



## SWIBER HOLDINGS LIMITED

(Incorporated in Singapore)

(Company Registration Number :200414721N)

### Third Quarter Financial Statement for the Period Ended 30 September 2006

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

	GROUP			GROUP		
	3rd Qtr of 2006	3rd Qtr of 2005	+ / (-)	9 months 2006	9 months 2005	+ / (-)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>REVENUE</b>	<b>29,245</b>	<b>3,447</b>	<b>748.4</b>	<b>43,195</b>	<b>12,330</b>	<b>250.3</b>
Cost of Sales	(22,446)	(1,943)	1055.2	(32,586)	(7,602)	328.7
<b>GROSS PROFIT</b>	<b>6,799</b>	<b>1,504</b>	<b>352.1</b>	<b>10,609</b>	<b>4,728</b>	<b>124.4</b>
Other operating income	533	176	202.8	1,639	393	317.0
Administrative expenses	(927)	(289)	220.8	(2,223)	(842)	164.0
Other operating expenses	(193)	(50)	286.0	(761)	(768)	(0.9)
Share of profit of associated company	77	141	(45.4)	256	496	(48.4)
Finance Costs	(200)	(11)	1718.2	(372)	(35)	962.9
<b>Profit before tax</b>	<b>6,089</b>	<b>1,471</b>	<b>313.9</b>	<b>9,148</b>	<b>3,972</b>	<b>130.3</b>
Income tax expense	(464)	(100)	364.0	(932)	(318)	193.1
<b>Profit after tax</b>	<b>5,625</b>	<b>1,371</b>	<b>310.3</b>	<b>8,216</b>	<b>3,654</b>	<b>124.8</b>
Attributable to :						
Equitable holders of the company	5,325	1,327	301.3	7,927	3,593	120.6
Minority interest	300	44	581.8	289	61	373.8
	<b>5,625</b>	<b>1,371</b>	<b>310.3</b>	<b>8,216</b>	<b>3,654</b>	<b>124.8</b>

#### Notes

	GROUP		GROUP	
	3rd Qtr of 2006	3rd Qtr of 2005	9 months 2006	9 months 2005
	US\$'000	US\$'000	US\$'000	US\$'000
The Group's profit before tax is arrived at after (charging)/crediting the following :				
Interest income	3	2	6	6
Interest on borrowings	(200)	(11)	(372)	(35)
Depreciation	(266)	(70)	(749)	(167)
Provision for doubtful debts	-	3	-	(490)
Foreign exchange gain /(Loss)	3	122	(136)	309
Gain on disposal of plant and equipment	352	-	1,052	-

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	30/09/2006	31/12/2005	30/09/2006	31/12/2005
	US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>				
<b>Current Assets :</b>				
Cash and bank balances	8,108	2,773	25	12
Trade receivables	7,617	5,379	-	-
Unbilled contract revenue	8,130	-	-	-
Work-in-progress	761	-	-	-
Other receivables	9,450	3,843	100	6,035
Due from subsidiaries	-	-	5,444	-
Assets held for sale	3,564	1,549	-	-
<b>Total current Assets</b>	<b>37,630</b>	<b>13,544</b>	<b>5,569</b>	<b>6,047</b>
<b>Non-current Assets :</b>				
Plant and equipment	15,907	13,107	711	-
Subsidiaries	-	-	8,546	8,438
Associated company	3,035	2,778	-	-
Deferred tax assets	26	24	-	-
Other assets	12	26	-	-
<b>Total non-current assets</b>	<b>18,980</b>	<b>15,935</b>	<b>9,257</b>	<b>8,438</b>
<b>Total Assets</b>	<b>56,610</b>	<b>29,479</b>	<b>14,826</b>	<b>14,485</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Bank loans	4,249	1,261	-	-
Hire purchase creditors	39	-	39	-
Trade payables	11,867	4,617	29	-
Progress billing	337	-	-	-
Other payables	9,031	3,309	23	1,319
Due to subsidiaries	-	-	409	-
Income Tax Payable	922	316	-	-
<b>Total current liabilities</b>	<b>26,445</b>	<b>9,503</b>	<b>500</b>	<b>1,319</b>
<b>Non-Current liabilities:</b>				
Bank loans	3,868	3,432	-	-
Hire purchase creditors	339	-	339	-
Employee benefits liabilities	35	32	-	-
Deferred tax liabilities	116	114	-	-
<b>Total non-current liabilities</b>	<b>4,358</b>	<b>3,578</b>	<b>339</b>	<b>-</b>
<b>Capital, reserves and minority interest:</b>				
Share capital	12,364	9,001	12,364	9,001
Share premium	-	2,412	-	2,412
Exchange translation reserve	(10)	(168)	-	24
Accumulated profits	12,594	4,655	1,623	1,729
<b>Equity attributable to equity holders of the Company</b>	<b>24,948</b>	<b>15,900</b>	<b>13,987</b>	<b>13,166</b>
Minority interest	859	498	-	-
<b>Total equity</b>	<b>25,807</b>	<b>16,398</b>	<b>13,987</b>	<b>13,166</b>
<b>Total liabilities and equity</b>	<b>56,610</b>	<b>29,479</b>	<b>14,826</b>	<b>14,485</b>

