



EOC LIMITED

2nd Quarter and Half Year 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. 47.3% owned by Ezra, EOC is headquartered in Singapore and is the owner of three construction and accommodation units (including one with heavylift and pipe-laying capability), and one floating production, storage, and offloading vessel (“FPSO”). It has well established client relationships including long term contracts with multinational oil companies, national oil companies and independent operators.

2. Company Profile

EOC is a 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 Brunei, Indonesia, Malaysia, Middle East, and Thailand in 2 focused business segments, namely:

- Offshore Construction (“Construction”)
- Offshore Production (“Production”)

The Construction segment will involve

- Pipe-lay, heavylift, transportation and installation;
- Offshore accommodation services and marine support services; and
- Engineering and project management of turret-mooring systems, heavylift, 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 throughout the field development life-cycle, EOC is able to competitively position itself as an integrated solutions provider for the offshore energy sector.

3. Strategy

As a young company, we are focused on establishing a strong foundation based on core fundamentals and capabilities, upon which we can build 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 offshore construction market.

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

4. Outlook

Construction Division

Global demand for offshore marine support services has been adversely affected by the financial crisis, coupled with the flood of available capacity in the market from the introduction of new construction assets over the past few months. However, the medium term outlook is expected to remain robust, due to the recent firming of oil prices, increase in planned capital expenditures in exploration and production by most oil majors and national oil companies, as well as the definite maintenance requirements of offshore facilities. Operators providing such services will, however, continue to be challenged in maintaining margins and offering solutions within delivery schedules in the near term.

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

The cash flows and good earnings visibility from our strategy of long term contracts will enable the Group to enhance its capital management and build up 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 is more critical than ever, especially for a Group such as EOC, which is in the early stages of growth.

The medium to long term demand for FPSOs is expected to remain strong despite a short term decrease in contracts awarded for 2009. Already, in the last quarter of 2009, we have seen a significant pick up in activity. The annual FPSO expenditure in terms of newbuilds and conversions is expected to rise to US\$10 billion in 2013 from US\$5 billion in 2009. This increase in expenditure will be mainly due to the discovery of vast new oil fields in Brazil.

The growth over the near term is likely to 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.

Despite the above, the Production Division has propelled forward with its largest contract win to-date, worth up to US\$1 billion with all options exercised, where the Group shall deliver this project through an intended subscription of shares in an associated company, for the provision of an FPSO in Vietnam. First production is scheduled for mid-2011. The addition of this 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 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 28th February 2010 (“2Q FY2010”) and the corresponding figures for 28th February 2009 (“2Q FY2009”) for the Group’s consolidated financial information. The discussions should be read in conjunction with the first quarter announcement for the period ended 30th November 2009 released on 14th January 2010, to obtain an overall understanding of the first half financial year 2010 results.

Revenue

Revenue for 2Q FY2010 was USD35.5 million, an increase of 140% or USD20.7 million from USD14.8 million in 2Q FY2009. The increase was mainly due to the contribution of revenue from *Lewek Arunothai* of approximately USD20.1 million which commenced its operation in October 2009. The increase was partially offset by the transition of charter of *Lewek Chancellor* and *Lewek Champion* to new contracts.

Gross profit

Gross profit of the Group increased 82% to USD13.0 million in 2Q FY2010, as compared to USD7.1 million in 2Q FY2009. Gross margins dropped from 48.3% in 2Q FY2009 to 36.6% in 2Q FY2010 was mainly due to lower gross margin earned from construction project undertaken by *Lewek Champion*, effect on transition of charter *as described above* and changes in contribution mix arising from the charter of *Lewek Arunothai*.

Other operating income/(expenses), net

Other operating income, (net) increased from USD140,000 in 2Q FY2009 to USD614,000 in 2Q FY2010. The change was mainly due to exchange gain resulting from the appreciation of USD against other currencies used for operation and marked to market fair value gain on interest hedging instruments associated with loans taken against the Group’s assets.

Administrative expenses

Administrative expenses increase is in line with the increase in revenue.

Financial income

Financial income for 2Q FY2010 mainly relates to interest income derived from cash and fixed deposit accounts placed with the banks. Financial income for 2Q FY2009 includes interest income from an outstanding trade receivable balance.

