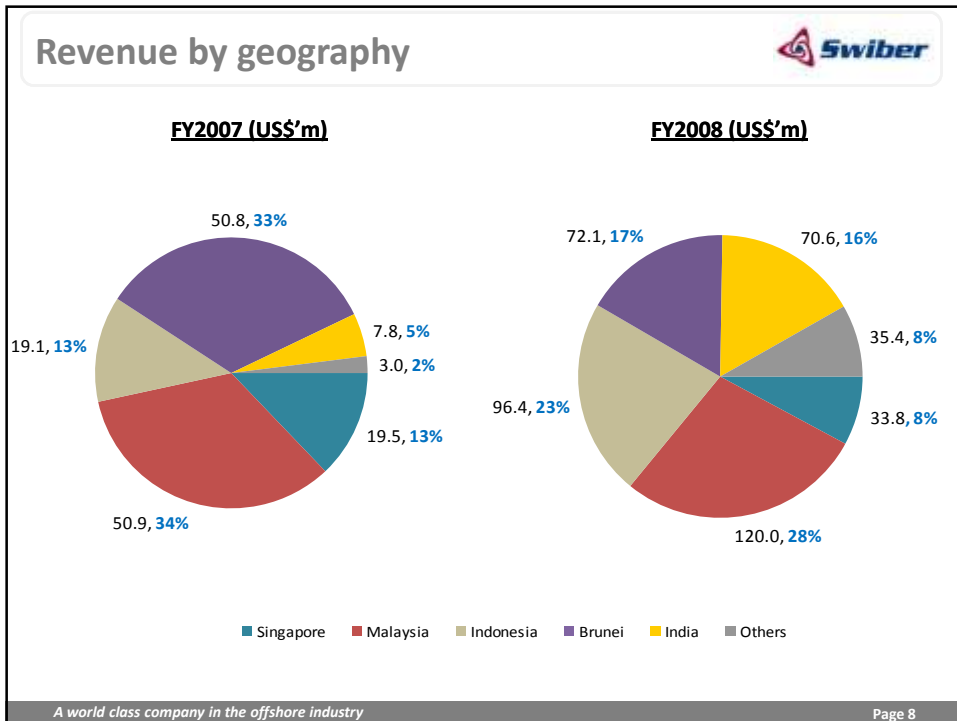
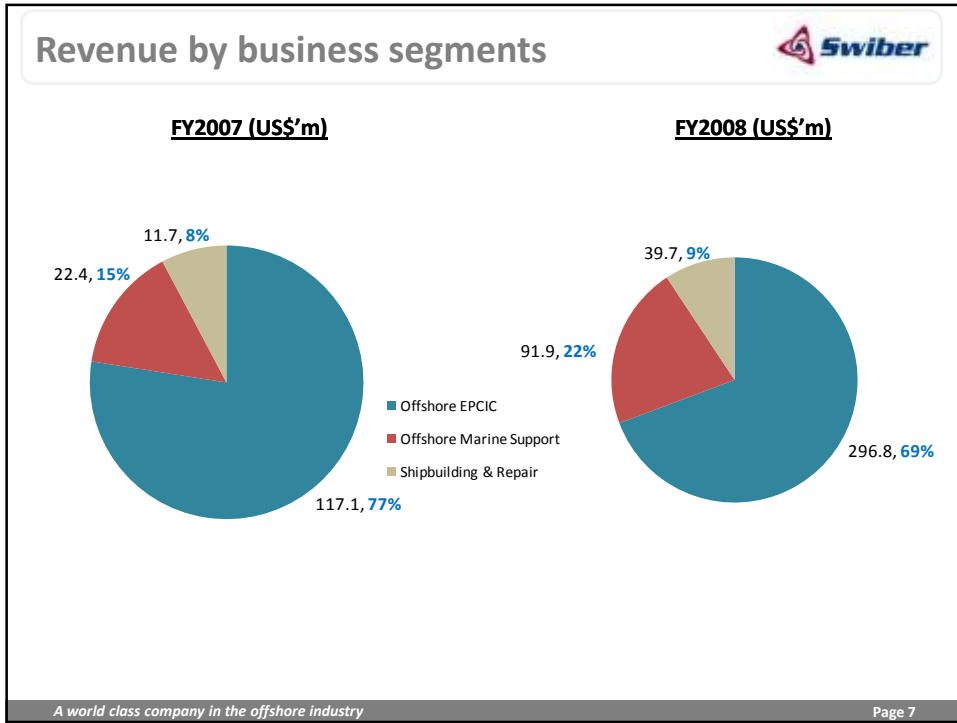
- ▶ Revenue growth in 4QFY08 and FY08 from increased number offshore construction projects in Malaysia, Brunei, Indonesia and India
- ▶ Earnings trimmed by
  - Delays in the delivery of 2 construction vessels, which affected the completion of 3 offshore projects in 4Q;
  - High subcontractor costs for Indian fabrication project;
  - Administrative expenses and finance costs ↑68.5% and 197.9% respectively
  - Depreciation ↑ 223.6% from delivery of 10 vessels in FY08;
  - OOE ↑ due largely to provision for doubtful receivables
- ▶ OOI ↓23.5% from reduction in vessel disposal gains and interest income offset by ↑ forex gain

