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Swissco posts record net profit of \$12.5 million, up 222%

- *Boosted by gains from disposal of vessels and contribution from associated companies*
- *14 new vessels were added to its fleet*

SINGAPORE – 27 February 2006 – SESDAQ-listed **Swissco International Limited** (“Swissco”), a Singapore-based marine company that owns, operates and charters a modern fleet of offshore support vessels, “Out-Port-Limit” boats, tugs and barges, today reported a 222% jump in net profit to \$12.5 million for the year ended 31 December 2005.

This was achieved through a \$9.4 million gain from the disposal of vessels and a \$2.0 million contribution from associated companies. Robust demand for vessels in the used tonnage market provided the Group with the opportunity to upgrade and reconfigure its fleet.

Turnover from the Group’s two core businesses of **marine logistics support services** and **ship repair and maintenance**, rose 62.8% to \$13.9 million in FY2005, boosted by higher income from the chartering of offshore vessels and ship repair services.

Segmental Review

Swissco's marine logistics business achieved a 66% rise in turnover to \$9.9 million, as 14 new offshore support vessels were added to the Group's fleet, thereby generating higher charter income during the year.

The buoyant global oil and gas industry, fuelling the increase in demand for offshore support and other vessels, enabled the Group to dispose of more vessels, replacing them with newer and more specialised ones. The upsurge in demand and utilisation of its fleet of offshore support vessels and barges boosted gross profit margins from 12% in FY2004 to 23% in FY2005.

With the 14 new support vessels, the Group now has a fleet of 19 vessels and barges. Eight vessels were introduced in the first half of the year and another six new additions were commissioned in the third and fourth quarters. The strategy driving the replacement programme is aimed at building up a high quality earning stream by offering high value added services and operating specialised vessels.

Turnover from ship repair and maintenance services jumped 49% to \$4.1 million while net profit rose by 164% to \$657,000 as a resultant of better credit control measures.

Commenting on its full-year results, Alex Yeo, Swissco's Chief Executive Officer said, "We are extremely pleased that our strategy of fleet renewal and alignment is fuelling our growth, underpinned by the continued upsurge of the global and regional oil and gas industry."

The Group's full year results have raised the earnings per share from 3.07 cents to 8.51 cents. Correspondingly the net asset value per share increased to 21.75 cents, a rise of 8.48 cents per share.

Dividend

In view of the record performance, the board of directors of Swissco has recommended a cash maiden dividend of 1 cent per ordinary share.

The Executive Chairman, Yeo Chong Lin said "It is the record profits and exceptional performance this year that have allowed us to reward our loyal shareholders with this special dividend of 0.8 cent in addition to an ordinary dividend of 0.2 cent per share."

Business Prospects

Prospects for the 2006 remain positive and CEO, Alex Yeo explained that "With the current level of oil prices showing no signs of significant change, we expect the marine support and oil and gas industries to remain buoyant throughout 2006. The demand for offshore vessels and barges, as well as our ship repair and maintenance services is expected to show continued growth."

"Our Directors therefore are cautiously optimistic that the Group will be profitable in 2006"

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About Swissco International

With a history that dates back to 1970, Swissco is today one of the leading operators of a young and modern fleet of offshore supply vessels, providing marine services to the shipping and offshore oil and gas industries. It also operates boats for charter in the Out-Port-Limit (OPL) which refers to the seas beyond the port limit of Singapore.

From just one OPL boat in 1973, Swissco now owns 19 vessels, with a further 6 new vessels in 2006 and one more in 2007.

With a diversified base of customers from various industries, Swissco's vessels can be found operating in Asian countries such as Indonesia, Malaysia, Vietnam, Thailand and Japan. Swissco's vessels have also been deployed by charterers in far-flung areas such as East Africa and Russia

To repair and maintain the Group's fleet of vessels as well as those of other shipowners, Swissco acquired, in 1998, a ship repair and maintenance yard,

comprising 2 slipways, waterfront and a 3,000 DWT dockyard that has the capacity to carry out both dry docking and afloat repairs of smaller to mid-sized support vessels.

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