Financial expense

Financial expenses largely relate to interest on bank loans. Financial expenses increased from USD1.7 million in 2Q FY2009 to USD3.0 million in 2Q 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 paid/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.

The increase in income tax was mainly due to operation of *Lewek Arunothai* of which the income is subject to tax in Thailand.

Consolidated Statement of Financial Position

The discussions below refer to the financial position of the Group as at 28th February 2010 and 31st August 2009.

Total assets for the Group as at 28th February 2010 and 31st August 2009 amounted to USD656.6 million and USD598.8 million respectively. The increase in total assets was mainly due to

- (i) additions to long term receivables, other receivables, deposits and prepayments for advance purchase of equipments and services relating to the Group's new FPSO project in Vietnam
- (ii) additional capital expenditure incurred in respect of *Lewek Arunothai*
- (iii) increase in cash and bank balances due to cash flow contribution from *Lewek Arunothai* operation.

Correspondingly, the total liabilities also increased as a result from additional financing from banks and shareholders to undertake the Group's new FPSO project in Vietnam and additional capital expenditure for *Lewek Arunothai*.

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

	3 months ended		% increase/ (decrease)	6 months ended		% increase/ (decrease)
	28-Feb-10	28-Feb-09		28-Feb-10	28-Feb-09	
Revenue	35,532	14,782	140%	62,951	34,259	84%
Cost of sales	(22,528)	(7,647)	195%	(34,723)	(15,656)	122%
Gross profit	13,004	7,135	82%	28,228	18,603	52%
Other operating income/(expenses)	614	140	339%	(369)	259	n.m.
Administrative expenses	(2,176)	(1,925)	13%	(4,650)	(5,335)	(13%)
Profit from operations	11,442	5,350	114%	23,209	13,527	72%
Financial income	113	308	(63%)	227	439	(48%)
Financial expenses	(2,977)	(1,679)	77%	(4,856)	(3,476)	40%
Profit before income tax	8,578	3,979	116%	18,580	10,490	77%
Income tax	(1,587)	66	n.m.	(1,686)	(345)	389%
Profit for the financial period	6,991	4,045	73%	16,894	10,145	67%
Other comprehensive income						
Net gain/(loss) on cash flow hedges	17	(274)	n.m.	(316)	(1,193)	(74%)
Total comprehensive income for the financial period	7,008	3,771	86%	16,578	8,952	85%
Earnings per share	6.30	3.65	73%	15.23	9.14	67%

Notes:

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

	3 months ended		% increase/ (decrease)	6 months ended		% increase/ (decrease)
	28-Feb-10	28-Feb-09		28-Feb-10	28-Feb-09	
Exchange gain/(loss)	527	131	302%	(124)	270	n.m.
Depreciation	(6,456)	(1,783)	262%	(11,106)	(3,697)	200%
Fair value gain/(loss)	87	-	n.m.	(275)	(23)	n.m.

n.m – Not meaningful

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

	As at 28 th February 2010	As at 31 st August 2009	% Increase / (Decrease)
ASSETS			
Current assets			
Cash and bank balances	87,888	75,505	16%
Trade receivables	30,483	28,753	6%
Other receivables, deposits and prepayments	47,942	25,559	88%
Derivative financial instruments	6	20	(70%)
Total current assets	166,319	129,837	28%
Non-current assets			
Property, plant and equipment	476,073	468,941	2%
Long term receivables	14,256	-	n.m.
Total non-current assets	490,329	468,941	5%
Total assets	656,648	598,778	10%
LIABILITIES AND EQUITY			
Current liabilities			
Derivative financial instruments	2,393	1,816	32%
Bank loans	68,998	48,032	44%
Trade payables	7,521	6,896	9%
Other payables and accruals	75,924	46,916	62%
Income tax payable	239	642	(63%)
Total current liabilities	155,075	104,302	49%
Non-current liabilities			
Bank loans	315,930	330,378	(4%)
Other payables and accruals	37,859	32,892	15%
Total non-current liabilities	353,789	363,270	(3%)
Capital and reserves			
Share capital	94,578	94,578	-
Hedging reserves	(706)	(390)	81%
Restructuring deficit	(31,191)	(31,191)	-
Accumulated profits	85,103	68,209	25%
Total equity	147,784	131,206	13%
Total liabilities and equity	656,648	598,778	10%

n.m – Not meaningful

8. Consolidated Statement of Changes in Equity (in USD thousands)

(i) Statement of changes in equity for the 6 months ended 28th February 2010

	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	-	(316)	-	16,894	16,578
At 28 th February 2010	94,578	(706)	(31,191)	85,103	147,784