## Cash flow



US\$'m	FY08	FY07
Operating cashflow before movement in working capital	49.7	29.3
Net cash from / (used in) operating activities	2.2	(16.8)
Net cash used in investing activities	(206.7)	(58.8)
Net cash from financing activities	190.8	148.5
Cash & cash equivalents at end of year	68.1	82.7

- ▶ The Group's net cash inflow from operating activities for FY2008 of US\$2.2m was largely due to cashflow from operating activities of US\$49.7m offset by higher work-in-progress during FY2008.
- ▶ The net cash from financing activities of US\$190.9m arose mainly from new bank loans of US\$235.1m as well as issue of bonds of US\$92.3m offset by repayment of bank loans of US\$133.4m.
- ▶ The net cash outflow of US\$206.7m in investing activities was mainly attributable to the purchase of vessels and vessels held for sales of US\$259.4m offset by the proceeds of US\$54.2m from the disposal of vessels.



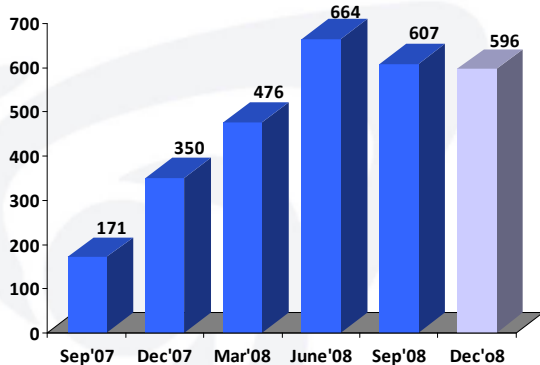
## Key financial ratios

US\$'m	31 Dec FY08	31 Dec FY07
Net Debt / Equity (times)	1.01	0.53
Return on Equity (%) <i>(Annualised)</i>	18.9	28.0
Return on Asset (%) <i>(Annualised)</i>	5.6	13.3
NAV per share (US cents)	48.85	41.68

- ▶ Higher net debt to equity from increase in bank borrowings and funds raised from bond issue
- ▶ Upon delivery of the vessels under S&L transactions, we expect the Net Debt/ Equity Ratio to drop.

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## Order book (US\$'m)



Period	Order book (US\$'m)
Sep'07	171
Dec'07	350
Mar'08	476
June'08	664
Sep'08	607
Dec'08	596

- ▶ Stable order book momentum
- ▶ In 1QFY09, secured approx. US\$70 million worth of contracts for installation of pipelines, subsea tie-ins and heavy lifts in Malaysia, India with completions targeted between 2009 and 2011
- ▶ The estimated total bids submitted / to be submitted as at Feb 2009 is approximately US\$ 5 billion

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### In 4Q...US\$7.3 Vietnam LOI





- ▶ Successfully sealed a charter contract, worth approximately US\$7.3 million, for one of its 5,000 BHP AHTS (the Swiber Ada) in Vietnam.
- ▶ The contract commences in mid October 2008 for a duration of six months and includes options for two additional six-month extensions.
- ▶ As part of the contract, Swiber's subsidiary Kreuz Offshore Marine Pte Ltd ("Kreuz Offshore"), will charter Swiber Ada to Petroleum Technical Services Corporation Marine Co., Ltd ("PTSC") to support mooring, berthing, and lifting operations of FPSOs at PTSC's Truong Son Joc's operations in Vietnam.

