SWIBER HOLDINGS LIMITED

(Incorporated in Singapore)

(Company Registration Number :200414721N)

Financial Statement for the Year Ended 31 December 2009

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP			GROUP		
	4th Qtr of 2009	4th Qtr of 2008	Change	FY 2009	FY 2008	Change
	US$'000	US$'000	%	US$'000	US$'000	%
REVENUE	**99,505**	**102,941**	(3.3)	**393,430**	**428,438**	(8.2)
Cost of sales	(99,336)	(115,265)	(13.8)	(337,124)	(364,093)	(7.4)
GROSS PROFIT / (LOSS)	**169**	**(12,324)**	**(101.4)**	**56,306**	**64,345**	**(12.5)**
Other operating income	12,519	13,645	(8.3)	35,218	21,525	63.6
Administrative expenses	(9,639)	(6,014)	60.3	(31,015)	(28,032)	10.6
Other operating expenses	(7,224)	(3,610)	100.1	(7,956)	(4,311)	84.6
Share of profit of associates and joint ventures	(43)	1,113	(103.9)	4,839	2,839	70.4
Finance costs	(3,551)	(2,736)	29.8	(13,579)	(11,131)	22.0
(Loss) / Profit before taxation	**(7,769)**	**(9,926)**	**(21.7)**	**43,813**	**45,235**	**(3.1)**
Taxation	(701)	(1,334)	(47.5)	(4,828)	(5,747)	(16.0)
(Loss) / Profit after taxation	(8,470)	(11,260)	(24.8)	38,985	39,488	(1.3)
Attributable to :						
Equity holders of the company	**(6,491)**	**(8,339)**	(22.2)	**34,677**	**38,817**	(10.7)
Minority interest	(1,979)	(2,921)	(32.2)	4,308	671	542.0
	(8,470)	**(11,260)**	**(24.8)**	**38,985**	**39,488**	**(1.3)**
Gross profit margin	0.17%	(11.97%)		14.31%	15.02%	
Net profit margin	(8.51%)	(10.94%)		9.91%	9.22%	

Notes	GROUP		GROUP	
The Group's profit before taxation is arrived at after (charging)/crediting the following :	4th Qtr of 2009	4th Qtr of 2008	FY 2009	FY 2008
	US$'000	US$'000	US$'000	US$'000
Interest income	134	184	549	832
Interest on borrowings	(910)	(2,748)	(9,705)	(9,830)
Depreciation	(3,713)	(3,189)	(15,152)	(8,656)
Foreign exchange (loss) / gain	(288)	4,637	(35)	4,186
Gain on disposal of assets held for sale and property, plant and equipment	11,474	8,894	33,112	15,656
Loss on disposal of associates	(3)	-	(222)	-
Allowance for doubtful debts	11	(4,043)	297	(4,043)
Bad & Doubtful Debts Written Off	300	-	326	
Plant and equipment written off	-	(10)	-	(10)
Change in fair value of financial liabilities designated as at fair value through profit or loss	(4,500)	-	(4,500)	-

