



EOC LIMITED

1st Quarter FY2010

**Unaudited Consolidated
Financial Information**

1. Introduction

EOC Limited (“EOC”) or (“the Group”), incorporated in February 2007, is a spin-off from Ezra Holdings Limited (“Ezra” or “Ezra Group”), a leading Singapore based deepwater offshore support vessel operator and engineering & fabrication services provider . EOC, 48.6% owned by Ezra, is headquartered in Singapore and has a healthy string of long term contracts with multinationals, national oil companies and independent operators. Currently, the Group is the owner of three construction and accommodation units (including one with heavy lift and pipe laying capability), and one floating production storage and offloading vessel (“FPSO”).

2. Company Profile

EOC is the leading owner and operator of FPSOs and offshore construction services and installation services contractor based in Asia. We add value throughout the life cycle of oil and gas production, from exploration, to facility development, production, operations, maintenance and abandonment. We operate in Australia, Brunei, Indonesia, Malaysia, Middle East, Philippines and Thailand in 2 focused business segments, namely:

- Construction
- Production

The Construction segment will involve

- Pipe lay, heavy lift, transportation and installation;
- Offshore accommodation services and marine support services; and
- Engineering and project management of turret mooring systems, heavy lift, transport and installation.

The Production segment will involve the provision of floating production storage and offloading systems.

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 is able to competitively position itself as an integrated solutions provider for the offshore energy sector.

3. Strategy

As a young company, we focus on establishing a strong foundation based on core fundamentals and capabilities, from which we can build on for our growth for years to come.

Our main business strategy for the construction and accommodation division is to secure long-term high visibility contracts for our vessels. Through planning, risk-management, and market positioning, we are able to capitalise on the attractive contracts of the construction market.

For the production division, our business strategy of targeting independent and national oil majors and positioning for potential strategic alliances with local companies has proven to be very effective. Through our alliances with various international parties, we have received strong interest to provide floating production solutions within South-East Asia. A stable and strong growth in this business division is expected in the medium term.

4. Outlook

Construction Division

Global demand for offshore marine support services is expected to be robust, due to the firming of oil prices, increase in planned capital expenditure in exploration and production by most oil majors and national oil companies, as well as the definite requirements of maintenance of offshore facilities. The operators providing such services will however, continue to be challenged in maintaining margins and offering solutions within delivery schedules.

Having built a solid performance, delivery and safety record from the operations of our accommodation barges, we continue to expect significant interest in our assets from existing and new major independent and national oil companies in 2010. The contract coverage based on current contracts awarded and current negotiations is expected to lead to a healthy level of utilisation for our barges.

The Group's business strategy of acquiring long term contracts for our assets has allowed us to ride through turbulent periods in 2009 relatively unscathed. The good visibility of cash flows from these jobs will enable the Group to build up its cash reserves to fund future expansion plans. With funding from traditional sources such as banks being adversely affected by recent macroeconomic events, a ready reserve of cash seems more critical than ever, especially for a Group like EOC, where we are in the beginning stages of growth.

Production Division

The medium to long term demand for FPSOs is expected to remain strong despite a short term decrease in contracts awarded for 2009. It is expected that the annual FPSO expenditure in terms of newbuilds and conversions will rise to US\$10 billion in 2013 compared to US\$5 billion in 2009. The increase in expenditure will be mainly due to the discovery of vast new oil fields in Brazil.

The growth over the near term will likely be muted as tight credit markets will lead to a lack of accessible funding which is vital for operators and owners seeking opportunities in this segment. As it is, there have been cases of operators cancelling or delaying projects.

Despite the above, the Production Division has propelled forward with the award of its largest contract, worth up to US\$1 billion with all options exercised, for the provision of an FPSO in Vietnam. First production is scheduled for mid-2011. The addition of the second FPSO unit attests to the Group's ability in rising to meet the challenges faced by the industry.

In spite of the current shortage of the appropriate operating expertise affecting the industry, we have put in place a project management team which has the fitting experience and the necessary skills for the conversion and operations management phases. The Vietnamese project will greatly enhance our continued pursuit to be a leading global FPSO operator.

5. Information on Financial Performance and Condition

Consolidated Statement of Comprehensive Income

The discussions below refer to the 3 months period ended 30th November 2009 (“1Q FY2010”) and the corresponding figures for 30th November 2008 (“1Q FY2009”) for the Group’s consolidated financial information.