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In 4Q: Maiden US\$7 million subsea project in India 



- ▶ Kreuz Subsea Pte. Ltd. clinched its first Letter of Intent to provide subsea services for an offshore project in India with an approximate project value of US\$7 million.
- ▶ As part of the project scope of work, the Swiber Group will utilise its recently acquired state-of-the-art Saturation Diving System to provide subsea diving support services, including dive personnel, equipment and subsea procedures, for a duration of three months to the customer.
- ▶ The project is expected to commence approximately end of October, when the SAT system reaches the offshore location in India.

In FY08: Over US\$500m in contracts secured 

Date	Client/ Country	Work Scope	Start	Target Completion	Value (US\$m)
14 Feb	Indonesia	Transport & install pipelines (Contract extension)	2Q08	4Q08	35.0
24 Feb	Malaysia	Transport & install pipelines, platforms/bridge; subsea spool tie-ins and pre-commissioning	1Q08	2Q 08	31.0
7 Mar	British Gas India/ India	EPCIC of various offshore structures	1Q08	2Q09	127.0
12 Mar	Malaysia	Install & engineer pipelines	2Q08	3Q08	29.0
17 Mar	CUEL/ Thailand	Engineer, transport & install various offshore structures	1Q09	4Q2013	250.0

**Subtotal for Offshore EPCIC: 472.0**

Date	Client/ Country	Work Scope	Start	Target Completion	Value (US\$m)
6 Oct	PTSC Marine Co., Ltd/Vietnam	6-mth charter contract for AHTS, Swiber Ada, at rate of US\$13,500 per day with two 6-mth extension options	4Q08	2Q09	7.3
13 Oct	India	Provide subsea diving support services	4Q08	1Q09	7.0

**Subtotal for Offshore Marine Support 14.3**


Date	Client/ Country	Work Scope	Start	Target Completion	Value (US\$m)
26 Feb	Malaysia	Design, engineer & fabricate SPM buoy	1Q08	2Q08	3.4
26 Feb	OBTPL	Construct & install two floating crane barges	1Q08	4Q08	17.0
29 Apr	NuCoastal / Thailand	EPC of one SPM buoy	2Q08	4Q08	7.7

**Subtotal for Ship Building & Repair 28.1**

**Total contract wins: 514.4**

*\*NuCoastal Thailand provision of Swiber Jack-up N1 for drilling contract (awarded in November 2007 and valued at US\$ 25m) suspended mutually and vessel was chartered out to NuCoastal as a jack-up platform in Dec 2008 .*

## Fleet updates



**10 vessels delivered in FY2008:**


- ▶ AHTS: Swiber Ada, Swiber Torunn, Swiwar Victor
- ▶ Flat top cargo barges: Kreuz 231, Kreuz 232, Kreuz 241
- ▶ Towing tugs: Swiber Falcon, Swiber Pelican, Swiber Lark, Swiber Hawk

**6 vessels sold in FY2008**

- ▶ Towing tugs: Swiber Falcon, Swiber Pelican, Swiber Lark, Swiber Hawk
- ▶ Submersible barge: Semco Giant 5
- ▶ Flat top cargo barge: Swiber 331

**Current fleet size**

- ▶ 33 vessels: 27 offshore vessels and 6 construction vessels




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# Outlook and Strategy




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**Future outlook**


**While shallow water oil and gas activities in Asia Pacific and the Middle East will be challenging in the next 12 months, Swiber believes the long term fundamentals of the oil and gas industry remain favourable**



