



FINANCIAL RESULTS

FOR THE PERIOD ENDED 31 MARCH 2017

24th May, 2017

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HOW WE WILL DEAL WITH A TOUGH MARKET ENVIRONMENT IN 2017

DISCIPLINED EXECUTION OF OUR STRATEGY IN CHALLENGING TIMES

Ensuring Long-term Revenue Visibility

- ✦ Proactively pursuing and securing new contracts with existing and new clients.
- ✦ Doubled contract backlog since Q1 2016 to US\$1.5bn as of March 2017.
- ✦ Approved global vendor status from BP, Chevron, Exxon and Saipem shows promise for further contract wins.
- ✦ Restructured the organisation for client-focused, cost effective execution in a challenging environment.

Operational Excellence and Cost Control

- ✦ A closely monitored cost optimization program which will deliver further efficiencies in 2017.
- ✦ Driving focus on renegotiations with vendors bringing 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

- ✦ Gained approvals for amending Financial Covenants under senior secured financing to enhance short/mid term liquidity. Tengiz project will significantly improve credit parameters in 2018.
- ✦ Continued relentless focus on cash flow and liquidity. Capital expenditure rationalized by limiting to maintenance capex while deferring new vessel capex to subsequent years.
- ✦ Overall, stable levels of liquidity being maintained with headroom capacity for 2017.

Q1 2017 PERFORMANCE

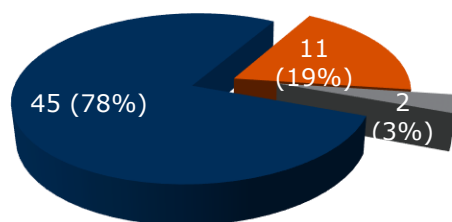
CONTINUED CHALLENGES IN THE INDUSTRY IMPACTING PERFORMANCE

US\$ Millions	Q1 2017	Q1 2016	Variance
Revenue	58	78	-25.1%
EBITDA	31	40	-21.4%
EBITDA margin	53%	51%	+2.5ppt
Cash flow from operations	18	44	-59.1%
Consolidated interest expense	14	15	-6.7%
- Bank	12	13	-7.7%
- Shareholder	2	2	0.0%

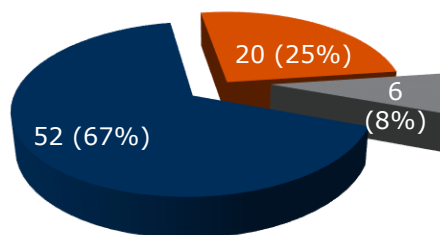
Key Highlights

- ✦ Decline in revenue and EBITDA as supply continued to outstrip demand due to a continued low E&P capital spending.
- ✦ Some recovery in tendering activity seen in Q1 albeit utilization & rates remained low.
- ✦ Continued cost control has been instrumental in maintaining strong EBITDA margin above 50% in spite of challenging conditions.