Revenue

Revenue for 1Q FY2010 was USD27.4 million, an increase of 40.8% or USD7.9 million from USD19.5 million in 1Q FY2009. The increase was mainly due to the contribution of revenue from *Lewek Arunothai* of approximately USD10.2 million. This increase was offset by the transition of Lewek Chancellor to a new contract, which commenced in the beginning of 2Q FY2010.

Gross profit

Gross profit of the Group increased 32.8% to USD15.2 million in 1Q FY2010, as compared to USD11.5 million in 1Q FY2009. Gross margins dropped slightly from 58.9% in 1Q FY2009 to 55.5% in 1Q FY2010.

Other operating (expense)/income, net

Other operating income (net) changed from USD119,000 in 1Q FY2009 to other operating expense (net) of USD983,000 in 1Q FY2010. The change was mainly due to exchange loss resulting from the depreciation of USD against other currencies used for operation and marked to market fair value loss on interest hedging instruments associated with loans taken against the Group’s assets.

Administrative expenses

Administrative expenses decreased from USD3.4 million in 1Q FY2009 to USD2.5 million in 1Q FY2010. The change is mainly due to better management of overhead expenses.

Financial income

Financial income for 1Q FY2010 mainly relates to interest income derived from cash and fixed deposit accounts placed with the banks.

Financial expense

Financial expenses largely relate to interest on bank loans. Financial expenses increased from USD1.8 million in 1Q FY2009 to USD1.9 million in 1Q FY2010, mainly due to the commencement of operations of *Lewek Arunothai* in which the interest previously capitalised is now being expensed.

Income tax

Income tax expense pertains to the amount expected to be paid to the respective taxation authorities. The Group has exposure to income taxes in respective 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.

Consolidated Statement of Financial Position

The discussions below refer to the financial position of the Group as at 31st August 2009 and 30th November 2009.

Total assets

Total assets for the Group as at 30th November 2009 and 31st August 2009 amounted to USD615.3 million and USD598.8 million respectively. The increase in total assets was mainly due to additions to other receivables, deposits and prepayments of USD13.8 million for advance payments made for the purchase of equipments and services relating to the Group's new FPSO project in Vietnam.

Cash and bank balances has decreased by USD9.4 million, from USD75.5 million as at 31st August 2009 to USD66.1 million as at 30th November 2009 due to the reasons above.

Trade receivables increased by USD9.3 million, from USD28.8 million as at 31st August 2009 to USD38.1 million as at 30th November 2009, due to the commencement of operations of *Lewek Arunothai*.

6. Consolidated Statement of Comprehensive Income (in USD thousands)

	3 months ended 30 th November 2009	3 months ended 30 th November 2008	% Increase/ (Decrease)
Revenue	27,419	19,477	40.8%
Cost of sales	(12,195)	(8,009)	52.3%
Gross profit	15,224	11,468	32.8%
Other operating (expense)/income (net)	(983)	119	n.m.
Administrative expenses	(2,474)	(3,410)	(27.4%)
Profit from operations	11,767	8,177	43.9%
Financial income	114	131	(13.0%)
Financial expenses	(1,879)	(1,797)	4.6%
Profit before income tax	10,002	6,511	53.6%
Income tax	(99)	(411)	(75.9%)
Profit for the financial period	9,903	6,100	62.3%
Other comprehensive income			
Net loss on cash flow hedges	(333)	(919)	(63.8%)
Total comprehensive income for the financial period	9,570	5,181	84.7%
Earnings per share (US cents)			
Basic and diluted	8.93	5.50	62.3%

Notes:

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

	3 months ended 30 th November 2009	3 months ended 30 th November 2008	% Increase/ (Decrease)
Exchange loss/(gain)	651	(139)	n.m.
Depreciation	4,650	1,914	142.9%
Fair value loss	362	23	1,473.9%