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

Amount repayable in one year or less, or on demand

As at 30/09/2006		As at 31/12/2005	
Secured (US\$'000)	Unsecured (US\$'000)	Secured (US\$'000)	Unsecured (US\$'000)
4,288	-	1,261	-

Amount repayable after one year

As at 30/09/2006		As at 31/12/2005	
Secured (US\$'000)	Unsecured (US\$'000)	Secured (US\$'000)	Unsecured (US\$'000)
4,207	-	3,432	-

Details of any collateral :

The Group's borrowings are secured by way of :

1. Legal mortgage over certain vessels / assets
2. Joint and several personal guarantees provided by certain directors/individual shareholders of the company (for certain loans)  
(We have requested for the discharge of such personal guarantees)
3. 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	
	3rd Qtr of 2006	3rd Qtr of 2005
	US\$'000	US\$'000
<b>Cash flows from operating activities</b>		
Profit before tax	6,089	1,471
Adjustments for :		
Interest income	(3)	(2)
Provision for doubtful debts	-	(3)
Finance costs	200	11
Depreciation of plant and equipment	266	70
Gain on disposal of plant and equipment	(352)	-
Share of profit of associated company	(77)	(141)
<b>Operating cash flows before movement in working capital</b>	<b>6,123</b>	<b>1,406</b>
Trade receivables	(1,026)	(2,183)
Other receivables	977	810
Other assets	1	-
Trade payables	1,324	4,385
Other payables	(1,676)	(1,012)
<b>Cash generated from operations</b>	<b>5,723</b>	<b>3,406</b>
Income taxes (paid) / refund	(209)	55
Interest paid	(200)	(11)
<b>Net cash from operating activities</b>	<b>5,314</b>	<b>3,450</b>
<b>Cash flow from investing activities:</b>		
Interest received	3	2
Proceeds on disposal of plant and equipment	2,948	-
Purchases of plant and equipment	(1,675)	(7,227)
Investment in associated company	-	(622)
<b>Net cash from / (used in) investing activities</b>	<b>1,276</b>	<b>(7,847)</b>
<b>Cash flow from financing activities:</b>		
Repayment of staff loans	-	(80)
Repayment of bank loans	(418)	(102)
Proceed on issue of shares	-	598
New bank loans raised	489	3,120
<b>Net cash from financing activities</b>	<b>71</b>	<b>3,536</b>
<b>Net increase / (decrease) in cash and bank balances</b>	<b>6,661</b>	<b>(861)</b>
Cash and cash equivalents at beginning of the period	1,417	2,019
Effect of foreign exchange rate changes	30	(165)
<b>Cash and cash equivalents at end of the period</b>	<b>8,108</b>	<b>993</b>
<b>Cash and cash equivalents consist of:</b>		
Cash at bank	7,464	709
Fixed deposits	641	218
Cash on hand	3	66
	<b>8,108</b>	<b>993</b>
Less: Pledged deposits	(33)	(33)
<b>Total</b>	<b>8,075</b>	<b>960</b>

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.

	Share capital	Merger reserve	Currency translation reserves	Accumulated Profit	Total	Minority interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>GROUP</b>							
Balance at July 1, 2006	12,364	-	(30)	7,269	19,603	549	20,152
Exchange differences arising on translation of foreign operations	-	-	20	-	20	10	30
Profit for the period	-	-	-	5,325	5,325	300	5,625
<b>Balance at September 30, 2006</b>	<b>12,364</b>	<b>-</b>	<b>(10)</b>	<b>12,594</b>	<b>24,948</b>	<b>859</b>	<b>25,807</b>
<b>GROUP</b>							
Balance at July 1, 2005	174	(6,429)	(85)	8,479	2,139	525	2,664
Adjustment arising from restructuring exercise	(174)	-	-	-	(174)	(1)	(175)
Exchange differences arising on translation of foreign operations	-	-	(185)	-	(185)	-	(185)
Transfer from accumulated profits to merger reserve	-	6,429	-	(6,429)	-	-	-
Profit for the period	-	-	-	1,327	1,327	44	1,371
Issue of shares	7,201	-	-	-	7,201	-	7,201
<b>Balance at September 30, 2005</b>	<b>7,201</b>	<b>-</b>	<b>(270)</b>	<b>3,377</b>	<b>10,308</b>	<b>568</b>	<b>10,876</b>
<b>COMPANY</b>							
Balance at July 1, 2006	12,364	-	-	1,611	13,975	-	13,975
Profit for the period	-	-	-	12	12	-	12
<b>Balance at September 30, 2006</b>	<b>12,364</b>	<b>-</b>	<b>-</b>	<b>1,623</b>	<b>13,987</b>	<b>-</b>	<b>13,987</b>
<b>COMPANY</b>							
Balance at July 1, 2005	174	-	-	-	174	-	174
Adjustment arising from restructuring exercise	(174)	-	-	-	(174)	-	(174)
Exchange differences arising on translation of foreign operations	-	-	(97)	-	(97)	-	(97)
Profit for the period	-	-	-	(6)	(6)	-	(6)
Issue of shares	7,201	-	-	-	7,201	-	7,201
<b>Balance at September 30, 2005</b>	<b>7,201</b>	<b>-</b>	<b>(97)</b>	<b>(6)</b>	<b>7,098</b>	<b>-</b>	<b>7,098</b>

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 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.