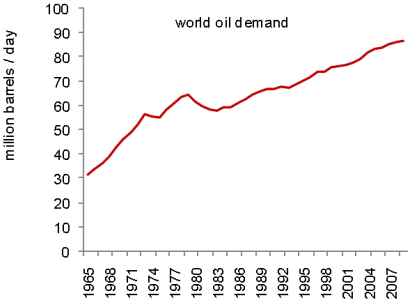
**Take a vigilant and conservative business approach**

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**Future Outlook**


### Recession and oil demand in perspective

- **Oil is now more affordable**
- **World Demand to fall 1% in 2009?**
- **IEA 2009 world demand outlook growth down from 8% to 0.3%**
- **Decline is small % on long term view**



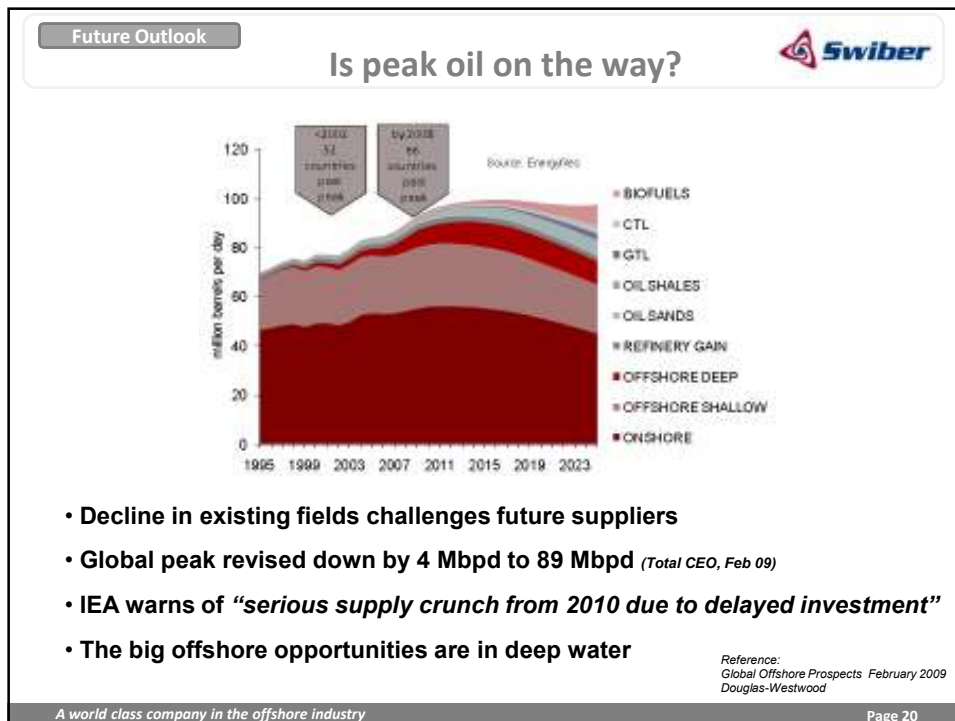
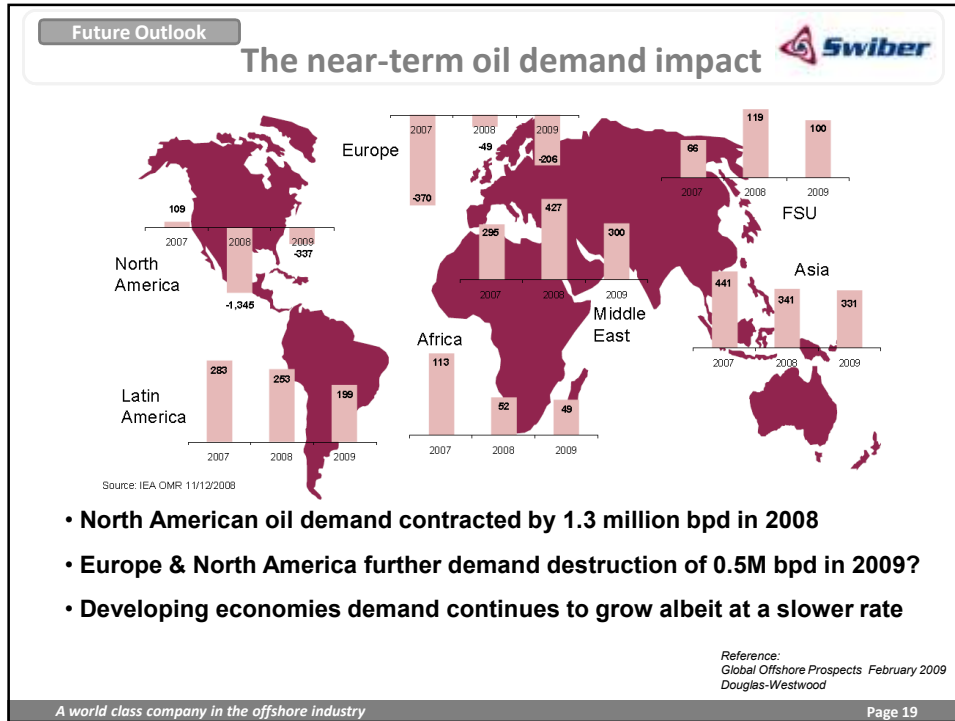
Year	Approx. Demand
1966	35
1971	55
1974	60
1977	65
1980	60
1983	60
1986	65
1989	68
1992	70
1995	75
1998	78
2001	75
2004	80
2007	85


