Company: **Topaz Energy and Marine**
Conference Title: **FY 2016 Financial Results Investor Call**
Speakers: **René Kofod–Olsen, CEO and Jay Daga, CFO**
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Operator: Good day and welcome to the Topaz Energy and Marine Full Year 2016 Financial Results Investor Call. Today's conference is being recorded. At this time I would like to turn the conference over to René Kofod-Olsen, Chief Executive Officer. Please go ahead, sir.

René Kofod-Olsen: Thank you so much. Thank you, everybody, and welcome to our call for 2016. As usual, we will go through the presentation rather briskly, and then open for a Q&A just afterwards. As usual, I am joined by our CFO, Jay Daga, and we have Robert Desai as well, our Chief Commercial Officer.

I start on page number three of the presentation that we've uploaded. It has been a very busy year, 2016, as a whole. We have managed to add significantly to our contract backlog to the tune of $1.5 billion as of December, which is the highest in the OSV industry. This has given us significant visibility on our current and future earnings, and at the same time we have managed to be globally approved by renowned contractors, such as BP, Chevron and Exxon.

The biggest project has been the Tengizchevroil field, where we are delivering all the logistic support into Kazakhstan, building 20 ships, where 17 will be for the Topaz ownership. It is one of the biggest contracts signed last year.

We have as well to ensure that we're operating the business in a $40-50 oil environment. We have been very aggressive in our cost reduction program. You have heard us reporting on that on a quarterly basis, but we have basically managed to achieve some $35 million over the last couple of years, and specifically in 2016, of cost reduction. As you will see in our numbers, this is underwriting our continuously strong EBITDA margin and ensuring

that the erosion top line, which is really market-driven, is not going one-to-one down on our cash flows.

We continue to look at how we operate the company in a most sort of lean fashion and we believe that how we operate going forward, we need to be doing much more for less, both in terms of organisational size, but also in terms of what we do for our customers. We believe that we will do more on board our ships for our customers in the future, hence also the diversification into the offshore transport from Tengiz.

In terms of having the right capital structure going forward, we are very focused on our cash flows and liquidity. Any capital expenditure that we don't see a material reason to maintain, has gone out and we have also pushed a couple of vessel deliveries into 2018. Now that's a double-edged sword and we may live to regret that, should we get contracts in 2017, but that is a strategic decision that we have made, in terms of continuing being very conservative in the way we look at operating our company.

We have successfully, together with our parent, refinanced the debt that they had at the company to a very long maturity. We are already now in discussions with our main lenders for the very long debt we have on the secured size. After 2022, we are looking at ensuring that our covenants are always matching the prevailing markets that we are in, and we have very positive conversations on that.

This year we've also taken a large impairment, about $100 million. We think that that is only reasonable, given the current market situation. We have a young fleet, compared to most of our competitors, but it is very strong housekeeping to do and it is non-cash; it is money that has already been deployed long ago. And we're still holding about $100 million of value, unencumbered, on in our secured lending, so our vested values are matching the debt we have with an unencumbered level of close to $100 million. So that's also very positive and again, it underwrites the quality of our assets and the relative youthness of our fleet.

On that note, we're on page four, I will turn it over to Jay to take us through our financial highlights.

Jay Daga: Thank you, René. On page number four, we reflect the key financial numbers between 2000 and 2016. The revenue is down by 22%, or around $18 million. Now, if you know that most of this revenue are coming from businesses outside the Caspian. The Caspian is showing only 10% decline and that is mostly because of re-delivery of a few barges that's coming off contract after completion of the Kashagan project.

In other regions, which is MENA and Africa, we are seeing some material decline in revenue. This is a combination of the lower day rates as well as utilisation. In subsequent pages, those facts have been also demonstrated.

In respect of EBIDTA margin, we have improved our EBIDTA margin by three percentage points, so that has been derived by relentless cost management, which René has alluded to in his note on page three.

Cash from operations is again strong, so while our EBIDTA margin is lower by almost $30 million, our cash from operations hasn't gone down to the same proportion. This reflects that we have managed to get more out of our working capital cycle, at the same time ensuring that we do not spend more money on our maintenance CAPEX. So the continuous cost control drive, along with very strong EBIDTA margin, is putting us into a solid liquidity position.

