



FINANCIAL RESULTS

FOR THE YEAR ENDED 31st DECEMBER 2016

27th March, 2017

DISCLAIMER

Any information in this presentation that is not a historical fact is a “forward-looking statement”. Such statements may include opinions and expectations regarding Topaz Energy and Marine (the ‘Company’) and its future business, Management’s confidence and strategies as well as details of Management’s expectations of global economic and regulatory trends.

Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's and/or its Management control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. While the Company believes that its assumptions concerning future events are reasonable, there are inherent difficulties in predicting certain important factors that could impact the future performance or results of the Company’s business. Accordingly, such statements should not be regarded as representations as to whether such anticipated events will occur nor that expected objectives will be achieved. The Company expressly disclaims any intention or obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.

In this presentation, the Company makes reference to EBITDA and EBITDA margin, neither of which is defined under International Financial Reporting Standards, as issued by the International Accounting Standards Board and as adopted by the European Union (“IFRS”). The items excluded from EBITDA and EBITDA margin are significant in assessing the Company’s operating results and liquidity. EBITDA and EBITDA margin have limitations as analytical tools and should not be considered in isolation from, or as a substitute for, analysis of the Company’s results as reported under IFRS. Other companies in the Company’s industry and in other industries may calculate EBITDA and EBITDA margin differently from the way that the Company does, limiting their usefulness as comparative measures.

HOW WE DEALT WITH A TOUGH MARKET ENVIRONMENT IN 2016

DISCIPLINED EXECUTION OF OUR GROWTH STRATEGY IN CHALLENGING TIMES

Ensuring Long-term Revenue Visibility

- ✦ Proactively pursuing and securing new contracts with existing and new clients, principally BP Azerbaijan and Tengiz, resulted in increasing contract backlog to US\$1.5bn as on Dec'16
- ✦ This has added significantly to Topaz's earnings visibility and credit strength
- ✦ Approved global vendor status from BP, Chevron & Exxon shows promise for further contract wins

Operational Excellence and Cost Control

- ✦ A closely monitored cost reduction program delivered US\$35M (28%) savings in 2016.
- ✦ Driving extreme focus on renegotiations with vendors driving down cost of spares, services and consumables while maintaining high level of service delivery.
- ✦ Driving efficiencies through centralizing all core functions coupled with implementation of integrated fleet-wide Planned Maintenance software. Digitization strategy aimed at further cost reductions.

Driving an Efficient Capital Structure with Sufficient Liquidity

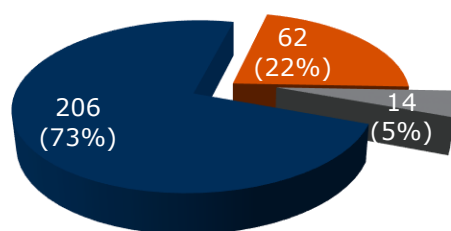
- ✦ Continued relentless focus on cash flow and liquidity. Capital expenditure rationalized by limiting to maintenance capex while deferring new vessel capex to subsequent years. Vessel deliveries delayed to 2018.
- ✦ Successfully refinanced Parent company Debt of US\$81m with very aggressive terms demonstrating solid parent company backing. Further concessions may be offered.
- ✦ Optimal capital structure in place with the senior secured debt repayment profile extending to 2022 with step-up repayments and a bullet payment at maturity.
- ✦ Discussions with Sr. Secured Lenders for covenant reset to ensure head-room through 2017 & 2018.
- ✦ Overall, stable levels of liquidity being maintained.

2016 PERFORMANCE

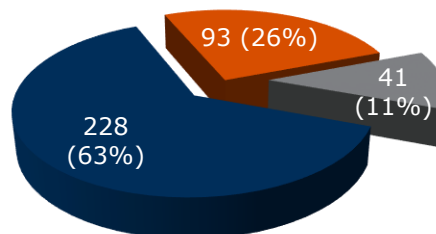
LOWER REVENUE WITH STRONG EBITDA MARGIN

US\$ Millions	YTD 2016	YTD 2015	Variance
Revenue	282	362	-22.1%
EBITDA	145	175	-17.1%
EBITDA margin	51%	48%	+3ppt
Cash flow from operations	89	104	-14.4%
Consolidated interest expense	59	69 ¹	-14.5%
- Bank	51	60	-15.0%
- Shareholder	8	9	-11.1%

Revenue 2016



Revenue 2015



■ Caspian ■ Mena ■ Africa

Key Highlights

- Revenue decline is reflective of the unprecedented industry challenges but we maintain our solid position in the Caspian.
- Utilization & rates are down, due to continued softness in demand exacerbated by oversupply of assets in MENA and Africa.
- Continued cost control has been instrumental in mitigating EBITDA decline beyond 17%.
- Maintaining strong EBITDA margin above 50% in spite of challenging conditions.
- Cash from operations are healthy and support on-going commitments.