n.m – Not meaningful

7. Consolidated Statement of Financial Position (in USD thousands)

	As at 30 th November 2009	As at 31 st August 2009	% Increase / (Decrease)
ASSETS			
Current assets			
Cash and bank balances	66,076	75,505	(12.5%)
Trade receivables	38,093	28,753	32.5%
Other receivables, deposits and prepayments	39,382	25,559	54.1%
Derivative financial instruments	11	20	(45.0%)
Total current assets	143,562	129,837	10.6%
Non-current assets			
Property, plant and equipment	471,775	468,941	0.6%
Total assets	615,337	598,778	2.8%
LIABILITIES AND EQUITY			
Current liabilities			
Derivative financial instruments	2,502	1,816	37.8%
Bank loans	46,470	48,032	(3.3%)
Trade payables	5,387	6,896	(21.9%)
Other payables and accruals	53,491	46,916	14.0%
Income tax payable	642	642	-
Total current liabilities	108,492	104,302	4.0%
Non-current liabilities			
Bank loans	328,195	330,378	(0.7%)
Other payables and accruals	37,874	32,892	15.1%
Total non-current liabilities	366,069	363,270	0.8%
Capital and reserves			
Share capital	94,578	94,578	-
Hedging reserves	(723)	(390)	85.4%
Restructuring deficit	(31,191)	(31,191)	-
Accumulated profits	78,112	68,209	14.5%
Total equity	140,776	131,206	7.3%
Total liabilities and equity	615,337	598,778	2.8%

8. Consolidated Statement of Changes in Equity

(i) *Statement of changes in equity for the 3 months ended 30th November 2009 (in USD thousands)*

	Share capital	Hedging reserve	Restructuring deficit	Accumulated profits	Total equity
At 31 st August 2009	94,578	(390)	(31,191)	68,209	131,206
Total comprehensive income for the financial period	-	(333)	-	9,903	9,570
At 30 th November 2009	94,578	(723)	(31,191)	78,112	140,776

(ii) *Statement of changes in equity for the 3 months ended 30th November 2008 (in USD thousands)*

	Share capital	Hedging reserve	Restructuring deficit	Accumulated profits	Total equity
At 31 st August 2008	94,578	(9)	(31,191)	47,087	110,465
Total comprehensive income for the financial period	-	(919)	-	6,100	5,181
At 30 th November 2008	94,578	(928)	(31,191)	53,187	115,646

9. Consolidated Statement of Cash Flows (in USD thousands)

	3 months ended	
	30 th November 2009	30 th November 2008
Net cash flow from operating activities	14,883	2,487
Net cash flow used in investing activities	(35,566)	(29,456)
Net cash flow from financing activities	11,105	22,960
Net decrease in cash and cash equivalents	(9,578)	(4,009)
Cash and cash equivalents at beginning of financial period	12,697	13,212
Cash and cash equivalents at end of financial period	3,119	9,203

Note 1:

Breakdown of cash and cash equivalents are as follows:

	As at	
	30 th November 2009	30 th November 2008
Cash and bank balances	66,076	11,496
Less: Restricted cash/charged accounts	(62,957)	(2,293)
Cash and cash equivalents	3,119	9,203

10. Segment Information

The Group is organised into two main operating divisions, namely Construction and Production.

Business segments

The following table presents revenue and results information regarding the Group's business segments for the period ended 30th November 2009 and 30th November 2008 (presented in USD thousands):

	Construction		Production		Total	
	3 months ended 30 th November 2009	3 months ended 30 th November 2008	3 months ended 30 th November 2009	3 months ended 30 th November 2008	3 months ended 30 th November 2009	3 months ended 30 th November 2008
Revenue	17,249	19,477	10,170	-	27,419	19,477
Profit from operations	6,936	8,177	4,831	-	11,767	8,177
Allocated financial expenses	(927)	(1,207)	(594)	-	(1,521)	(1,207)
Unallocated financial expenses					(358)	(590)
Financial income					114	131
Income tax					(99)	(411)
Profit for the financial period					9,903	6,100

The following table presents assets, liabilities and other segment information regarding the Group's business segments as at 30th November 2009 and 31st August 2009 (presented in USD thousands):

	Construction		Production		Total	
	As at 30 th November 2009	As at 31 st August 2009	As at 30 th November 2009	As at 31 st August 2009	As at 30 th November 2009	As at 31 st August 2009
Assets:						
Segment assets	223,074	195,299	317,510	-	540,584	195,299
Non-operating assets	-	-	-	313,089	-	313,089
Unallocated assets					74,753	90,390
Total assets					615,337	598,778
Liabilities:						
Segment liabilities	139,526	109,914	226,059	-	365,585	109,914
Non-operating liabilities	-	-	-	248,975	-	248,975
Unallocated liabilities					108,976	108,683
Total liabilities					474,561	467,572

Business segments (cont'd)

