



FOR IMMEDIATE RELEASE

**Swissco achieves consolidated net profit of S\$10.4 million  
in 3Q2014**

- ***Consolidated financial statements for 3Q 2014 and 9M 2014 prepared as continuation of Scott and English Energy's financial statement***
- ***Acquisition of rig business Scott and English Energy boosted financial performance of the Group***
- ***Strong fundamentals and unique business model remain resilient to market volatility***

**Singapore, 12 November 2014** – SGX Mainboard-listed **Swissco Holdings Limited** (“Swissco” or the “Company,” together with its subsidiaries, the “Group”), an ***integrated, international marine services provider***, today announced a net profit of S\$10.4 million for the three months ended 30 September 2014 (“3Q 2014”). For the nine months ended 30 September 2014 (“9M 2014”), net profit reached S\$20.1 million.

“The Group has benefited from the acquisition of the rig business of Scott and English Energy, which greatly boosted our financial performance,” Swissco’s Executive Chairman, Mr Tan Fuh Gih said. “The successful synergies achieved in the acquisition ensure that we can continue to capture opportunities in the offshore oil and gas industry as we penetrate the upstream market and across different geographical regions. The rig business, complements our vessel business, also ensures visibility of income and enhances shareholder value, as is evident from the results.”

**Review of financial performance**

The acquisition of Scott and English Energy, which was completed on 30 July 2014, has been accounted for as a reverse acquisition. Hence, the consolidated financial statements for the three-month and nine-month period ended 30 September 2014 have been prepared as a continuation of Scott and English Energy’s financial statement. Essentially, the results of the Enlarged Group for 3Q 2014 and 9M 2014 consist of the results of Scott and English Energy and the results of Swissco Group from 1 August to 30 September 2014.

**Swissco Holdings Limited**

60 Penjuru Lane

Singapore 609214

Company Registration No. 200404711D

As the initial four rigs acquired are jointly owned, Scott and English Energy did not register revenue figures for the previous corresponding period ("3Q 2013"). Hence the consolidated income statement would only reflect share of profits figures.

For 3Q 2014, share of profits of jointly controlled entities decreased 13.7% due mainly to provision of deferred tax provided for in 3Q 2014 and loss of \$0.5 million from the joint venture with Hadi International Marine Services Pte Ltd. For 9M 2014, share of profit increased 18.6% due to full contribution from three rigs operating in Latin America in FY2014, compared to 9M 2013, when one of these rigs commenced charter only in July 2013.

Revenue from the chartering of the Group's OSVs was S\$9.0 million whereas maritime services segment registered revenues of S\$26.4 million with the delivery of two vessels. Compared to the same period last year, OSV chartering continues to register higher revenue as a result of more vessels owned and operated. The fleet also comprised of higher value vessels that earned higher rate and margins. Total revenue amounted to S\$35.9 million for 3Q 2014 and 9M 2014.

Consequently, 3Q 2014 profit after tax for the Group was S\$10.4 million and 9M 2014 profit was S\$20.1 million.

Earnings per share, which was 1.739 Singapore cents and 4.006 Singapore cents in 3Q 2014 and 9M 2014 respectively, has been restated and reflects the results of Scott and English Energy until the date of the acquisition, and the results of the enlarged group from the acquisition date onwards. It has also been retrospectively adjusted to take into account the share consolidation of every two shares in the capital of the company into one.

As at 30 September 2014, the Group maintained a healthy balance sheet with strong cash balances of S\$35.1 million.

Net gearing as at 30 September 2014 was 1.04 times. The net proceeds received from the issuance of redeemable exchangeable preference shares, by its subsidiaries, of US\$35.7 million in October 2014 will reduce the net gearing ratio.

**Outlook**

With the acquisition of four more mobile offshore drilling units on 30 September 2014, the Group has increased its fleet size to eight. Six of these rigs are jointly owned, while two are wholly-owned by the Group. These rigs have firm long term contracts of up to five years. The four newly acquired rigs will contribute positively to the Group's results with effect from 1 October 2014. The accommodation rig, which is currently undergoing refurbishment and upgrading, is scheduled to commence charter in the quarter ending 31 December 2014 ("4Q 2014").

**Swissco Holdings Limited**

60 Penjuru Lane

Singapore 609214

Company Registration No. 200404711D

In addition, a subsidiary had entered into a joint venture with Union Offshore Ltd, securing a charter contract of approximately US\$115.0 million for up to seven years to provide an offshore service rig that would support an oil company in Asia Pacific. The unit is to be deployed within the first three months of 2015, and will have a positive impact in the financial year of 2015.

Commenting on the industry's and the Group's outlook, Swissco's Executive Chairman, Mr Tan Fuh Gih, said: "Analysts and industry watchers have cautioned that the sector faces certain challenges such as oversupply of rigs. As such, day rates may also be impacted should oil prices continue to fall and major oil producers choose to cut back on spending – actions that may exert pressure on the deep-water segment as it is more costly. Swissco's drilling and service assets are for shallow waters and the majority of them have firm long-term contracts with National Oil Company as our end client, so we would be less affected by the volatile environment. Having raised S\$100.0 million, we have built a strong war chest that will allow us to seize opportunities that fit into our strategic growth plans. Together with the expansion of our OSV fleet, we are confident that these fundamentals and our unique business model will enable us to remain resilient."

- End -

**Swissco Holdings Limited**  
60 Penjuru Lane  
Singapore 609214  
Company Registration No. 200404711D

## **About Swissco Holdings Limited**

Swissco Holdings Limited ("Swissco") is an integrated, international marine company providing rig and vessel chartering, ship repair, maintenance and maritime services for the oil and gas, shipping and marine infrastructure industries. Helmed by industry veterans, Swissco offers a 'one-stop' solution to major clients operating worldwide. Swissco owns and operates a fleet of rigs secured on long-term bareboat contracts to service oil and gas majors. In addition, it owns and operates a diverse fleet of offshore support vessels. As a fully-integrated offshore marine support player, Swissco's vessels and rigs are deployed across Southeast Asia, Latin America and the Middle East. The Group provides one of the most comprehensive marine and shipping solutions in a prompt, reliable and efficient manner. It was listed on SGX Catalist in 2004 and transferred to the Mainboard in 2013.

**For media queries, please contact:**

### **Bell Pottinger**

*Chelsea Phua / Muhd Hafiz*

*Tel : +65 6333 3449*

*Fax : +65 6438 3442*

*Mobile : +65 8322 6409 / +65 9450 7413*

*Email : [cphua@bellpottinger.com](mailto:cphua@bellpottinger.com) / [mma'il@bellpottinger.com](mailto:mma'il@bellpottinger.com)*