In accordance with the Companies (Amendment) Act 2005 which came into effect from 30 January 2006, the concepts of "par value" and "authorised capital" were abolished and on that date, the shares of the Company ceased to have a par value. In addition, the amount standing in the share premium reserve has become part of the Company's share capital.

On 5 May 2006, an aggregate of 1,500,000 ordinary shares in the capital of our Company were allotted and issued to existing Shareholders and an Executive Director at the issue price of S\$1.00 per ordinary shares.

On 29 September 2006, the Company consolidated every six ordinary shares in the share capital of our Company into one ordinary share and the subsequent sub-division of every one ordinary share in the share capital of our Company into 100 ordinary shares.

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.

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 financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2005.

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.

Not applicable

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:

Earnings per Ordinary Share for the period based on net profit attributable to Shareholders :	GROUP (Year-to-date)	
	3 Qtr 2006	3 Qtr 2005
(i) Based on weighted average number of ordinary shares on issue (US cents)	3.01	1.80
(ii) On a fully diluted basis (US cents)	3.01	1.80
Weighted average number of shares in issue for basic and diluted Earnings per Ordinary Shares	263,736,264	200,000,000

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

- (a) current financial period reported on; and  
 (b) immediately preceding financial year.

	Group		Company	
	9/30/2006	12/31/2005	9/30/2006	12/31/2005
Net asset value per ordinary share based on issued share capital at the end of the financial period (US cents)	9.38	6.56	5.09	5.27
Issue share capital at the end of the period	275,000,000	250,000,000	275,000,000	250,000,000

**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 any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the financial period reported on.

(b) and any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the financial period reported on.

The Group's revenue increased by approximately US\$25.80 million or 748.4% from US\$3.45 million in the third quarter of 2005 to US\$29.25 million in the third quarter of 2006. This increase was mainly attributed to increase in revenue from our offshore EPCIC business as a result of the Group securing new contracts for the transportation and installation of offshore pipelines, jacket and top decks in Malaysia. The increase in net profit in the third quarter of 2006 was in tandem with the increase in the Group's revenue in the current period.

The Group's revenue for the first nine months of 2006 increased by approximately US\$30.87 million or 250.3% as compared to the corresponding period which was due mainly to increase of EPCIC projects and offshore marine chartering business. The net profit for the first nine months of 2006 was significantly higher at US\$8.22 million as compared to US\$3.65 million achieved in the previous corresponding period and the increase was in line with increase in EPCIC projects and offshore marine chartering business.

The Group's balance sheet remained healthy with total equity of US\$25.81 million and debt to equity ratio of 0.33 times as at 30 September 2006. Cash and cash equivalents increased due mainly to net cash generated from operating activities, proceed from disposal of fixed assets and proceed from new bank loans offset by purchases of fixed assets and repayment of bank loans.

**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 increased level of offshore oil and gas exploration, development and production would increase the demand for offshore drilling rigs. This is expected to create flow-through demand for our offshore EPCIC services such as: (a) the engineering design and installation of offshore pipelines; (b) the engineering design and/or installation of mooring systems for FSOs or FPSOs; (c) the engineering design, fabrication and/or installation of SPM buoys; and (d) the transportation, launch and /or installation of components (such as topsides or jackets) in an offshore production platform at offshore production sites.

The growth in our offshore EPCIC business is expected to translate into higher demand for our offshore marine support operations (which provides vessels and/or services such as the towing and transportation in support of mooring lines and anchors) to our offshore EPCIC projects.

Our Executive Directors believe that the potential market for our offshore EPCIC and offshore marine support operations in the offshore oil and gas industry in Asia is good, in view of our established presence in countries such as Indonesia and Malaysia and our relationship with existing customers in the oil and gas industry.

Barring unforeseen circumstances, our Executive Directors are confident of securing more contracts for both our offshore EPCIC business and our offshore marine support business.

#### **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/recommendeded, a statement to that effect.**

No interim dividend has been declared for the period ended 30 September 2006.

#### **13. Statement By Directors Pursuant to SGX Listing Rule 705 (4)**

To the best of our knowledge, nothing has come to the attention of the Directors which may render the unaudited interim financial results (comprising the income statement, balance sheet, cash flow statement and statement of changes in entity, together with the accompanying notes) presented in this announcement to be false or misleading.

#### **BY ORDER OF THE BOARD**

Goh Kim Teck

Chairman

13 November 2006