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.**

	GROUP		COMPANY	
	31/12/2009	**31/12/2008**	**31/12/2009**	**31/12/2008**
	US$'000	**US$'000**	**US$'000**	**US$'000**
ASSETS				
Current assets :				
Cash and bank balances	83,158	74,669	13,664	3,524
Trade receivables	141,802	61,986	-	-
Engineering work-in-progress in excess of progress billings	202,751	135,171	-	-
Inventory	4,415	4,905	-	-
Other receivables	42,289	59,686	11,487	1,458
Amount due from subsidiaries	-	-	275,689	191,265
Assets held for sale	132,673	56,354	-	-
Total current assets	607,088	392,771	300,840	196,247
Non-current assets :				
Property, plant and equipment	231,893	282,455	1,364	1,810
Subsidiaries	-	-	131,328	131,688
Associates	17,879	4,181	-	-
Joint ventures	32,480	9,234	19,967	-
Deferred tax assets	26	25	-	-
Derivative financial instruments	1,644	-	1,705	-
Other receivables	45,733	16,915	3,685	432
Other assets	-	31	-	-
Total non-current assets	329,655	312,841	158,049	133,930
Total assets	**936,743**	**705,612**	**458,889**	**330,177**
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	24,011	68,507	-	-
Bonds	71,148	11,904	71,148	11,904
Trade payables	82,947	92,473	-	574
Other payables	201,234	110,479	7,614	5,999
Current portion of finance leases	899	701	94	39
Amount due to subsidiaries	-	-	41,578	59,688
Income tax payable	7,557	3,041	450	-
Total current liabilities	387,796	287,105	120,884	78,204
Non-current liabilities:				
Bank loans	63,507	57,700	-	-
Bonds	176,546	143,194	176,546	143,194
Finance leases	1,995	2,086	342	217
Employee benefits liabilities	-	49	-	-
Deferred tax liabilities	3,563	3,540	-	-
Derivative financial instruments	-	4,867	-	4,867
Total non-current liabilities	245,611	211,436	176,888	148,278
Capital, reserves and minority interest:				
Share capital	158,006	108,205	158,006	108,205
Treasury shares	(2,507)	(2,507)	(2,507)	(2,507)
Hedging reserve	1,644	(4,867)	1,705	(4,867)
Translation reserve	493	(251)	337	-
Retained earnings	139,947	105,270	3,576	2,864
Equity attributable to equity holders of the company	297,583	205,850	161,117	103,695
Minority interests	5,753	1,221	-	-
Total equity	303,336	207,071	161,117	103,695
Total liabilities and equity	**936,743**	**705,612**	**458,889**	**330,177**

1(b)(ii) Aggregate amount of group’s borrowings and debt securities.

Amount repayable in one year or less, or on demand			
As at 31/12/2009		As at 31/12/2008	
Secured (US$'000)	Unsecured (US$'000)	Secured (US$'000)	Unsecured (US$'000)
24,910	71,148	19,208	61,904

Amount repayable after one year			
As at 31/12/2009		As at 31/12/2008	
Secured (US$'000)	Unsecured (US$'000)	Secured (US$'000)	Unsecured (US$'000)
65,502	176,546	59,786	143,194

Details of any collateral :

The Group's borrowings are secured by way of :

1. Legal mortgage over certain vessels / assets
2. Corporate guarantees from Swiber Holdings Limited (for certain loans)

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	GROUP	
	FY 2009	FY 2008
	US$'000	US$'000
Operating activities		
Profit before taxation	43,813	45,235
Adjustments for :		
Interest income	(549)	(832)
Interest expense	13,579	11,131
Allowance for doubtful debts	297	4,043
Doubtful debts written off	326	-
Depreciation of property, plant and equipment	15,152	8,656
Plant and equipment written off	-	10
Gain on disposal of property, plant and equipment and assets held for sales	(33,112)	(15,656)
Change in fair value of financial liabilities designated as at fair value through profit or loss	4,500	-
Provision for employee benefit	(49)	(18)
Loss on disposal of associates	222	-
Share of profit of associates and joint ventures	(4,839)	(2,839)
Operating cash flows before movement in working capital	**39,340**	**49,730**
Trade receivables	(79,905)	(21,099)
Engineering work-in-progress in excess of progress billings	(67,580)	(79,387)
Inventory	490	(4,681)
Other receivables	(11,664)	(38,942)
Other assets	31	(18)
Trade payables	(9,525)	48,526
Other payables	90,755	61,258
Cash generated from operations	**(38,058)**	**15,387**
Income taxes paid	(330)	(2,099)
Interest expense paid	(13,579)	(11,131)
Net cash (used in) / generated from operating activities	**(51,967)**	**2,157**
Investing activities:		
Interest income received	549	832
Dividend received from joint venture	2,701	-
Proceeds on disposal of property, plant and equipment and assets held for sale	213,012	54,181
Proceeds from disposal of associates	3,900	-
Additions to property, plant and equipment and assets held for sale	(220,151)	(259,371)
Minority interest contribution for share capital of subsidiary	-	48
Investment in associate	(18,378)	(156)
Investment in joint venture	(20,272)	(2,274)
Net cash used in investing activities	**(38,639)**	**(206,740)**
Financing activities:		
Repayment of bank loans	(360,565)	(133,426)
Pledged deposits	(10)	8,472
Proceed on issue of bonds	100,000	92,282
Proceed on issue of shares	51,204	-
Share issue expenses	(1,404)	-
Purchase of treasury shares	-	(2,507)
Repayment of obligations under finance leases	(551)	(721)
Redemption of bonds	(11,904)	(8,331)
New bank loans raised	321,877	235,077
Net cash generated from financing activities	**98,647**	**190,846**
Net increase / (decrease) in cash and bank balances	**8,041**	**(13,737)**
Cash and cash equivalents at beginning of the year	68,087	82,632
Net effect of foreign exchange rate changes on the balance of cash held in foreign currency	439	(808)
Cash and cash equivalents at end of the year	**76,567**	**68,087**
Cash and cash equivalents consist of:		
Cash at bank	76,424	66,216
Cash on hand	67	50
Fixed deposits	6,667	8,403
	83,158	**74,669**
Less: Pledged deposits	(6,591)	(6,582)
Total	**76,567**	**68,087**

