



1st Quarter 2009

EOC LIMITED

Unaudited Consolidated
Financial Information

1. Introduction

EOC Limited (“EOC” or the “Company”) was incorporated in the Republic of Singapore on 7th February 2007 with the objective of being a contractor for construction and production services in the offshore oil and gas industry. In particular, in the areas relating to heavy lift accommodation vessels, pipe laying, transport and installation and floating production storage and offloading vessels (“FPSOs”).

2. Company Profile

EOC is the leading owner and operator of FPSOs and offshore construction services contractor based in Asia. We add value throughout the life cycle of oil and gas production, from exploration, through facility development, production, operations, maintenance and abandonment. We operate in Middle East, Malaysia, India, Australia, Thailand and the Philippines with 4 focused business segments, namely:

- Floating production storage and offloading systems;
- Pipe lay, heavy lift, transportation and installation;
- Accommodation barges and marine support services; and
- Engineering and project management of turret mooring systems, heavy lift, transport and installation.

This unique integration of engineering, offshore construction, operation of FPSOs and marine support vessels differentiates EOC from its competitors. By offering synergies and cost savings through the life of the field development, EOC will be able to competitively position itself as an integrated solutions provider for the offshore energy sector.

3. Information on Financial Performance and Condition

Profit and loss

The discussions below refer to the 3 months period ended 30th November 2008 ("1Q FY2009") and the corresponding figures for 30th November 2007 ("1Q FY2008") for the Group's consolidated financial information.

Revenue

Revenue of the Group for 1Q FY2009 was USD19.5 million, representing a decrease of USD7.7 million from USD27.2 million in 1Q FY2008. Overall, the Group's assets achieved a high level of utilisation during the period from chartering activity, this decrease was a result of the absence of the revenue earned from the construction projects undertaken by Lewek Champion in 1Q FY2008 of USD2.8 million and the absence of charter income earned from third party vessels of USD2.6 million, which were bareboat chartered to the Group for onward charter previously. In addition, a moderately lower charter rate from our existing vessels as compared to last year due to a change in operating region has resulted in a decrease in revenue for 1Q FY2009.

Gross profit

The gross profit for the Group for 1Q FY2009 was USD11.5 million, a reduction of USD2.7 million from USD14.2 million in 1Q FY2008. This was in line with the decrease in revenue of the Group. Gross margin of the Group, however, has improved from 52.4% in 1Q FY2008 to 58.9% in 1Q FY2009. The increase in gross margin was mainly due to higher margin earned from the chartering contracts in 1Q FY2009.

Other operating income / expense, net

Other operating expense (net) changed from USD109,000 in 1Q FY2008 to other operating income (net) of USD119,000 in 1Q FY2009. This change was mainly due to the foreign exchange gain of USD139,000 as a result of the appreciation of USD against SGD for the current quarter.

Administrative expenses

Administrative expenses increased from USD1.7 million in 1Q FY2008 to USD3.4 million in 1Q FY2009. The increase in administrative expenses was mainly due to the expansion of the Group's operations, as well as an increase in the headcount for the Group to support the expansion of the Group's asset base and level of activities. Staff related costs amounted to approximately USD1.6 million in 1Q FY2009, an increase of USD1.0 million compared to 1Q FY2008.

Financial income

Finance income mainly relates to interest income derived from cash placed in banks and fixed deposit accounts and late payment interest from the customers. There were no significant changes in financial income between the 1Q FY2008 and 1Q FY2009.

Financial expense

The decrease in financial expenses from USD2.7 million in 1Q FY2008 to USD1.8 million in 1Q FY2009 was mainly due to lower average effective interest rate in 1Q FY2009. Interest on term loans is largely based on London Inter-Bank Offer Rate ("LIBOR"), which was much lower in 1Q FY2009 as compared to 1Q FY2008.

Financial expenses associated with the loans borrowed for the construction or production of vessels were capitalised as vessel under construction.

Tax expense

Tax expense in 1Q FY2009 pertained to the amount expected to be paid to the respective taxation authorities. The Group has exposure to income taxes in numerous jurisdictions. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting periods.

Balance sheet

The discussions below refer to the financial condition of the Group as at 30th November 2008 and 31st August 2008.

Total assets

Total assets for the Group as at 30th November 2008 and 31st August 2008 amounted to USD451.7million and USD439.9 million respectively. The increase in total assets was mainly due to the additions to property, plant and equipment in 1Q FY2009. In addition, other receivables and prepayments increased by USD9.9 million, from USD1.6 million as at 31st August 2008 to USD11.5 million as at 30th November 2008. The increase was mainly due to the advance payments made for the purchase of equipments and services. The increase in total assets was partially offset by the reduction in trade receivables, inventories, amount due from related parties, derivative financial instruments, fixed deposits and cash and bank balances.