(ii) Statement of changes in equity for the 6 months ended 28th February 2009

	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	-	(1,193)	-	10,145	8,952
At 28 th February 2009	94,578	(1,202)	(31,191)	57,232	119,417

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

	3 months ended		6 months ended	
	28 th February 2010	28 th February 2009	28 th February 2010	28 th February 2009
Net cash flow from operating activities	19,755	21,476	34,638	29,972
Net cash flow used in investing activities	(31,207)	(43,423)	(66,773)	(78,845)
New cash flow from financing activities	24,749	47,110	35,854	70,027
Net increase in cash and cash equivalents	13,297	25,163	3,719	21,154
Cash and cash equivalents at beginning of financial period	3,119	9,203	12,697	13,212
Cash and cash equivalents at end of financial period	16,416	34,366	16,416	34,366

Note 1:

Breakdown of cash and cash equivalents are as follows:

	As at	
	28th February 2010	28th February 2009
Cash and bank balances	87,888	37,600
Less: Restricted cash/charged accounts	(71,472)	(3,234)
Cash and cash equivalents	16,416	34,366

10. Segment Information (in USD thousands)

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 28th February 2010 and 28th February 2009:

	Construction		Production		Total	
	6 months ended 28 th February 2010	6 months ended 28 th February 2009	6 months ended 28 th February 2010	6 months ended 28 th February 2009	6 months ended 28 th February 2010	6 months ended 28 th February 2009
Revenue	32,634	34,259	30,317	-	62,951	34,259
Profit from operations	8,355	13,527	14,854	-	23,209	13,527
Allocated financial expenses	(1,718)	(1,923)	(1,532)	-	(3,250)	(1,923)
Unallocated financial expenses					(1,606)	(1,553)
Financial income					227	439
Income tax					(1,686)	(345)
Profit for the financial period					16,894	10,145

The following table presents assets, liabilities and other segment information regarding the Group's business segments as at 28th February 2010 and 31st August 2009:

	Construction		Production		Total	
	As at 28 th February 2010	As at 31 st August 2009	As at 28 th February 2010	As at 31 st August 2009	As at 28 th February 2010	As at 31 st August 2009
Assets:						
Segment assets	229,297	195,299	339,412	-	568,709	195,299
Non-operating assets	-	-	-	313,089	-	313,089
Unallocated assets					87,939	90,390
Total assets					656,648	598,778
Liabilities:						
Segment liabilities	183,910	109,914	220,938	-	404,848	109,914
Non-operating liabilities	-	-	-	248,975	-	248,975
Unallocated liabilities					104,016	108,683
Total liabilities					508,864	467,572

Construction		Production		Total	
6 months ended 28 th February 2010	6 months ended 28 th February 2009	6 months ended 28 th February 2010	6 months ended 28 th February 2009	6 months ended 28 th February 2010	6 months ended 28 th February 2009

Other information:

Capital expenditure	40	214	18,198	60,094	18,238	60,308
Depreciation	4,229	3,697	6,877	-	11,106	3,697

Geographical segment

The Group has operated in Brunei, Indonesia, Malaysia, Middle East, 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 – Note 1

	6 months ended 28 th February 2010	6 months ended 28 th February 2009	% Increase/ (Decrease)
Singapore	1,271	21,149	(94%)
Brunei	6,387	6,829	(6%)
Indonesia	5,346	-	n.m.
Malaysia	8,644	5,349	62%
Thailand	40,946	932	n.m.
Vietnam	357	-	n.m.
Total	62,951	34,259	

b) Non-current assets – Note 2

	As at 28 th February 2010	As at 31 st August 2009	% Increase/ (Decrease)
Singapore	467,445	445,175	5%
British Virgin Islands	22,884	23,766	(4%)
Total	490,329	468,941	

c) Information about major customers

Included in the revenues from the Construction segment of USD32.6 million (2Q FY2009: USD34.3 million) are revenues for approximately USD31.0 million (2Q FY2009: USD33.3 million) that arose from a number of single external customers which amounted to 10% or more of the Group's revenue.