1(d) **A statement of comprehensive income (for the issuer and group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	GROUP		COMPANY	
	FY 2009	FY 2008	FY 2009	FY 2008
	US$'000	US$'000	US$'000	US$'000
Profit for the year	**38,985**	**39,488**	**712**	**686**
Other comprehensive income :				
Exchange differences arising on translation of foreign operations	925	(808)	337	-
Net movement in hedging reserve*	6,511	(6,629)	6,572	(6,629)
Total comprehensive income / (expenses) for the year	**46,421**	**32,051**	**7,621**	**(5,943)**
Attributable to :				
Equity holders of the company	**41,929**	**31,485**	**7,621**	**(5,943)**
Minority interests	4,492	566	-	-
Total comprehensive income / (expenses) for the year	**46,421**	**32,051**	**7,621**	**(5,943)**

* The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. These amounts are based on quoted market prices for equivalent instruments at the balance sheet date. These are designated and effective as cash flow hedges and the fair value thereof has been deferred in equity.

1(e)(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.**

	Share capital	Treasury shares	Hedging reserve	Translation reserves	Retained earnings	Equity attributable to equity holders of the company	Minority interest	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
GROUP								
Balance at 1 January 2008	108,205	-	1,762	452	66,453	176,872	607	177,479
Total comprehensive (expenses) / income for the year	-	-	(6,629)	(703)	38,817	31,485	566	32,051
Acquisition of interests in subsidiaries	-	-	-	-	-	-	48	48
Repurchase of shares	-	(2,507)	-	-	-	(2,507)	-	(2,507)
Balance at 31 Decembr 2008	**108,205**	**(2,507)**	**(4,867)**	**(251)**	**105,270**	**205,850**	**1,221**	**207,071**
Balance at 1 January 2009	108,205	(2,507)	(4,867)	(251)	105,270	205,850	1,221	207,071
Total comprehensive income for the year	-	-	6,511	744	34,677	41,932	4,492	46,424
Issue of shares pursuant to private placement	51,204	-	-	-	-	51,204	-	51,204
Share issue expenses	(1,403)	-	-	-	-	(1,403)	-	(1,403)
Acquisition of interests in subsidiaries	-	-	-	-	-	-	40	40
Balance at 31 December 2009	**158,006**	**(2,507)**	**1,644**	**493**	**139,947**	**297,583**	**5,753**	**303,336**
COMPANY								
Balance at 1 January 2008	108,205	-	1,762	-	2,178	112,145	-	112,145
Total comprehensive (expenses) / income for the year	-	-	(6,629)	-	686	(5,943)	-	(5,943)
Repurchase of shares	-	(2,507)	-	-	-	(2,507)	-	(2,507)
Balance at 31 Decembr 2008	**108,205**	**(2,507)**	**(4,867)**	**-**	**2,864**	**103,695**	**-**	**103,695**
Balance at 1 January 2009	108,205	(2,507)	(4,867)	-	2,864	103,695	-	103,695
Total comprehensive income for the year	-	-	6,572	337	712	7,621	-	7,621
Issue of shares pursuant to private placement	51,204	-	-	-	-	51,204	-	51,204
Share issue expenses	(1,403)	-	-	-	-	(1,403)	-	(1,403)
Balance at 31 December 2009	**158,006**	**(2,507)**	**1,705**	**337**	**3,576**	**161,117**	**-**	**161,117**

1(e)(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.**

Private placement

On 8 June 2009, the Company issued 84,000,000 ordinary shares at S$0.88 and raised a net proceed of US$49.8M. Total number of issued ordinary shares as at 31 December 2009 increased from 421,355,000 to 505,355,000 ordinary shares (excluding treasury shares).