4. Consolidated profit and loss for the Group (in USD thousands)

	3 months ended 30 th November 2008	3 months ended 30 th November 2007	% Increase/ (Decrease)
Revenue	19,477	27,155	(28.3%)
Cost of sales	(8,009)	(12,914)	(38.0%)
Gross profit	11,468	14,241	(19.5%)
Other operating income/(expense), net	119	(109)	(209.2%)
Administrative expenses	(3,410)	(1,677)	103.3%
Profit from operations	8,177	12,455	(34.3%)
Financial income	131	117	12.0%
Financial expenses	(1,797)	(2,706)	(33.6%)
Profit before income tax	6,511	9,866	(34.0%)
Tax expense	(411)	(1,633)	(74.8%)
Profit for the financial period	6,100	8,233	(25.9%)
Earnings per share (cents)			
Basic and Diluted	5.50	7.42	

Notes:

Profit for the period is arrived at after charging / (crediting) the following:

	3 months ended 30 th November 2008	3 months ended 30 th November 2007	% Increase/ (Decrease)
Interest income	(131)	(117)	12.0%
Finance charges	1,797	2,706	(33.6%)
Foreign currency exchange (gain)/ loss	(139)	110	(226.4%)
Depreciation	1,914	1,760	8.8%

n.m – Not meaningful

5. Consolidated Balance Sheet for the Group (in USD thousands)

	As at 30 th November 2008	As at 31 st August 2008	% Increase / (Decrease)
Non-current asset			
Property, plant and equipment	392,770	369,188	6.4%
Current assets			
Trade receivables	21,639	27,085	(20.1%)
Other receivables and prepayments	11,500	1,590	623.3%
Inventories – bunker stock	1,360	1,739	(21.8%)
Amounts due from related parties (trade)	3,139	4,937	(36.4%)
Amounts due from related parties (non-trade)	9,774	11,115	(12.1%)
Derivative financial instruments	15	56	(73.2%)
Fixed deposits	1,000	7,120	(86.0%)
Cash and bank balances	10,496	17,047	(38.4%)
Total current assets	58,923	70,689	(16.6%)
Total assets	451,693	439,877	2.7%
Current liabilities			
Trade payables	8,775	13,380	(34.4%)
Other payables and accruals	14,629	22,057	(33.7%)
Premium payable	131	138	(5.1%)
Amounts due to related parties (non-trade)	1,369	38	3,502.6%
Bank term loans	22,223	16,723	32.9%
Derivative financial instruments	1,091	190	474.2%
Deferred income	2,578	500	415.6%
Provision for taxation	2,514	2,411	4.3%
Total current liabilities	53,310	55,437	(3.8%)
Non-current liabilities			
Premium payable	192	228	(15.8%)
Bank term loans	249,745	240,947	3.7%
Amounts due to a related party (non-trade)	32,800	32,800	-
Total non-current liabilities	282,737	273,975	3.2%
Equity attributable to equity holders			
Share capital	94,578	94,578	-
Hedging deficit	(928)	(9)	10,211.1%
Restructuring deficit	(31,191)	(31,191)	-
Accumulated profits	53,187	47,087	13.0%
Total equity	115,646	110,465	4.7%
Total liabilities and equity	451,693	439,877	2.7%

n.m – Not meaningful

6. Statement of Changes in Equity

(i) *Statement of changes in equity for the 1st quarter ended 30th November 2008 (in USD thousands)*

	Share capital	Hedging deficit	Restructuring deficit	Accumulated profits	Total equity
At 31 August 2008	94,578	(9)	(31,191)	47,087	110,465
Net change in hedging reserve	-	(919)	-	-	(919)
Net profit for the period	-	-	-	6,100	6,100
At 30 November 2008	94,578	(928)	(31,191)	53,187	115,646

(ii) *Statement of changes in equity for the 1st quarter ended 30th November 2007 (in USD thousands)*

	Share capital	Hedging reserve	Restructuring deficit	Accumulated profits	Total equity
At 31 August 2007	94,578	122	(31,191)	24,062	87,571
Net change in hedging reserve	-	(88)	-	-	(88)
Net profit for the period	-	-	-	8,233	8,233
At 30 November 2008	94,578	34	(31,191)	32,295	95,716

7. Consolidated Cash Flow Statements (in USD thousands)

	3 months ended	
	30 th November 2008	30 th November 2007
Net cash flow from operating activities	8,496	3,298
Net cash flow used in investing activities	(35,422)	(29,034)
Net cash flow from financing activities	22,917	41,691
Net (decrease) increase in cash and cash equivalents	(4,009)	15,955
Cash and cash equivalents at beginning of financial period	13,212	15,130
Cash and cash equivalents at end of financial period	9,203	31,085

Note 1:

Breakdown of cash and cash equivalents as follows:

	3 months ended	
	30 th November 2008	30 th November 2007
Fixed deposits	1,000	9,916
Cash and bank balances #	8,203	21,169
Cash and cash equivalents	9,203	31,085

Bank balances amounting to USD2,293,000 (1Q FY2008: USD6,427,000) have been charged or pledged as security to the banks for credit facility granted.