Page number five reflects the quarterly numbers. The quarterly numbers, in terms of revenue has declined by 25%. Now there are significant factors to it. The barges re-delivery on Q4 is one of the key reasons for decline in the revenue. And on top of them, some of the assets, which are on warm lay-up and not working in the Africa region, are a few of the key factors that reflects the revenue decline. However, our EBIDTA margin remains strong, which is at 52%, as compared to our full year average of 51%.

We've seen some pickup in tendering activity in the first half of 2017, both in MENA and in Africa. And we expect that some of our assets, which were not profitably deployed in 2016, would start finding work in the later part of this year, and we are very optimistic about that. With our solid EBIDTA margin and cash preservation strategy, we do believe that we will reach a good liquidity position through this difficult period of industry downturn.

Page number six; now again it reflects the same thing, quarter-on-quarter, revenue declining and at the same time impacting EBITDA. And then, as I said, that we have taken $100 million impairment in Q4. While this impairment is purely a book adjustment and is reflective of the challenged asset prices in the current times, the irony is that, there are no willing-buyer or willing-seller. So naturally from that perspective, the asset valuation given by various brokers is not reflective of the true values of these assets. However, as good housekeeping and ensuring that our asset value is reflective of the current challenged market, we thought it is prudent to take $100 million worth of impairment in 2016. And if I compare that to 2015, in 2015 also we took $71 million worth of impairment. So in two years, almost $171 million of impairment.

On page number seven, which reflects the utilisation and the day rates, our core utilisation in Azerbaijan is 94%. So while everything around is challenged, we managed to protect our Caspian position, and mostly from Azerbaijan, and that covered 60% of our total revenue. So in turn, in real terms, we have managed to generate the same amount of revenue in Caspian, in Azerbaijan as we generated in 2015.

The rest of the market is the one that we are seeing some off-hires and day rate pressure. Africa again, it performed better than last year. However, we're still finding that the rates are not the same as the previous year. So in totality, the Africa region is still challenged. In respect of average day rate of our core fleet utilisation, it is only 3% down from $15, 400 average per day as compared to $14, 917. This is on the back of solid contract cover, as we have demonstrated time and again in Caspian.

Page number eight, capital structure. We have sufficient liquidity to meet our commitment, and the most important thing to notice is that we have managed to refinance our shareholders' loan. This year, 2017, as compared to the alternate plan of repayment of $28 million, we have only committed to pay $7 million. That enhances not only our liquidity, but also reflects good, solid backing from our shareholders.

Page number nine, covenants. The covenants have got decent headroom and we are doing everything within our reach to maintain our liquidity so as to see us through 2017 and 2018. We are in discussions with our senior secure lenders to find some headroom in reflecting the current market reality.

Page number ten, again, you will be able to see that we still have $100 million worth of committed revolver. And with the current headroom, we have $47 million worth of liquidity in our hand, including $39 million worth of cash balance and cash-in-hand.

Now I will hand over the mic to René to continue on safety.

René Kofod-Olsen: Thank you very much, Jay. Our safety record has continuously improved during 2016 on all main criteria, which is quite of a feat, because in a situation where you have to be relentless on your cost control, as has been described, it is easy to cut corners. We, as a company, are not cutting corners and we are continuously investing in our people and in our safety, sort of ring fencing. The numbers speak for themselves. This is a license to continue in this business and as we move out of this crisis, it is very important to show this resilience, both in terms of how we keep our people safe, and certainly also how we keep our assets safe.

Now, finally before I go into Q&A, the view on the markets going forward, as is always one of your questions, so I believe 2017 is going to be a swing year. I think we're going to have a tough first half. There's going to be volatility over the summer, based on the rig counts in the US, but by and large I believe that the oil price will remain stable and will underwrite further investments.

We are now on our third year in an unprecedented downturn, that has never seen equal in the oil and gas industry, and so the oil majors have cut CAPEX and investments to an unprecedented level. That is catching up with them now and what we conclude from conversations with our clients – and they're all the biggest companies of the world – is that CAPEX is now coming back into the system. They have been focusing on dividend payments over the last two to three years, but that's not a sustainable strategy to have. Eventually they'll have to reinvest in deals that are depleting, and actually being sure that in the future they have enough investment in new oil, that they can continue their dividend program.