Revenue Q1 2017



Revenue Q1 2016



■ Caspian ■ Mena ■ Africa

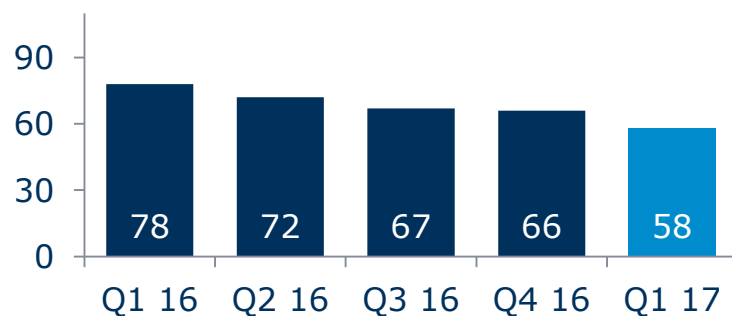
QUARTERLY TREND DATA

INCREASED EBITDA MARGIN OVER THE PERIOD

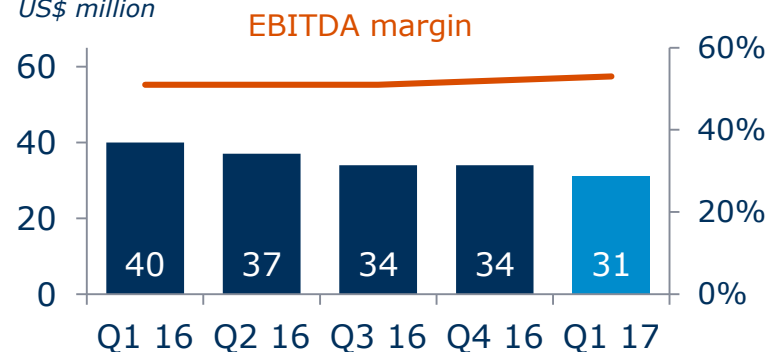
In US\$ millions

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q1 17 vs Q1 16
Revenue	78	72	67	66	58	-25.1%
EBITDA	40	37	34	34	31	-21.4%
EBITDA margin	51%	51%	51%	52%	53%	+2.5ppt
PAT <i>(before impairment)</i>	2	-1	-5	2	-3	-250.0%
PAT margin <i>(before impairment)</i>	3%	-1%	-7%	3%	-5%	-8ppt
PAT <i>(after impairment)</i>	2	-1	-5	-98	-3	-250.0%
PAT margin <i>(after impairment)</i>	3%	-1%	-7%	-148%	-5%	-8ppt

REVENUE

US\$ million


EBITDA

US\$ million


Q1'17 BUSINESS PERFORMANCE

UTILIZATION IMPACTED BY MARKET SITUATION

Selected KPIs	Q1 2017	Q1 2016	Variance
Utilization of core fleet	58%	75%	-17%
<i>Caspian</i>	66%	81%	-15%
<i>Caspian-Azerbaijan</i>	88%	95%	-7%
<i>Caspian - Others</i>	36%	61%	-25%
<i>MENA</i>	50%	71%	-21%
<i>Africa</i>	33%	44%	-11%
<i>Subsea</i>	45%	86%	-41%
Average day rate, core fleet	\$14,346	\$ 15,339	-6.5%
Contract backlog	US\$1.5bn	US\$0.7bn	+0.8bn
No. of vessels*	97	97	-
Average vessel age	9.2	8.2	+1

Key Highlights

- ✦ Azerbaijan utilization remains high due to long-term contract coverage and continued strong operational performance.
- ✦ Other Caspian utilization impacted by off-hire of barges post project completion.
- ✦ Lower market activity in MENA has resulted in reduced utilization.
- ✦ Africa market conditions and consequent low demand have significantly impacted utilization.
- ✦ Average core fleet charter rates declined by only 6.5% amidst challenging industry conditions.

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

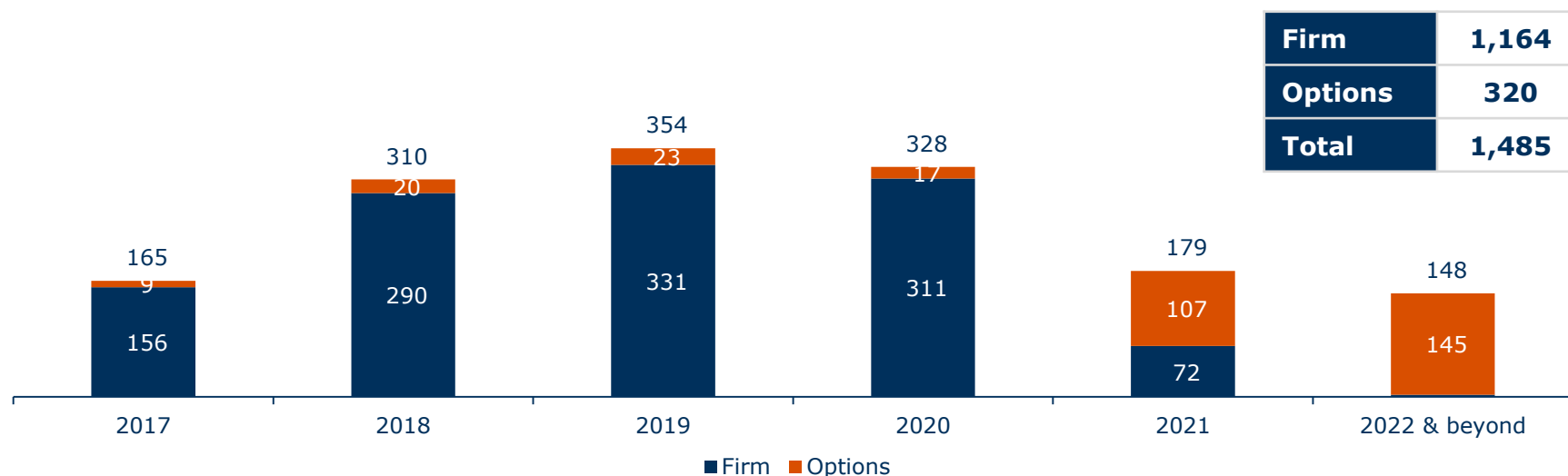
* Vessels laid up in Turkey (2) are not considered for computation of utilization.