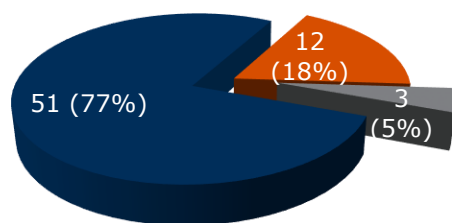
¹ – includes non-cash charge of US\$8m write-off in connection with re-financing of debt

Q4 2016 PERFORMANCE

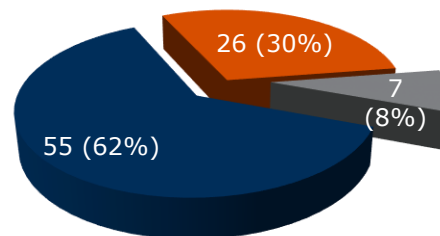
CHALLENGING QUARTER YET MARGIN STRONG

US\$ Millions	Q4 2016	Q4 2015	Variance
Revenue	66	88	-25.0%
EBITDA	34	46	-26.1%
EBITDA margin	52%	52%	-
Consolidated interest expense	14	14	-
- Bank	12	12	-
- Shareholder	2	2	-

Revenue Q4'2016



Revenue Q4'2015



■ Caspian ■ Mena ■ Africa

Key Highlights

- ✦ Caspian performance has been strong thanks to robust contract coverage.
- ✦ In MENA, market instability continues with many operators working at break-even level to secure cash-flow.
- ✦ 2017 has seen a pick-up in tendering activities indicating market recovery in H2 2017.
- ✦ Africa region continues to be challenging, with awards routinely postponed or cancelled.
- ✦ We maintained our high EBITDA margin by significantly reducing our operating expenditure.

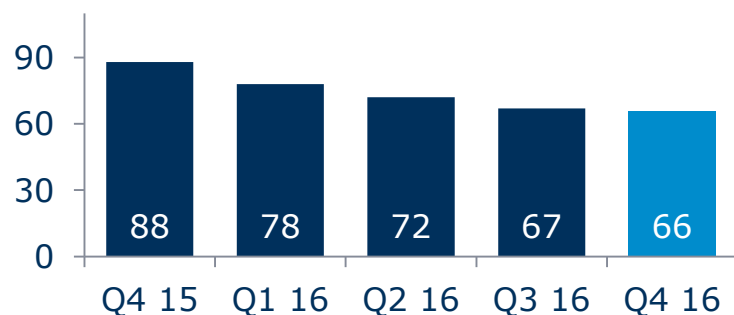
QUARTERLY TREND DATA

EBITDA MARGIN STABILITY

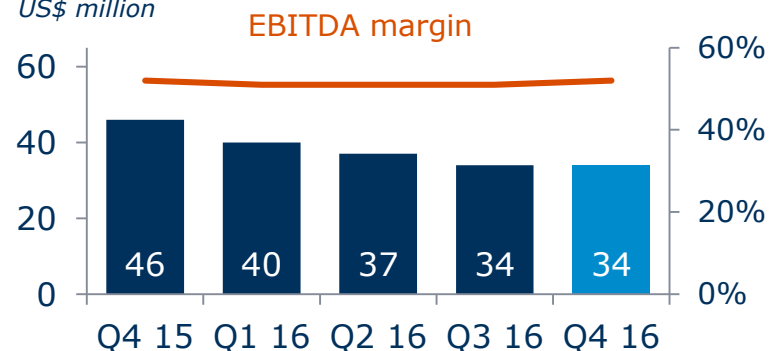
In US\$ millions

	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q4 16 vs Q4 15
Revenue	88	78	72	67	66	-25%
EBITDA	46	40	37	34	34	-26%
EBITDA margin	52%	51%	51%	51%	52%	-
PAT (before impairment)	7	2	-1	-5	2	-71%
PAT margin (before impairment)	8%	3%	-1%	-7%	3%	-5ppt
PAT (after impairment)	-64 ¹	2	-1	-5	-98 ¹	-53%
PAT margin (after impairment)	-73%	3%	-1%	-7%	-148%	NM

REVENUE

US\$ million


EBITDA

US\$ million

¹ Q4 2015 is after impairment of US\$71m, Q4 2016 is after impairment of US\$100m.