So we actually foresee a surge in exploration and development, but certainly we also expect a surge in maintenance. We have been bidding the last couple of years on many maintenance programs, and it's not because the maintenance is not necessary for the oil majors, it's simple because they're deferring it. We all know from history what happens when you defer maintenance too long, then accidents will happen. This industry of course is prone to that and that is something that these oil majors cannot afford. So we foresee that both maintenance, exploration and development will start kicking in already this year, and we're actually gearing up to a very busy 2018. We see that on the wind on our commercial funnel, which is growing by the week, so we have reason to believe that we are not only at the bottom of this cycle, but we're also slowly moving upwards from there. That doesn't mean that the OSV industry would not be challenged in 2017. I think there's a lot of companies that are still in deep trouble and may not live to see tomorrow. We are certainly not one of them, and we see the next one to two years as the massive swing years in our industry.

The final thing I will say is that there is about 1,500 OSVs laid-up globally. We came into this crisis with an over-supplied industry; we will not come out of this crisis with an over–supplied industry. Many of these ships will never come back into competition. So we actually foresee that the companies that are relatively better structured, in terms of their liquidity and balance sheet perspective, will be able to outgrow the normal growth rate that you will see in the sector, moving out of this. We are relatively

positive on the near–future, but certainly also the long–future. We think there's going to be a lot of M&A by oil majors. There are already a stream of M&As in the services sector. And we feel that the whole sector will come out of this in a more consolidated fashion to underwrite the new norm, which is doing more for less for the oil majors, which we have proven over the last couple of years that we can do. And that gives me reason to be positive on the outlook of the company, but also the industry.

On that note, I will end the presentation and turn it over to the operator for Q&A.

Operator: Thank you. If you would like to ask a question, please signal by pressing star one on your telephone keypad. Please ensure that the mute function on your telephone is switched off to allow your signal to reach our equipment. Again, please press star one to ask a question, we will pause for a moment to allow anyone an opportunity to signal. We will take our first question from Zafer Nazim from JP Morgan. Please go ahead your line is open.

Zafer Nazim: Yeah, thanks a lot, this is Zafer Nazim from JP Morgan. Thanks for the call, Jay and René, I just have two or three questions. One, René, you mentioned that the business conditions appear to have bottomed out. Is that to say that shall we infer from that, that your quarterly EBIDTA run rate is now at its bottom? You're almost at the end of the 1st Quarter, so if you can give us some idea of how 1Q is shaping out to be and if the 4Q number is a good proxy for numbers going forward in 2017.

René Kofod-Olsen: Okay, sure. I think the 1st Quarter has been tough and I think the first half is going to be tough. The run rate is not dissimilar to what we've seen, but in the commercial funnel and already now in the 2nd Quarter we see an uptick. And that's why I'm saying I actually believe that we are at the bottom of this industry and that we will see improving market conditions in the second half and certainly into 2018. I believe that is underwritten by the commercial funnel and how we see operators actually engaging with us. That is both the services companies and the oil majors. Why it is important is also the service companies, because if you look at how the oil majors are

actually looking at either maintaining or developing their businesses, then they will first go to the massive service companies to budget, and then the service companies will come to us. Here I talk about the big E&P companies – the big companies like Saipem and Subsea 7, and so on and so forth and we see that coming into our systems now, which is a very good, early indicator for change.

Zafer Nazim: Alright, thanks. Then just, Jay, on the shareholder loan, can you just remind us what is the rate of interest that you pay on that?

Jay Daga: 8.5%.

Zafer Nazim: Alright. And then just one last question. The Standard Chartered shareholding in the company, they had a put option and I think that put option has now been extended. If you can just tell us where it stands now, the put option, and the price on the put option.

Jay Daga: It's five years and they own 13.5% of the company.

Fernandez: And it's five years from which date? When is the fiscal anniversary?

Jay Daga: 2014.

Zafer Nazim: So. 2019. Right, and year five, what price is the put option? I guess it's not probably at face–value. They probably are looking for some IRR.

Jay Daga: 8% IRR and this is disclosed in our financial statements, so you will see the details there.

Zafer Nazim: Got it, okay. Fantastic, okay, thank you.

Operator: As a reminder, please press star one to ask a question. We will take our next question from Brian Farrell from Pioneer Investments. Please go ahead, your line is open.

Brian Farrell: Good afternoon, gentlemen, just a brief question. On terms of the shareholder loan, what's the amortisation schedule on that, please?

Jay Daga: Hey, Brian, how are you?

Brian Farrell: Good, thank you.

Jay Daga: The shareholders loan has been extended for a very long maturity and the repayment is $7 million per year for the next two years, and then there is a change in the repayment profile. So broadly, that loan consists of three, four tranches and each tranche has got its own amortisation schedule.