**US Recessions and US Oil Consumption**

- US oil consumption **recovers strongly** after recessions
- Biggest fall in September
- US demand – some recovery?
  - Feb gasoline +1.7% YOY

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Reference: Global Offshore Prospects February 2009 Douglas-Westwood

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**Future Outlook** 

## Oilfield production cannot be replaced


- **World's fields' annual average: declining at 4%**  
(some say 7%, UK N Sea 11%)
- **Current oil production: 84M bpd**
- **So 3.3M bpd needs replacing per annum**
- **Saudi Arabia production: 8M bpd**

**We need to find and get into production ONE NEW Saudi Arabia every THREE years, just to offset production decline!**

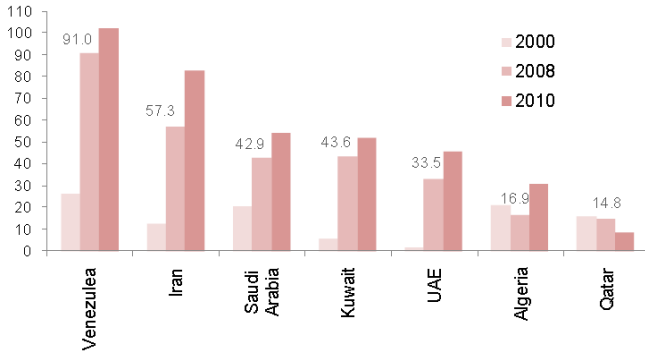
**PLUS:**  
For emerging economies per capita oil use to reach European levels, we need EIGHT more Saudi Arabia's production!

Reference:  
Global Offshore Prospects February 2009  
Douglas-Westwood

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**Future Outlook** 

## Many OPEC members' budgets need oil prices > \$50




Country	2000	2008	2010
Venezuela	25	91.0	105
Iran	15	57.3	85
Saudi Arabia	20	42.9	55
Kuwait	5	43.6	55
UAE	10	33.5	45
Algeria	20	16.9	30
Qatar	15	14.8	10

- **OPEC members have invested trillions of dollars in recent years**
- **Some now face current account deficit and will push for production cuts**
- **Will members adhere to agreed production quotas?**
- **Or must Saudi make drastic production cuts?**

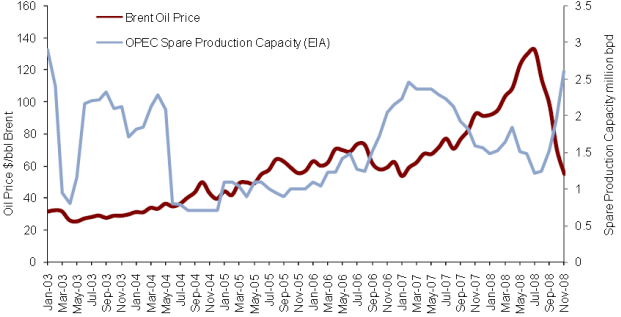
Reference:  
Global Offshore Prospects February 2009  
Douglas-Westwood