Convertible bonds

On 16 October 2009, the Company made a placement of US$100M in principal amount of 5% convertible bonds due in 2014 ("Convertible Bonds"). Interest is payable semi-annually in arrear on 16 October in each year commencing 16 April 2010.

The Convertible Bonds may be converted at the option of bondholders at any time on and from 26 November 2009 to 6 October 2014, at a conversion price of S$1.14, into fully paid-up ordinary shares of the Company at the fixed exchange rate of US$1.00: S$1.44. The conversion price will be reset on each interest payment date based on the average market price, defined as the volume weighted average price of shares for up to 20 consecutive trading days immediately preceding the relevant reset date.

1(e)(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.**

	As at 31/12/2009	As at 31/12/2008
Total number of issued shares	505,355,000	421,355,000

Total number of issued shares as at 31 December 2009 excludes treasury shares of 2,995,000.

1(e)(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.**

	Treasury Shares
Total number of shares as at 01/10/2009 and 31/12/2009	2,995,000

2. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the 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.**

Except as disclosed in item 5 below, the Group has applied the same accounting policies and methods of computation as in the audited consolidated financial statements of the Group for financial year ended 31 December 2008.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the new and revised Singapore Financial Reporting Standards ("FRSs") that are mandatory for financial years beginning on and after 1 January 2009. The adoption of these standards did not result in substantial changes to the Group's accounting policies, and there is no material impact on the financial statements.

The followings are the new and revised FRSs that are relevant to the Group :

FRS 1 - Presentation of Financial Statements (Revised)

FRS 108 - Operating Segments

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.**

Earnings per Ordinary Share for the period based on net profit attributable to Shareholders :	GROUP	
	FY 2009	**FY 2008**
(i) Based on weighted average number of ordinary shares in issue (US cents)	7.39	9.19
(ii) On a fully diluted basis (US cents)	7.39	9.19
Weighted average number of shares in issue for basic and diluted Earnings per Ordinary Share excluding treasury shares:		
(i) for basic Earnings per Ordinary Shares	468,993,356	422,367,104
(ii) for diluted Earnings per Ordinary Shares	485,694,269	422,367,104

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**	
	as at 31/12/2009	**as at 31/12/2008**	**as at 31/12/2009**	**as at 31/12/2008**
Net asset value per ordinary share based on issued share capital at the end of the financial period (US cents)	58.89	48.85	31.88	24.61
Issue share capital at the end of the period (excluding treasury shares)	505,355,000	421,355,000	505,355,000	421,355,000

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 or liabilities of the Group during the financial period reported on.

Review of Group's performance (Quarter on Quarter) :

The Group's revenue for 4th quarter FY2009 declined by approximately US$3.4M or 3.3% from US$102.9M in the 4th quarter of FY2008 to US$99.5M in the 4th quarter of FY2009.

Cost of sales declined by US$15.9M or 13.8% from US$115.3M in the 4th quarter of FY2008 to US$99.3M in the 4th quarter of FY2009. Major components of costs are chartering, subcontractors, material, labors and consumable. Chartering and subcontractors costs accounted for approximately 40.0% to 50.0% of total cost of sales while the remaining, namely material, labor and consumable accounted for approximately 25.0% to 30.0% of cost of sales.

The decrease in costs was insufficient to offset the decrease in revenue. This resulted in a marginal gross profit of US$0.2M for the 4th quarter of FY2009. This was an improvement as compared to the 4th quarter of FY2008 which the Group recorded a gross loss of US$12.3M due to the delay in vessel delivery thereby incurring higher chartering cost.