Brian Farrell: Okay, that sounds good. And then in terms of the – I think it was the term loans, which was amortising at – is it $30 million a year, is that right?

Jay Daga: That's correct.

Brian Farrell: Okay, perfect. So that's the same, perfect. I dialled in a little bit late and I missed some initial comments in terms of unencumbered vessels. Would you mind just running through that again?

Jay Daga: The asset, which have been encumbered to our lenders, gives us a headroom of approximately $100 million with respect to the loan-to-value covenant. We still have a lot of assets that are unencumbered, but they consist of barges and some of the specialised assets. We still have got some of that are unencumbered.

Brian Farrell: Okay, thanks, and I know…

René Kofod-Olsen: Brian, I think it's a significant situation because a lot of owners are [inaudible] and we are quite humble to that extent. But the fact is that the industry has been rife with issues for vessel owners on the asset prices. We have a relative younger fleet, as you will remember, and so we are benefitting from that in this situation.

Brian Farrell: Okay, excellent. And then in terms of the covenant headroom, I know you're in discussion with the lenders on that. Do you have any more colour that you can give us around that?

Jay Daga: The discussions have been very, very positive and the lenders do appreciate and realise that we are always talking to them in a very transparent and

proactive manner. We're hoping to design a covenant packet that would see us through to 2017 and 2018, so that we have enough liquidity and at the same time, that we have – and again, this is a long money, so naturally for the lenders to appreciate that this market downturn is not unique to Topaz. It is for all the sectors, the entire sector. We are the one who have not yet run the risk of either any refinancing or anything. So it is very, very positive and we hope to come to a positive conclusion reasonably quickly.

Brian Farrell: Okay, okay. Just given your comments on the tough trading conditions at the moment, is there sufficient headroom within the numbers, as it stands at the end of Q1 and Q2? How close are you to getting the agreement with the lenders in terms of the covenant headroom?

Jay Daga: Brian, we have started this conversation and we expect to conclude it very, very quickly in an efficient manner.

Brian Farrell: Okay, good, excellent. Good stuff, and hopefully we'll meet up soon.

Jay Daga: Thanks, Brian.

René Kofod-Olsen: Absolutely, Brian, thank you.

Operator: Our next question comes from Tarsiat Fingush from the USS. Please go ahead your line is open.

Tarsiat Fingush: Thank you and thanks for the call. Two quick questions, one is on your cash flow statement interest in your full account statement. CAPEX is shown as $152 million on page 11, but in your presentation, the summary one, you're showing CAPEX at a much lower amount, at $42 million, [inaudible] is only $42 million. I just trying to understand the difference between the two.

Jay Daga: Yeah, hi, look, as you know, René spoke about the Tengiz project. Now the Tengiz project is funded by the client's money, so effectively that is being taken into our books as capital work in progress. So once we've made the distinction here in terms of our cash flow statement and the presentation, is that we have netted off the money received from the client to fund this

CAPEX. So, that's why there's a difference of $152 million in the cash flow statement and $42 million in our presentation.

Tarsiat Fingush: Thank you, that's very useful. Second question, on your liquidity availabilities, your revolver, you don't have it available because of covenant issues at the banks. Can you talk about that?

Jay Daga: That's correct. We can draw down on the RCF to an extent of any capability, or any headroom or covenant. As you could see that we have only 7% headroom in our net debt to EBIDTA, and also we have limited headroom in the net worth. So if you put everything together, then at the current levels we can only draw down $8 million from our RCF, but after our covenant reset, it will release more headroom for draw down on the RCF.

Tarsiat Fingush: Then you expect to conclude these discussions very soon, yeah?

Jay Daga: In a very efficient manner, yes.

Tarsiat Fingush: Would you be making a public statement or release when you do that with the banks? Or would that –?

Jay Daga: It would be part of our quarterly call.

Tarsiat Fingush: So we only get to know the next quarter? –

René Kofod-Olsen: We will consider that. I just want to add to my colleague's explanation that we are staying very close to our financial ecosystem, whether it be our bond holders or banks. They are following us very, very closely and very positively and so the conversations that Jay refers to, is basically concluded, and I can only say that it had been very, very positive and constructive. This is loan money. They have been with the company for many, many years and we don't expect any further issues with that.