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Future Outlook



**OPEC must continue to reduce production until prices stabilise**



Source: Douglas-Westwood & IEA

- **October** : Voted to cut output by 1.5M bpd (5%)
  - *But members did not fully implement*
- **December 17** : Cut production by 2.2M bpd, one of the largest in the organization's history

Reference:  
Energy Markets Outlook January 2009  
Douglas-Westwood

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Future Outlook



**Two decades of underinvestment...**

Will the same happen again?


"It is unrealistic to think that 5 years of increased spending in an inflationary environment can compensate for 20 years of underinvestment"

Andrew Gould, CEO Schlumberger

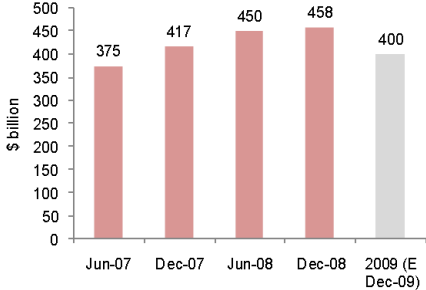


Reference:  
Global Offshore Prospects February 2009  
Douglas-Westwood

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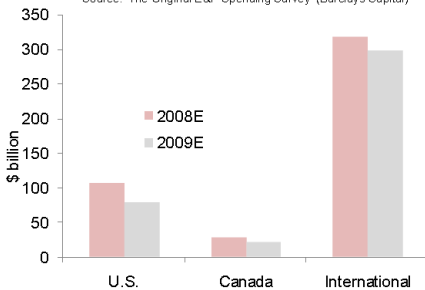
**Future Outlook** 

### 2009: Total Global E&P spend to fall 12%?



Period	Spend (\$ billion)
Jun-07	375
Dec-07	417
Jun-08	450
Dec-08	458
2009 (E Dec-09)	400

Source: 'The Original E&P Spending Survey' (Barclays Capital)



Region	2008E (\$ billion)	2009E (\$ billion)
U.S.	~110	~80
Canada	~30	~20
International	~320	~290

- **Mainly onshore? Then discretionary (seismic, exploration?)**
- **And activity that relies on the credit market**
- **We think the bigger offshore projects & Opex will be less affected**
- **Oil companies delay orders to get better prices (e.g. BP statement)**

Reference:  
Global Offshore Prospects February 2009  
Douglas-Westwood

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**Future Outlook** 

### It's not ALL bad news



“ We will keep investing for the eventual return of demand for oil and refined products once the current recession ends.”  
CLARENCE CAZALOT, CEO Marathon Oil

“ Demand for rigs that can fetch more than \$600,000 a day to rent has not diminished.”  
GREGORY CAUTHEN, CFO Transocean (10 Feb 09)





“ Our capital spending plans, which include exploration and development projects, are unaffected by the recent reduction in oil prices.”  
ALAN JEFFERS, Exxon Mobil (10 Feb 09)

“ Petrobras plans \$174B five-year total spend (54% increase).” (28 Jan 09)



Reference:  
Global Offshore Prospects February 2009  
Douglas-Westwood

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Future Outlook

## CHINA invests in Future Supplies

- **17 February:** **RUSSIA:** Beijing to lend \$25B in return for agreeing to supply 300,000 b/d
- **19 February:** **BRAZIL:** China to loan \$10B for supply of up to 160,000 b/d
- **20 February:** **VENEZUELA:** China to contribute \$8B to a strategic fund for oil development which aims largely to increase Venezuelan oil exports to China by 650,000 b/d

**IMPLICATIONS IN RUSSIAN INVESTMENT**

- Beijing lends Russia \$25B in return for agreeing to supply 300,000 bpd from new fields in East Siberia for the next 20 years
  - Transneft (oil pipelines) \$10B
  - Rosneft (oil group) \$15B
- But Russia's production is declining  
- (500,000/day in '09?)
- Significant implications for supplies to the West