Other operating income decreased by US$1.1M or 8.3% from US$13.6M in the 4th quarter of FY2008 to US$12.5M in the 4th quarter of FY2009. The breakdown is as follows:-

	Quarter ended 31/12/2009	Quarter ended 31/12/2008
	US$ (in millions)	US$ (in millions)
Gain on disposal of assets held for sales and property, plant and equipments	11.5	8.9
Foreign exchange gain	-	4.6
Others	1.0	0.1
Total	**12.5**	**13.6**

Other operating income in the 4th quarter of FY2009 consist mainly of gain on disposal of assets held for sales and property, plant and equipments amounting to US$11.5M as compared to US$8.9M in the 4th quarter of FY2008. In the 4th quarter of FY2008, there was also a US$4.6M of foreign exchange gain resulting from the strengthening of the US dollar as compared to a foreign exchange loss in the 4th quarter of FY2009.

Administrative expenses increased by US$3.6M or 60.3% from US$6.0M in the 4th quarter of FY2008 to US$9.6M in the 4th quarter of FY2009. The increase was mainly due to the expansion of the Group; resulting in the increase in headcount and administration costs.

Other operating expenses increased by US$3.6M from US$3.6M in the 4th quarter of FY2008 to US$7.2M in the 4th quarter of FY2009. The increase was mainly due to changes in fair value of finanical derivative embedded within the Convertible Bonds issued during the 4th quarter of FY2009 of US$4.5m and one time issuance cost write-off of US$2.4M in 4th quarter of FY2009. The breakdown is as follows:

	Quarter ended 31/12/2009	Quarter ended 31/12/2008
	US$ (in millions)	US$ (in millions)
Allowance for doubtful debts and written off debts	*	4.0
Fair value of Convertible Bonds	4.5	-
Loss on disposal of associates	0.3	-
Service tax	2.4	-
Others	*	(0.4)
Total	**7.2**	**3.6**

* = amount less than US$100,000

The share of profit from associates and joint ventures decreased by US$1.1M from US$1.1M in the 4th quarter of FY2008 to US$5,000 in the 4th quarter of FY2009. The decrease was mainly due to share of losses in our joint ventures which are in their initial start up phase.

Finance costs increased by approximately US$0.8M from US$2.7M in the 4th quarter of FY2008 to US$3.6M in the 4th quarter of FY2009. The increase was mainly due to interest incurred on Convertible Bond issued in the 4th quarter of FY2009.

With the increase in vessel fleets, depreciation rose by US$0.5M from US$3.2M in the 4th quarter of FY2008 to US$3.7M in the 4th quarter of FY2009. As of 31 December 2009 there were 26 owned vessels as compared to 22 vessels as at 31 December 2008.

The Group's losses after tax for the quarter improved by US$2.8M or 24.8% from a net loss of US$11.3M in the 4th quarter of FY2008 to US$8.5M in the 4th quarter of FY2009. If excluding the fair value accounting of embedded derivative of US$4.5m a non cash item, and a one time write-off of the Convertible Bond issuance cost of US$ 2.4M; 4th quarter FY2009 would have recorded losses of US$1.6M.

Review of Group's performance (Year on Year):

The Group's revenue for FY2009 declined by approximately US$35.0M or 8.2% from US$428.4M in FY2008 to US$393.4M in FY2009. During FY2009 the Group was executing less EPCIC projects as compared to FY2008. During FY 2009, the industry witnessed the sharp dropped in oil prices from US$148 per barrel to US$28 per barrel. This affected the Group as offshore oil and gas companies withheld contract awards and awaited for stabilization.

With decreased revenue, cost of sales declined by US$27.0M or 7.4% from US$364.1M in FY2008 to US$337.1M in FY2009. The decrease in costs was insufficient to offset the decrease in revenue. As a result, gross profit declined by US$8.0M or 12.5% from US$64.3M in FY2008 to US$56.3M in FY2009. For both years, gross profit margin remained relatively constant at 14.3% and 15.0% as of 31 December 2009 and 2008; respectively.

Other operating income increased by US$13.7M or 63.6% from US$21.5M in FY2008 to US$35.2M in FY2009. The breakdown is as follows:-

	Year ended 31/12/2009	Year ended 31/12/2008
	US$ (in millions)	US$ (in millions)
Gain on disposal of assets held for sales and property, plant and equipments	33.1	15.7
Foreign exchange gain	-	4.2
Others	2.1	1.6
Total	**35.2**	**21.5**

The increase was mainly attributed to the gain on disposal of assets held for sales and disposal of property, plant and equipments amounting to US$33.1M in FY2009 as compared to US$15.7M in FY2008, as more vessels under the sales and lease back transactions were delivered during FY2009.