I think to your first question, it's quite important to add that the Tengiz project is basically pre-funded, 17 ships that we will earn way before this borrowing, this secured lending is getting out, is only combat ships. They have an asset value today of about $320 million, so there will be a significant amount of headroom in the balance sheet post the Tengiz project, both in terms of the refinance of the bond that we expect to do in the future, but certainly also the overall lending. So that's very positive.

Tarsiat Fingush: One last question I have, in terms of cash CAPEX expected this year, can you give us some guidance as to how much should we expect [inaudible]?

Jay Daga: As you know, we have two kinds of CAPEX, one is the maintenance CAPEX and the other is the CAPEX for new assets. The maintenance CAPEX has typically been within the range from $20-25 million for the whole year and we expect to remain within our limits on the maintenance CAPEX. In respect of the new CAPEX, as René said, we're in discussions with the yard, it's the same yard which is building the Tengiz vessels so we have very strong tie-up with them. And we may have to offer them some cash for preservation of those assets, but nothing material to impact our cash flows.

Tarsiat Fingush: We should expect the cash CAPEX this year to be around $20 million or $30 million, in that ballpark?

John Shane: In that range, yeah.

Tarsiat Fingush: Thank you, I have no more questions, thank you very much.

Jay Daga: Thank you.

Operator: Our next question is from Lenka Robbins from Nomura. Please go ahead, your line is open.

Lenka Robbins: Hi guys, I think all my questions were answered actually. I wanted to ask exactly the same question about the CAPEX, and how that feeds into your financial statement, as well as the repayables, which swelled in 2016 to $140 million. But I guess that you are netting it off. It all relates to

Tengiz and that's why I can of then understand how it then feeds through your cash flow statement. Thank you.

Jay Daga: Thank you.

Operator: We'll take our next question from Kia Williams from Emirates NBD, please go ahead, your line is open.

Kia Williams: Thank you for the conference call, gentlemen. If I could just ask a couple of questions around the TCO contract. Could you give us the exact amount, or the amount in EBIDTA that will feed through or will be reflected with regards to this project in 2017 and 2018? Also, when did the ships begin to be reflected in assets, given that the CAPEX payment has already been made of $108 million for this year, or for last year?

Jay Daga: There will not be any EBITDA in 2017 because these ships go on charter from 2018 onwards. Then in respect of the asset, as you can imagine, they are 17 vessels. They get delivered in a staggered manner. The asset will start coming online from the early part of 2018 and then they will get delivered over every few couple of weeks. There would be one or two assets being coming online. So you will see that capitalisation of these assets in our balance sheet during 2018.

In respect of EBIDTA numbers, the total project value is in the range of $600 million estimated, and the expecting EBITDA number, which is approximately $100 million a year. So therefore, depending upon the calendar month on which these assets come online, we would see pro–rata EBITDA numbers reflecting from 2018 onwards. The project duration is three years, so 1,095 days, so in its current form it is expected to run until 2021. But at the same time, if there is any delay from the client's side for delivery of the cargo, then naturally it will spill over to meet the client's requirement for. That helps us in a way that our charter party would start from the time that the vessels are offered, after providing necessary allowance for them to accept it. But thereafter, if the project gets delayed, then we would run into the option period and that option period might give us additional

revenue. But we're not quantifying that extra amount beyond 2021 in our project plan.

Kia Williams: Okay. And then could you please just go through the difference in the cash flow statement in your financials and on the press release? I'm sorry, I didn't quite catch that.

Jay Daga: Are you talking about the CAPEX?

Kia Williams: Yes, exactly. And after you've explained that as well, could you also just also clarify the amount of the CAPEX? I know it's [inaudible] through the cash statement, but the total amounts of cash flow or the CAPEX that would be for this TCO project.

Jay Daga: Okay, give me a minute, I'm just looking at my notes.

Kia Williams: Sure.

Jay Daga: So the total amount of CAPEX on TCO project, as at 31st December 2016, is $108 million, and it is fully funded by the client's pre-mobilisation advance.

Kia Williams: Yeah, we understand that. Sorry, if I could just check, I know that you went through this earlier in the call, but on the press release of the results, the cash use and investing activity for the full year is only $42.6 million, whereas the cash flow in the financials is $152 million. Could you just explain what eliminations are made in the press release?

Jay Daga: I think, Kia, I repeated the same thing. We have received $112 million from the client and that has been paid to the shipyard to construct the ships. So that's the difference between the two data points.

Kia Williams: Okay then, thank you.

Jay Daga: Thank you very much. In case you want more clarification, please feel free to call me and I would be able to run through it in more granularity.