All revenues from the Production segment are generated from a single external customer.

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)

	6 months ended 28 th February 2010	6 months ended 28 th February 2009
Charter revenue from related parties	1,333	2,761
Vessel operating income from related parties	1,972	3,759
Charter expenses paid to related parties	5,098	7,334
Vessel operating expenses paid to related parties	2,342	2,229
Interest paid to a related party	997	661
Management fees paid to a related party	315	324
Purchase of equipments from related parties	38	2,899
Rental expense paid to a related party	463	275
Key management personnel compensation		
- Salaries, bonus and allowance	1,284	1,029
- Defined contribution plan expense	8	7

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 6 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. Principal Risks and Uncertainties

The Group is exposed to various known and unknown risks and uncertainties. These uncertainties and risks may develop into actual events which could materially and adversely affect our business, financial conditions or results of operations and prospects. These uncertainties and risks may include, amongst others:

- changes in financial markets,
- changes in socio-economic environments,
- availability of substitute services,
- the competitive nature of the offshore oil and gas industry,
- oil and gas prices,
- oil and gas demand,
- improvements in technology,
- changes in local and foreign government regulations,
- changes in economical conditions or political events,
- inability of the Group to obtain financing for potential newbuilds or maintaining existing assets on favorable financing terms,
- disruption of operations due to spillage, pollution and accidents,
- changes in the spending plan of our customers, and
- changes in the Group's operating expenses including crew wages, insurance, dry-docking, repairs and maintenance.

As disclosed in page 75 to 82 of EOC Limited 2009 Annual Report, the Group is exposed to a number of financial risks including but not limited to credit risk, liquidity risk, foreign currency risk and interest rate risks. It is the policy of the Group to continuously monitor, review and take the necessary steps to minimise the potential effects of these risks to the Group's performance;

Despite of the above, the Group is actively managing any possible operational risk that may arise via continuous improvement to the current business operational workflow, processes, practices and activities.

14. Key Financial Figures

	Notes	6 months ended 28 th February 2010	6 months ended 28 th February 2009
EBITDA (in USD thousands)		34,315	17,353
EBIT (in USD thousands)		23,209	13,527
Earnings per share			
– Basic and diluted (in USD cents)	A	15.23	9.14
Weighted average number of shares ('000)		110,955	110,955
Interest cover ratio	B	7.41	5.71
Return on equity	C	12.11%	8.83%

	Notes	As at 28 th February 2010	As at 31 st August 2009
Net interest bearing debt (in USD thousands)	D	297,040	302,905
Net tangible assets (in USD thousands)		147,784	131,206
Debt equity ratio	E	2.01	2.31
Current ratio	F	1.07	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 bank debts / Equity
- F. Current assets/ Current liabilities

Responsibility Statement

We confirm that, to the best of our knowledge, the condensed set of financial statements as set out in Section 4 to 17 for the period from 1 September 2009 to 28 February 2010, which have been prepared in accordance with the guidelines under IAS 34 – Interim Financial reporting, give a true and fair view of the Group’s assets, liabilities, financial position and profit or loss as a whole.

We also confirm, to the best of our knowledge, that the unaudited consolidated financial information includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

The Board of Directors and The Executive Management

EOC Limited

9th April 2010

(signed)

Mr Lee Kian Soo
Chairman

(signed)

Mr Lee Chye Tek Lionel
Vice-Chairman

(signed)

Dr Wang Kai Yuen
Member

(signed)

Mr Michael Lai Kai Jin Member

(signed)

Mr Cuthbert (Chas)
I. J Charles
Member

(signed)

Mr Lim Kwee Keong
Chief Executive Officer

(signed)

Mr Chan Eng Yew
Chief Financial Officer

(signed)

Mr Philipus Geerling
Chief Operations Officer

(signed)

Mr Dominic Koay Seng Keong
Chief Commercial Officer