Reference:  
Global Offshore Prospects February 2009  
Douglas-Westwood

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Future Outlook

## The Future – macro factors

“ World energy demand will grow by 55% by 2030. We are still heading for a fossil future – 84% of the increase to come from oil, gas and coal.”  
**NOBUO TANAKA, IEA Executive Director** (26 Aug 08)

“ You cannot as an industry, afford to stop investing. If you stop investing, the (oil) supply can drop as much as 10% in a year.”  
**REX TILLERSON, ExxonMobil CEO** (24 Oct 08)

“ We still maintain that in the longer term, the fundamentals of our industry are sound.”  
**ANDREW GOULD, Schlumberger CEO** (3 Dec 08)


Reference:  
Energy Markets Outlook January 2009  
Douglas-Westwood

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Future Outlook

## What happens next?



### Short term (2-3 years)

- Many projects underway – more production coming onstream
- China will use its financial reserves to buy future production
- Oil prices will be determined by OPEC production cuts
- E&P co's *“exploration on Wall Street?”*
- Some OES companies reasonably protected by large backlogs
- But contractors costs have to fall (*\$60 costs vs. \$40 oil prices*)
- M&A opportunities in OES sector
- The recession will end

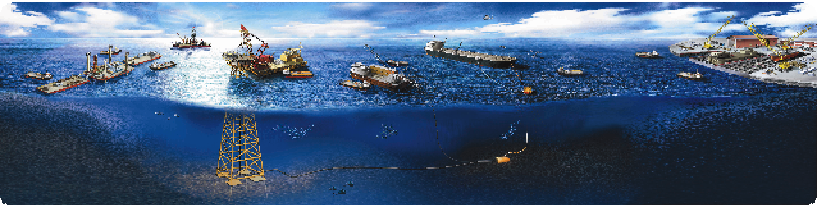
Reference:  
Global Offshore Prospects February 2009  
Douglas-Westwood

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## Our strategy at a glance





1. Fleet fulfilment	2. Segment focus	3. Markets expansion
<p><b>Sizable fleet</b></p> <ul style="list-style-type: none"> <li>• No planned additions</li> <li>• Geographical expansion</li> <li>• Reduce reliance on 3<sup>rd</sup> party vessels, hence charter costs</li> </ul> <p><b>Financing model</b></p> <ul style="list-style-type: none"> <li>• Go asset-light</li> <li>• S&amp;L</li> <li>• Transfer-localise-joint ownership model with JV partners</li> </ul>	<p><b>OCS and OSS</b></p> <ul style="list-style-type: none"> <li>• Main focus on shallow water services</li> <li>• Exploring offshore wind energy</li> <li>• Utilize own diving division to eliminate reliance on sub-contractors and provide services to 3<sup>rd</sup> parties</li> </ul> <p><b>ODS</b></p> <ul style="list-style-type: none"> <li>• Equatorial Driller on hold</li> <li>• But able to offer project management through experienced team of drillers</li> </ul>	<p><b>Via JVs and other alliances</b></p> <ul style="list-style-type: none"> <li>• Fast, effective</li> <li>• Able to tap on strengths/network of local partners</li> </ul>

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## Fleet fulfillment plan up to 2010

**Strategy**

- ▶ Strengthen and expand market presence through possible joint ventures or partnerships
- ▶ Reduce 3<sup>rd</sup> party charter costs

Offshore Vessels	FY07	FY08	Additions	FY09F	Additions	FY10F
Cargo/ Flat top barge	10	11	+6	17		17
Utility/ Towing tugs	4	4		4		4
AHTS/ AHT	9	12	+4	16	+2	18
Subsea support vessels			+2	2		2
<b>TOTAL</b>	<b>23</b>	<b>27</b>	<b>+12</b>	<b>39</b>	<b>+2</b>	<b>41</b>
Construction Vessels	FY07	FY08	Additions	FY09F	Additions	FY10F
Jack-up barge	1	1		1		1
Pipelay barge	1	1	+3	3		3
Derrick pipelay barge				1		1
Accommodation barge		1	+2	3		3
Submersible barge	2	1		1		1
Derrick crane barge	1	1		1	+1	2
<b>TOTAL</b>	<b>5</b>	<b>5</b>	<b>+5</b>	<b>10</b>	<b>+1</b>	<b>11</b>
<b>GRAND TOTAL</b>	<b>28</b>	<b>32</b>	<b>+17</b>	<b>49</b>	<b>+3</b>	<b>52</b>