Administrative expenses increased approximately by US$3.0M or 10.6% from US$28.0M in FY2008 to US$31.0M in FY2009. The increase was mainly due to the expansion of the Group resulting in the increase in headcount and administration costs. Headcount stood at 820 and 960 as at 31 December 2008 and 2009; respectively.

Other operating expenses increased by US$3.7M from US$4.3M in FY2008 to US$8.0M in FY2009. The breakdown is as follows:-

	Year ended 31/12/2009	Year ended 31/12/2008
	US$ (in millions)	US$ (in millions)
Allowance for doubtful debts and debts written off	0.6	4.0
Loss on disposal of associates	0.2	-
Fair value accounting of embedded financial derivative	4.5	-
Issuance cost of Convertible Bonds	2.4	-
Others	0.3	0.3
Total	**8.0**	**4.3**

Share of profit of associates and joint ventures increased by US$2.0M from US$2.8M in FY2008 to US$4.8M in FY2009. The decrease was mainly due to share of losses in our joint ventures which are in their initial start up phase.

The increase in contributions were mainly due to Swiwar Offshore Pte Ltd and Victorious LLC.

Finance costs increased by approximately US$2.5M or 22.0% from US$11.1M in FY2008 to US$13.6M in FY2009. The increase was mainly due to interest incurred on Convertible Bond issued in the FY2009.

With the increase in vessel fleet, depreciation rose by US$6.5M or 75.0% from US$8.7M in FY2008 to US$15.2M in FY2009. As of 31 December, 2009 there were 26 owned vessels as compared to 22 vessels as at 31 December, 2008.

The Group's profit after tax witness a decrease of US$0.5M or 1.3% from US$39.5M in FY2008 to US$39.0M in FY2009. Net profit margin saw a slight improvement from 9.2% in FY2008 to 9.9% in FY2009. If excluding the fair value accounting of embedded derivative of US$4.5M; a non cash item and a one time issuance cost write-off of the Convertible Bond issuance of US$ 2.4M; FY2009 profit would have been US$45.9M and net profit margin of 11.7%.

Review of Financial Position :

With the successful issuance of 84 million ordinary shares in June 2009 and full year's profit; offset by the issuance of the Convertible Bond in October 2009, Net Debt to equity ratio as at 31 December 2009 was 0.86 times as compared to 1.02 times as at 31 December 2008.

The Group's trade receivables and engineering work-in-progress in excess of progress billings increased by US$147.4M or 74.8% from US$197.2M as at 31 December 2008 to US$344.6M as at 31 December 2009. This increase was due to a combination of the different projects being executed and the timing difference with the achievement of billing milestone.

The increase in engineering work-in-progress in excess of progress billing was also due to the change of scope of a project in South Asia. The project was expected to be completed during the 4th quarter of FY2009. With this change, the Group will also be awarded with additional work by the oil company. Work is expected to commenced during the 4th quarter of FY2010 and to be completed during the 1st quarter of FY2011.

The Group is in close contact with its customers and subsequent to the year end, the Group has received approximately US$52.0M in collections and billed US$50.0M to its customers.

Inventory remained relatively consistent at US$4.4M as at 31 December 2009 as compared to US$4.9M as at 31 December 2008.

Current other receivables decreased by US$17.4M or 29.2% from US$59.7M as at 31 December 2008 to US$42.3M as at 31 December 2009. The breakdown is as follows:-

	31/12/2009	31/12/2008
	US$ (in millions)	US$ (in millions)
Deposits and prepayments	9.3	21.5
Other debtors	33.0	38.2
Total	**42.3**	**59.7**

The decrease in deposits and prepayments were mainly due to less payments of advances being made to subcontractors.

Assets held for sale increased by US$76.3M from US$56.4M as at 31 December 2008 to US$132.7M as at 31 December 2009. There were 7 and 14 assets held for sales as at 31 December 2009 and December 31, 2008; respectively. The increase in value was mainly due to 2 high value vessels as at 31 December 2009; namely Swiber Chai and Aziz.