* Out of 97 vessels, 2 PSVs are laid up in Turkey, 7 in MENA and 1 in North America.

CONTRACT BACKLOG

ROBUST CONTRACT COVER

Contract backlog as of 31 March 2017



Firm	1,164
Options	320
Total	1,485

Key Highlights

- ✦ Contract backlog of US\$1.5 billion – a testament to our client engagement and track record.
- ✦ Major contracts included in the backlog are Tengiz (TCO) contract worth in excess of US\$550m commencing 2018 and on-going long-term BP contract for 14 vessels.
- ✦ Executing strategy of expanded presence along our clients' value chain.
- ✦ Increased tendering activity is reflective of improved confidence amongst IOCs/NOCs

CAPITAL STRUCTURE

SERVICING DEBT AND COMMITMENTS AS PER PLAN

US\$ millions	Mar'17	Mar'16	Variance
Cash and Cash Equivalents	57	75	-24%
Total External Debt	638	665	-4%
Shareholder Loans	79	103	-23%
Gross Leverage ¹	5.3x	4.4x	+21%
Net Leverage ²	4.8x	4.0x	+20%

Key Highlights

- Despite the current market conditions, we continue to meet debt obligations and reduce debt as per plan.
- Supportive lenders who remain committed to the long-term success of the company.
- Ample liquidity to service debt obligations.

¹ Total debt / LTM EBITDA

² Total debt – cash / LTM EBITDA

COVENANTS

FULLY COMPLIANT WITH COVENANTS

Financial Covenant	Threshold	Q1'17 Actual	Headroom
Net Interest Bearing External Debt to EBITDA	< 4.50x	4.26x	5%
Tangible Net Worth*	> \$400M	\$423M	6%
Free liquidity	> \$30M	\$57M	91%
EBITDA to DSCR	> 1.20x	1.54x	28%

Key Highlights

- ✦ Gained approvals for amending Financial Covenants under senior secured financing to enhance short/mid term liquidity.
- ✦ Protecting liquidity through cost focus, CAPEX deferral, aggressive working capital management etc.
- ✦ Tengiz project will significantly improve credit parameters in 2018.

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

COVENANTS

REVISED COVENANT LEVELS WILL INCREASE FLEXIBILITY

Financial Covenant	Current Threshold	Revised Threshold	Indicative headroom on revised threshold
Net Interest Bearing External Debt to EBITDA	< 4.50x	< 5.25x	19%
Tangible Net Worth*	> \$400M	> \$300M	41%
Free liquidity	> \$30M	> \$30M	352%
EBITDA to DSCR	> 1.20x	> 1.20x	28%



LIQUIDITY POSITION

LIQUIDITY WILL MEET REQUIREMENTS

US\$ Millions	Limit	Drawn	Available	Tenor
RCF (committed lines)	100	-	- ¹	Expires April 2020
Cash & Bank Balances	-	-	57	As on 31 st March 2017
Total Liquidity	100	-	57	



1 – Ability to draw on RCF will increase going forward due to revised covenants.

SAFETY

SOUND HSE RECORD

Measure	Industry Benchmark*	Q1 2017 Performance	FY 2016 Performance
Fatal Accident Rate	2.66	ZERO	ZERO
Lost Time Incident (LTI) Frequency	0.38	0.00	0.20
Total Recordable Injury Rate (TRIR)	1.59	0.00	0.80
Environmental Incident Frequency (ENVf)	1.17	1.88	Zero
Safety Observation Frequency Rate (SOFR)	314	856	1,012
Management Visit Ratio (MVR)	5.79	18.07	34.94

Key Highlights

- ✦ Continuous improvement in key safety statistics.
- ✦ Management driving programme of frequent visits to vessels.
- ✦ Overall reporting and awareness have improved, indicating a maturing safety culture.