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## Vessels delivery schedule

▶ Outstanding capex for vessel purchases of US\$336m fully matched by funding of US\$412.8m  
 – S&L arrangements (US\$244m) + Secured bank loans (US\$37.8 m) + Vessels disposals (US\$131m)

Vessel Type	FY2009	FY2010
<b>Offshore</b>	<b>6 AHT/AHTS</b>	Swiber Sanderfjord*
		Swiber Oslo*
		Kreuz TBN 1*
		Swiwar TBN
		Kreuz 281^
		Kreuz 282^
	<b>6 Cargo / Flat top barges</b>	Kreuz 283^
		Kreuz 284^
		Kreuz 331^
		Kreuz 332^
<b>2 Subsea support vessels</b>	Kreuz DSV 1*	
	Kreuz DSV 2*	
<b>2 Pipelay barges</b>	Swiber Enterprise (300-men)^	
	Swiber Concorde (248-men)*^	
<b>Construction</b>	<b>1 Derrick pipelay barge</b>	Swiber Chai (300-men)
	<b>1 Crane Barge</b>	Swiber Magnificent (320-men)
	<b>2 Accommodation barges</b>	Swiber Supporter (180 men)^ Swiber Victorious (300-men)^
<b>Total</b>	<b>+17</b>	<b>+3</b>

\*Vessels under sale and leaseback arrangements / ^ Previously scheduled to be delivered in 2008 / \*Construction put on hold

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## Transfer-localise-joint ownership model



- ▶ Transfer of marine assets to joint venture partners where the assets are localised and jointly owned by JV partners and Swiber. Benefits include:
  - Lighten balance sheet
  - Support offshore projects
  - Gain in market share by tapping on strengths / network of JV partners, who are usually leading players in the local market,
  - Further strengthen business relationships with JV partners
  - Transfer of technology

## Ongoing efforts for market expansion



### Strategic alliances with local partners in key markets

- ▶ Key markets: Asia Pacific; the Middle East including GCCs such as Saudi Arabia, Kuwait, Bahrain, Qatar, UAE and Oman; and IndoChina
- ▶ For shallow waters:
  - Target Asia Pacific and Middle East regions
  - Springboard to expand to various points of these regions
- ▶ For subsea
  - Target opportunities in the Indian region and Middle East



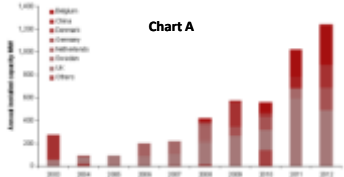
## Offshore windpower opportunities

**Explore extending existing fleet, services and expertise in the offshore industry from oil & gas companies to wind energy companies**

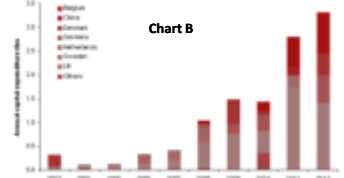
- ▶ No additional capex
- ▶ With existing skills and fleet, we are well-positioned to provide offshore installation work for wind farms
- ▶ Backed by track record of successful and complex offshore operations for the O&G industry

**Industry prospects: 2008-2012**


- ▶ Over \$16b of capex forecasted to be spent due to high industry growth & project price increases
- ▶ Annual expenditure will increase ten-fold: \$572m in 2007 to \$5.25b in 2012
- ▶ UK will see the greatest level of expenditure; other major markets include Germany, Denmark and Belgium
- ▶ Annual installation capacity forecast at 3.8 GW (Chart A)
- ▶ Annual capex forecast at £10.1b (Chart B)



**Chart A**




**Chart B**



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Thank You



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