8. Segment Information

Revenue, segment assets and capital expenditure in geographical segments are presented below:

Revenue (in USD thousands) – Note 1

	3 months ended 30 th November 2008	3 months ended 30 th November 2007	% Increase
Singapore	2,769	2,345	18.1%
South East Asia (Note 2)	16,708	10,825	54.3%
Australia	-	13,985	(100%)
British Virgin Islands	-	-	n.m.
Total	19,477	27,155	

Segment assets (in USD thousands) – Note 3

	As at 30 th November 2008	As at 31 st August 2008	% Increase/ (Decrease)
Singapore	406,219	378,389	7.4%
South East Asia (Note 2)	-	-	n.m
Australia	-	-	n.m
British Virgin Islands	21,065	21,269	(1.0%)
Unallocated	24,409	40,219	(39.3%)
Total	451,693	439,877	

Capital expenditure (in USD thousands) – Note 3

	3 months ended 30 th November 2008	3 months ended 30 th November 2007	% (Decrease)
Singapore	35,422	29,034	22.0%
South East Asia (Note 2)	-	-	n.m
Australia	-	-	n.m
British Virgin Islands	-	-	n.m
Total	35,422	29,034	

Notes:

- 1) Revenue is based on the location of customers
- 2) South East Asia includes Brunei, Malaysia, Thailand and Philippines but excludes Singapore
- 3) Assets and capital expenditure are based on the location of the companies that own those assets

n.m – Not meaningful

9. Contingent Liability

One of our customers is claiming against the Group a sum of approximately USD6.5 million. Based on legal and technical advice received and information presently available, the Group is of the opinion that it has reasonable grounds to resist these claims successfully.

10. Selected Notes to the Accounts

(i) Basis of preparation

The consolidated financial information of the Group has been prepared in accordance with International Financial Reporting Standards ("IFRS").

The accounting principles used are in accordance with principles used in the last annual report. The consolidated financial information should be read in conjunction with the Group's FY2008 annual financial statements, which include a full description of the Group's accounting policies.

The consolidated financial information has been prepared on a historical cost basis, except for certain financial assets and financial liabilities which are stated at fair value.

(ii) Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the consolidated financial information. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) *Estimated useful lives of vessels*

Vessels are depreciated on a straight-line basis over their estimated useful lives. The estimated useful life reflects the management's estimate of the periods that the Group intends to derive future economic benefits from the use of vessels. Changes in the business plans and strategies, expected level of usage and future technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) *Income taxes*

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) Functional and foreign currency

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial information is presented in United State dollars, which is the Group's functional and presentation currency.

(b) *Foreign currency transactions and balances*

Transactions in a currency other than the respective functional currencies ("foreign currency") of the Company and its subsidiaries are recorded on initial recognition in the functional currencies at foreign exchange rates approximating those ruling at the dates of the transactions. Foreign currency monetary items are translated into the functional currency using foreign exchange rate ruling at the balance sheet date. Non-monetary assets and liabilities measured at historical cost in foreign currencies are translated into the functional currency using foreign exchange rates at the dates of the transactions. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated into the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the profit and loss account except for exchange differences arising on monetary items that form part of the Group's net investment in foreign subsidiaries, which are recognised initially in a separate component of equity as foreign currency translation reserve in the consolidated balance sheet and recognised in the consolidated profit and loss account on disposal of the subsidiary.

(iv) Principles of consolidation

The consolidated financial information comprises the financial information of the Company and its subsidiaries as at the balance sheet date. The financial information of the subsidiaries is prepared for the same reporting date as the parent company.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets, are eliminated in full on consolidation.

The consolidated financial information is prepared using uniform accounting policies for like transactions and other events of similar circumstances.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The consolidated financial information is prepared using the “pooling of interest” method of accounting pursuant to the Restructuring Exercise in April 2007.

11. Key Financial Figures

	Notes	3 months ended 30 th November 2008	3 months ended 30 th November 2007
EBITDA (in USD thousands)		10,091	14,215
EBIT (in USD thousands)		8,177	12,455
Net interest bearing debt (in USD thousands)	A	295,888	171,637
Net tangible assets (in USD thousands)		115,646	95,716
Earnings per share			
– Basic and Diluted (in USD cents)	B	5.50	7.42
Weighted average number of shares ('000)		110,955	110,955
Interest cover ratio	C	6.06	5.25
Debt Equity ratio	D	2.64	2.12
Current ratio	E	1.11	1.41
Return on equity	F	5.40%	8.98%

Notes:

- A. Interest bearing debts – cash and cash equivalents
- B. Net profit / Weighted average number of shares
- C. EBITDA / Net interest expenses
- D. Interest bearing debts / Equity
- E. Current assets/ Current liabilities
- F. Net profit / Average book equity