Property, plant and equipment decreased by US$50.6M or 17.9% from US$282.5M as at 31 December 2008 to US$231.9M as at 31 December 2009. This was due primarily to reclassification to assets held for sales; namely vessels Swiber Chai and Aziz.

Investments in associates increased by US$13.7M from US$4.2M as at 31 December 2008 to US$17.9M as at 31 December 2009. The increase was mainly due to the subscription in Victorious LLC.

Joint venture rose significantly by US$23.3M from US$9.2M as at 31 December 2008 to US$32.5M as at 31 December 2009. The increase was mainly due to the subscription in CUEL Swiber Offshore (Thailand) Ltd.

Non-current other receivables rose by US$28.8M from US$16.9M as at 31 December 2008 to US$45.7M as at 31 December 2009. The breakdown is as follows:-

	31/12/2009	31/12/2008
	US$ (in millions)	US$ (in millions)
Prepayments	27.9	8.0
Other debtors	17.8	8.9
Total	**45.7**	**16.9**

Prepayments relate mainly to vessels conversion and pre-operating costs which are capitalized and amortized. The increase was mainly attributed by Swiber Concorde, which was delivered during FY2009. The increase in other debtors was due to the increase in seller credits granted under sales and leaseback transactions as more vessels were delivered during FY2009.

Total bank loans and finance leases decreased by US$38.6M or 30.0% from US$129.0M as at 31 December 2008 to US$90.4M as at 31 December 2009. During the year, the Group continues to pay down its bank loans and finance leases obligations. Subsequent to the year end, the Group further paid approximately US$25.5M of its bank loans obligations.

In October 2009, the Company issued Convertible Bonds, total bonds outstanding increased by US$92.6M or 59.7% from US$155.1M as at 31 December 2008 to US$247.7M as at 31 December 2009. The current bond quantum of US$71.2M will be due in 3rd quarter of FY2010. The non-current bonds quantum of US$176.5M; US$72.1M will be due in Q1FY2011. The remaining Convertible Bonds balance will be due in Q4FY2014 if these bonds are not converted by the bondholders.

Other payables increased by US$90.8M or 82.1% from US$110.5M as at 31 December 2008 to US$201.2M as at 31 December 2009. The breakdown is as follows:-

	31/12/2009	31/12/2008
	US$ (in millions)	US$ (in millions)
Deposits received	78.4	73.2
Other creditors and accruals	122.3	37.3
Total	**200.7**	**110.5**

The increase in deposits received was mainly due to deposits received for the sales of vessels; namely Swiber Chai and Aziz.

Derivative financial instruments accounts for the hedge put in place for the Singapore dollar dominated Mid Term Note bonds.

With the full year's profit; total equity increased by US$96.3M or 46.5% from US$207.1M as at 31 December 2008 to US$303.3M as at 31 December 2009.

Review of Cashflow Statement :

The Group's net cash outflow from operating activities for FY2009 of (US$52.0M) was mainly attributable to cashflow from operating activities of US$39.3M and (US$77.4M) used in working capital requirements.

The net cash outflow of (US$38.6M) in investing activities was mainly attributed to acquisition of assets of (US$220.2M) offset by the proceed of US$213.0M from the disposal of vessels and US$3.7M from the divestment of investment in associates.

The net cash inflow from financing activities of US$98.3M was mainly due to net bank loan raised of US$321.9M, proceed from issue of bonds of US$100.0M and net proceed from issue of ordinary shares of US$49.8M; offset by (US$11.9M) of bond repayments.

As a result of the above movements, the cash and cash equivalent increased to US$83.2M.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

N/A.

10. A commentary at the date of the 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 continues to be prudent in its cost management efforts and to improve its operational efficiency. During FY 2009, the industry witnessed stabilization of oil prices and renew confident from the offshore oil and gas companies. The Group has a healthy order book and is confident in the long term fundamentals of the oil and gas industry. Requirements for EPCIC work are expected to be positive in the coming near term; however, the Group remains vigilant.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared for the year ended 31 December 2009.

