

News Release

Swiber reports net profit of US\$70,000 for 1QFY15

- *Revenue falls 17% to \$165 million with fewer contracts executed*
- *Gross margins improves to 11.8% with stringent cost controls*
- *New awards to contribute to turnaround as business momentum picks up*

Singapore, 14 May 2015 – Swiber Holdings Limited, a global provider of engineering, procurement, installation and construction (EPIC) services for the offshore industry, has reported a slump in its earnings for the three months ended 31 March 2015 (1QFY15) as the Group clears the deck for a business pick-up in the coming months.

Net profit for the Group stood at US\$70,000 against US\$52.8 million. Net attributable loss to shareholders amounted to \$1.3 million compared to a profit of US\$48.0 million in the same period last year. The declines were due mainly the depletion of the Group's order book last year, and the absence of a US\$95.1 million gain from the disposal of a group of subsidiaries which bolstered the previous comparable numbers.

Reflecting last year's slimmer pipeline, Group revenue fell 17.3% to US\$164.9 million compared to US\$199.5 million in 1QFY14. During the quarter under review, revenue from Latin America, contributed 69% or \$113.8 million, with the balance coming from East Asia, South Asia, Southeast Asia and other markets.

The Group's gross profit margin improved to 11.8% in 1QFY15 from 4.5% in the previous corresponding period after more stringent controls were imposed over operating costs.

Other operating income decreased by 97.0% to US\$2.9 million from US\$97.1 million in 1QFY14, reflecting the absence of gain on disposal of group of subsidiaries of US\$95.1 million.

The share of profit from associates and joint ventures fell 51.5% to US\$4.8 million in 1QFY15 as a result of lower contribution from the Indonesia associates.

On the expense side, the Group's cost optimisation programme is showing results as administrative expenses fell 44.7% to US\$8.1 million and other operating expenses declined nearly 95% to US\$1.7 million from US\$31.3 million.

With higher interest rates, finance expenses rose 9.4% to US\$15.1 million. These include interest on bank borrowings and finance charges/debt issuance cost on debt securities.

Deputy Group Chief Executive Officer Darren Yeo said: "We had a difficult first quarter which was expected given the smaller pipeline of contracts last year. With our pipeline now standing at a record US\$1.8 billion, we believe we are well positioned for a strong turnaround especially in the second half.

"We are working hard at maintaining the momentum of new awards and are cautiously optimistic that we will continue to gain traction in the coming months."

Mr Yeo added that Swiber's EPIC business caters mainly to the field development rather than exploration stage of the production cycle in the oil and gas industry, which is more vulnerable to changes in oil prices. Its projects are also in shallow water, which have lower break-even costs.

"In view of these factors, the Group believes its business would be less affected by the industry's expenditure cuts and that it is in a better position to capitalise on future bidding opportunities," Swiber said.

In December 2014, Swiber was awarded a US\$710 million EPIC project in West Africa. This is the largest contract win in the Group's corporate history, and also marked its first entry into a

new geographical market. Since the beginning of 2015, it has won three contracts for EPIC services in India of more than US\$800 million.

The Group continues to see opportunities in its field of expertise and is working actively on new project tenders in its target markets in South Asia, Southeast Asia, West Africa and Latin America. It will also adopt a prudent and cautious approach due to the fluctuation of oil prices and take the necessary steps to mitigate such risks.

Total borrowings at 31 March 2015 declined to US\$1,092.0 million compared with US\$1,166.0 million at 31 December 2014. Group net debt-to-equity ratio was 1.45 as at 31 March 2015 compared with 1.52 as at 31 December 2014.

Group loss per share for 1QFY15 was 0.2 US cents against a profit of 7.9 US cents 1QFY14. Net asset value per share was 61.8 US cents as at 31 March 2015, down from 90.6 US cents as at 31 December 2014.

-The End -

About Swiber Holdings Limited

Listed on November 8, 2006, Swiber is a world class integrated construction and support services provider to the offshore oil and gas industry, offering a wide range of offshore EPIC and marine support services across the Asia Pacific, Middle East, and Latin America regions.

Since its foundation in 1996, Swiber has been dedicated to building the company into a leader in the offshore oil and gas industry. Today, Swiber is a public-listed company on the Singapore Exchange with an eminent position among global offshore oil and gas engineering and construction organisations. With an extensive and growing operating fleet of 65 vessels, comprising 49 offshore vessels and 16 construction vessels, and more than 3200 employees in

over 40 different nationalities in strategically located offices in the region, the Swiber name is synonymous with excellence, safety, innovation and value among its customers.

In September 2008, Swiber was featured on Forbes Asia's "Best under a Billion" list, an honour given to the top 200 Asia-Pacific companies with consistent growth in both sales and profits over three years. Swiber continues to ascend the ranks of the nation's "Top 100 Brands" in the Brand Finance's Annual Report, ranking as one of the nation's top 100 Brands in the Brand Finance's Annual Report of "Singapore's Intangible Assets and Brands" with AA- Brand Rating consecutively for 2010 to 2012. In 2012, Swiber has emerged a winner in Securities Investors Association (Singapore) (SIAS)'s Singapore Corporate Governance Award. All these reaffirm Swiber's rapid growth as an EPIC player that is well positioned to capitalize on the upswings of the offshore oil and gas sphere.

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