2016 BUSINESS PERFORMANCE

UTILIZATION IMPACTED BY MARKET DOWNTURN

Selected KPIs	YTD 2016	YTD 2015	Variance
Utilization of core fleet	70%	86%	-16ppt
<i>Caspian</i>	79%	96%	-17ppt
<i>Caspian–Azerbaijan</i>	94%	96%	-2ppt
<i>Caspian – Others</i>	58%	97%	-39ppt
<i>MENA</i>	60%	87%	-27ppt
<i>Africa</i>	47%	44%	+3ppt
<i>Subsea</i>	66%	83%	-17ppt
Average day rate of core fleet	\$ 14,917	\$ 15,405	-3.2%
Contract backlog	\$ 1.5bn	\$ 0.7bn	+0.8bn
No. of vessels*	97	99	-2
Average vessel age	8.2	7.7	+0.5

Key Highlights

- ✦ Azerbaijan utilization remains high due to long-term contract coverage. This covers 60% of our total revenue.
- ✦ Lower market activity in MENA has resulted in significantly reduced utilization compared to 2015.
- ✦ Africa performed better than last year due to improved contracted coverage in 2016, albeit at reduced day rates.
- ✦ Average rates are only 3% down reflecting stability in Caspian contracts and also discipline commercial approach in rest of the fleet.

* Excludes 20 new builds under construction which will be delivered by 2017/2018.

* Vessels laid up are not considered for computation of utilization.

* Out of 97 vessels, 2 PSVs are laid up in Turkey, 9 in MENA and 1 in North America.

CAPITAL STRUCTURE

LEVERAGE IS STABLE AS PER PLAN

US\$ millions	As at 31 st Dec 2016	As at 31 st Dec 2015	Variance
Cash and Cash Equivalents	39	55	-27.2%
Total External Debt	645	671	-3.8%
Shareholder Loans	81	104	-22.1%
Gross Leverage ¹	5.0x	4.4x	+13.6%
Net Leverage ²	4.7x	4.1x	+14.6%

Key Highlights

- ✦ Sufficient liquidity to meet commitments.
- ✦ Shareholders debt refinanced at very attractive repayment terms. Only US\$ 7m repayable during 2017 (Original Plan - US\$ 28m).

¹ Total debt / LTM EBITDA

² Total debt – cash / LTM EBITDA

COVENANTS

FULLY COMPLIANT WITH COVENANTS

Financial Covenant	Threshold	YTD Q4'16 Actual	Headroom
Net Interest Bearing External Debt to EBITDA	< 4.50x	4.18x	7%
Tangible Net Worth*	> \$400M	\$427M	7%
Free liquidity	> \$30M	\$47M	57%
EBITDA to DSCR	> 1.20x	1.62x	35%

Key Highlights

- ✦ Discussions commenced with Sr. Secured Lenders for covenant reset to ensure sufficient headroom through 2017 & 2018.
- ✦ Protecting liquidity through cost focus, capex deferral, aggressive working capital management etc.

* Tangible Net Worth covenant is post impairment charge of US\$100m in 2016 (US\$71m in 2015).

LIQUIDITY POSITION

SUFFICIENT LIQUIDITY TO MEET REQUIREMENTS

US\$ Millions	Limit	Drawn	Available	Tenor
RCF (committed lines)	100	-	8 ¹	April 2020
Cash & Bank Balances	-	-	39	As on 31 st December 2016
Total Liquidity	100	-	47	



1 – Ability to borrow is restricted to US\$8m due to covenant restriction. Headroom is being negotiated with lenders through 2017 & 2018.

SAFETY

SOUND HSE RECORD

Measure	Industry Benchmark*	FY 2016 Performance	FY 2015 Performance
Fatal Accident Rate	2.66	ZERO	ZERO
Lost Time Incident (LTI) Frequency	0.38	0.20	0.91
Total Recordable Injury Rate (TRIR)	1.59	0.80	2.20
Environmental Incident Frequency (ENVf)	1.17	Zero	0.73
Safety Observation Frequency Rate (SOFR)	314	1,012	1,198
Management Visit Ratio (MVR)	5.79	34.94	36.14

Key Highlights

- ✦ Significant improvement in key statistics from 2015.
- ✦ MVR remains high and is being driven by senior management for 2016.
- ✦ Overall reporting and awareness have improved, indicating a maturing safety culture.