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business segments

	Group					
FY 2009	**Offshore EPCIC services**	**Offshore marine support**	**Offshore subsea support**	**Others**	**Eliminations**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Revenue						
External sales	253,002	111,623	14,621	14,184	-	393,430
Inter-segment sales	8,019	211,706	45,256	8,388	(273,369)	-
Total revenue	261,021	323,329	59,877	22,572	(273,369)	393,430
Result						
Segment result	5,614	21,339	3,034	4,189		34,176
Unallocated income						18,377
Finance costs						(13,579)
Share of profit of associate and joint venture						4,839
Profit before tax						43,813
Income tax expense						(4,828)
Profit for the year						38,985

FY 2009	Group Offshore EPCIC services	Offshore marine support	Offshore subsea support	Others	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Other information					
Capital additions	2,309	51,685	650	18,168	72,812
Depreciation	3,037	10,041	94	1,980	15,152
Balance sheet					
Assets					
Segment assets	153,921	365,064	5,028	35,592	559,605
Unallocated assets					377,138
Consolidated total assets					936,743
Liabilities					
Segment liabilities	5,538	108,684	6,678	6,845	127,745
Unallocated liabilities					505,662
Consolidated total liabilities					633,407

Business segments

FY 2008	Offshore EPCIC services	Offshore marine support	Group Offshore subsea support	Others	Eliminations	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue						
External sales	291,302	91,936	5,460	39,740	-	428,438
Inter-segment sales	6,000	243,734	4,811	2,922	(257,467)	-
Total revenue	297,302	335,670	10,271	42,662	(257,467)	428,438
Result						
Segment result	14,943	9,441	2,189	4,818	-	31,391
Unallocated income						22,136
Finance costs						(11,131)
Share of profit of associate and joint venture						2,839
Profit before tax						45,235
Income tax expense						(5,747)
Profit for the year						39,488

FY 2008	Group Offshore EPCIC services	Offshore marine support	Offshore subsea support	Others	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Other information					
Capital additions	75,364	114,925	541	3,490	194,320
Depreciation	2,303	5,020	12	1,321	8,656
Balance sheet					
Assets					
Segment assets	186,224	240,254	6,239	37,554	470,271
Unallocated assets					235,341
Consolidated total assets					705,612
Liabilities					
Segment liabilities	139,288	44,987	2,272	9,333	195,880
Unallocated liabilities					302,661
Consolidated total liabilities					498,541

Geograpical Segments

FY 2009

	Group		
	Revenue (1) US$'000	**Assets (2) US$'000**	**Capital Expenditure (2) US$'000**
Singapore	38,746	458,063	62,662
Malaysia	34,258	406,772	6,927
Indonesia	31,600	30,567	3,049
Brunei	122,480	41,341	174
India	101,898	-	-
Vietnam	21,681	-	-
Myanmar	10,202	-	-
Others	32,565	-	-
	393,430	936,743	72,812

FY 2008

	Group		
	Revenue (1) US$'000	**Assets (2) US$'000**	**Capital Expenditure (2) US$'000**
Singapore	33,753	361,334	93,672
Malaysia	120,034	256,699	100,201
Indonesia	96,447	38,897	-
Brunei	72,146	48,682	447
India	70,638	-	-
Others	35,420	-	-
	428,438	705,612	194,320

(1) The Group's operations are carried out offshore through its companies located in Singapore, Malaysia, Indonesia and branch in Brunei. Analysis of the Group's sales is by geographical market, irrespective of the origin of the work/services.

(2) Analysis of the carrying amount of segment assets and additions to the property, plant and equipment analysed by the geographical area in which the assets are located.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

The offshore EPCIC business will continue to be the main contributor to the Group's revenue.

15. A breakdown of sales

	Group		
	31/12/2009 US$'000	**31/12/2008 US$'000**	**%**
Sales reported for first half year	197,922	195,402	1.29
Operating profit after tax before deducting minority interest reported for first half year	26,720	32,567	(17.95)
Sales reported for second half year	195,508	233,036	(16.10)
Operating profit after tax before deducting minority interest reported for second half year	7,947	6,921	14.82

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable

17. Interested Person Transactions

(a) Aggregate value of all interested person transactions, conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transaction less than S$100,000).

(b) Aggregate value of all interested person transactions during the financial period up to 31 December 2009 (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual).

Not applicable

BY ORDER OF THE BOARD
Goh Kim Teck
Executive Chairman and CEO
01/03/2010