Kia Williams: Okay then, thank you very much.

Jay Daga: Thank you.

Operator: We will take our next question from Sergio Calci from JP Morgan. Please go ahead, your line is open.

Zafer Nazim: Yeah, thanks. I was wondering if you can talk a little bit about your plans for the 2018 bonds, if you would consider doing something earlier, that is in 2017, instead of waiting for the next year to tackle the bond maturity?

René Kofod-Olsen: Yeah, we're always evaluating our options with our key to our financial partners. And as I mentioned earlier on the call, we like to run the company conservatively. We like to be ahead of the game without being arrogant about it. And so therefore we had started this covenant discussion with our long-term secured lenders actually a while ago, and that is why we are concluding them now positively, I'm sure. Then we will evaluate this with our strong partners as well. The indication right now is that you should expect that. I'm not going to give you necessarily a timeline because it has to be planned. That is where we are right now. We do not like to move things into a situation where they become a challenge or, in your language, a current liability. It is something that we're very aware of and as you would expect from us, we're making all necessary plans to ensure that we can pull the trigger when we feel it's the right time. Those plans have already been engaged a while ago so that the preparedness for Topaz to do that is already there.

Zafer Nazim: Thank you.

Operator: As a reminder, please press star one to ask a question. We will take our next question from Sameer Katti from EFG Hermes. Please go ahead, your line is open.

Sameer Katti: Thank you, gentlemen, for this call. I have a question to Jay specifically. Jay, I just want to understand more on the TCO contract. What I understand is that you have $550 million worth of contract and out of that,

you have to spend $350-400 million for the CAPEX for those vessels. So the actual cash flow will be $150m, right, over three years?

Jay Daga: The CAPEX is not $350 million, the CAPEX is $320 million, so yes, we would receive that money as pre-mobilisation advance and that would be used up to construct the ships. And thereafter we would get the difference between the day rate and the amortisation of this $320 million per vessel per day. Out of that cash proceeds, we would have some of the OPEX to run the ship. We will recover a certain amount of money for our standing overhead and corporate overhead and it will give us sufficient cash returns throughout this period. At the end of the contract, naturally, the ship is free from any encumbrance or mortgage or advances, so that could be free for us to use.

Sameer Katti: Yeah, okay. So it will be like $225 million cash flow will be happening, right, apart from the $320 million?

Jay Daga: That's correct. In fact, it could be more, but at this point in time it could be up to $225 million cash over the contract period of three years.

Sameer Katti: Okay, thank you. And you mentioned the negotiation with the lenders. Does it mean that it will increase your interest cost?

Jay Daga: No.

Sameer Katti: Okay.

René Kofod-Olsen: We do not expect any main changes.

Sameer Katti: Okay, perfect. One more question on that. Is the negotiations still happening on that senior notes worth $350 million which are maturing next year?

Jay Daga: I think Sameer, that's what René explained to Zafer just a few minutes ago, that we plan things, and we want to be prepared, and that we are in discussions with our advisers. At an appropriate time, the company will decide what is best for the company in respect of the $350 million senior secured notes.

Sameer Katti: I'm sorry, I think I missed that –

René Kofod-Olsen: I think, no, that's okay, it's okay. One of the very, very key aspects of finding the right time is that this Tengiz project that we've all spoken a lot about on this call and before, is really a game changer, also from an industry perspective. This is a transformational project for Topaz, not only from a direct revenue-generating business, but also from a client perspective. As I've mentioned, we've been globally approved by Chevron and Exxon, so they will have a huge appetite. We feel and our partners [inaudible] in the bond market. What has also happened is that TCO, the operating company, has taken out a bond of a similar [inaudible] nature. So we feel that it is only natural that, based on this project, we will also go and refinance, at the right time, our bond. And so we expect actually that this would be a very positive refinancing for Topaz, based on what we have achieved so far.

Sumiya Casey: Okay, thanks a lot guys.

Operator: Again, press star one to ask a question. There are no questions at the moment.

Jay Daga: Alright, René, are you going to conclude?

René Kofod-Olsen: Okay, but then I thank everybody for having called in. As you know, and as also mentioned, we are always open to have one-on-ones with you, and should you want to have anything clarified, please do call us. Otherwise, we look forward to the next call and perhaps meeting you all on the road for the refinancing. Thank you so much for today.

Operator: That will conclude today's conference call, thank you for your participation. Ladies and gentlemen, you may now disconnect.