Construction		Production		Total	
3 months ended 30 th November 2009	3 months ended 30 th November 2008	3 months ended 30 th November 2009	3 months ended 30 th November 2008	3 months ended 30 th November 2009	3 months ended 30 th November 2008

Other information:

Capital expenditure	-	10,029	7,484	25,393	7,484	35,422
Depreciation	1,988	1,914	2,662	-	4,650	1,914

Geographical segment

The Group has operated in Australia, Brunei, Indonesia, Malaysia, Middle East, Philippines and Thailand. However, the geographical segment information is presented based on the notes as disclosed below:

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

a) Revenue (in USD thousands) – Note 1

	3 months ended 30 th November 2009	3 months ended 30 th November 2008	% Increase/ (Decrease)
Singapore	6,804	2,769	145.7%
Brunei	4,470	2,459	81.8%
Indonesia	3,186	-	n.m.
Malaysia	2,692	13,541	(80.1%)
Thailand	10,267	708	1,350.1%
Total	27,419	19,477	

b) Non-current assets (in USD thousands) – Note 2

	As at 30 th November 2009	As at 31 st August 2009	% Increase/ (Decrease)
Singapore	448,433	445,175	0.7%
British Virgin Islands	23,342	23,766	(1.8%)
Total	471,775	468,941	

c) Information about major customers

Included in the revenues from the Construction segments of USD17.2 million (1Q FY2009: USD19.5 million) are revenues for approximately USD17.2 million (1Q FY2009: USD18.8 million) that arose from a number of single external customers which amounted to 10% or more of the Group's revenue.

Notes:

- 1) Revenue is based on the location of customers
- 2) Non-current assets are based on the location of the companies that own those assets

n.m. Not meaningful

11. Significant Related Parties Transactions (in USD thousands)

	3 months ended 30 th November 2009	3 months ended 30 th November 2008
Charter revenue from related parties	-	2,761
Vessel operating income from related parties	1,972	3,125
Charter expenses paid to related parties	3,388	3,049
Vessel operating expenses paid to related parties	1,190	1,343
Interest paid to a related party	232	190
Management fees paid to a related party	168	164
Purchase of equipments from related parties	38	-
Rental expense paid to a related party	227	180
Key management personnel compensation		
- Salaries, bonus and allowance	671	783
- Defined contribution plan expense	4	3

12. Selected Notes to the Accounts

(i) Basis of preparation

This condensed consolidated financial information of the Group has been prepared in accordance with International Financial Reporting Standards (“IFRS”). The accounting policies and method of computations used are in accordance with accounting policies and method computations used in the last annual report. This financial information should be read in conjunction with the Group’s FY2009 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.

The consolidated financial information has not been audited.

(ii) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group’s accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

a) Critical judgements in applying the Group’s accounting policies

Management is of the opinion that any instances of application of judgements (other than those arising from estimates discussed below) are not expected to have a significant effect on the amounts recognised in the financial statements.

b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next 9 months and next financial year, are discussed below.

b) Key sources of estimation uncertainty (cont'd)

Estimated useful lives of vessels

Vessels are depreciated on a straight-line basis over their estimated useful lives. The estimated useful lives reflect 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.

Income taxes

The Group has exposure to income tax 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 year in which such determination is made.

(iii) Foreign currency transactions and translation

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group are presented in United State dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(iii) Foreign currency transactions and translation (cont'd)

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in statement of comprehensive income for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in statement of comprehensive income for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in statement of comprehensive income in the year in which the foreign operation is disposed of.

(iv) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

In the Company's financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value, if any, that is to be recognised in the statement of comprehensive income.

13. Key Financial Figures

	Notes	3 months ended 30 th November 2009	3 months ended 30 th November 2008
EBITDA (in USD thousands)		16,417	10,091
EBIT (in USD thousands)		11,767	8,177
Earnings per share			
– Basic and diluted (in USD cents)	A	8.93	5.50
Weighted average number of shares ('000)		110,955	110,955
Interest cover ratio	B	9.30	6.06
Return on equity	C	7.28%	5.40%
		As at 30th November 2009	As at 31st August 2009
Net interest bearing debt (in USD thousands)	D	308,589	302,905
Net tangible assets (in USD thousands)		140,776	131,206
Debt equity ratio	E	2.19	2.31
Current ratio	F	1.32	1.24

Notes:

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