EOC LIMITED

3rd Quarter FY2010

Unaudited Consolidated

Financial Information

Together We Deliver

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 heavy lift 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, 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 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 focussed 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 interest to provide floating production solutions within South East Asia. We expect stable and strong growth in this business division in the medium term.

The cash flows and good earnings visibility from our strategy of long term contracts will enable the Group to bolster its capital management and build up cash reserves to fund future expansion plans. The Group manages its revenue and cash flows from a portfolio standpoint with an emphasis on longer term contracts.

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.

4. Outlook

Construction Division

Global demand for offshore marine support services has been affected by the knock-on and lag effects of 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 outlook is expected to continue improving in the medium term, due to the ~~recent~~ firming of oil prices, reinstatement of previously planned capital expenditure 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.

Construction Division (cont'd)

Having built a solid performance, delivery and safety record from the operation of our accommodation barges, we continue to expect significant interest in our assets from existing and new major independent and national oil companies for the remaining of financial year 2010 and 2011. The contract coverage based on current contracts awarded and ongoing negotiations is expected to ensure a healthy level of utilisation for our barges.

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. Already, in the last quarter of 2009, we have seen a significant pick-up in activity. The total FPSO expenditure in terms of newbuilds and conversions is expected to rise to US$10 billion for the next 5 years.

The growth over the near term is likely to improve gradually as credit markets begin to thaw and provide liquidity to projects on a selective basis. Access to funding is vital for operators and owners seeking opportunities in this segment due to the significant related capital expenditure.

The Production Division has propelled forward with its largest contract win to-date, worth up to US$1 billion with all options exercised, for the provision of an FPSO in Vietnam, as part of a venture involving other partners. The addition of this second FPSO unit attests to the Group's ability in rising to meet the challenges faced by the industry.

As of the date of this report, conversion of the second FPSO is in progress and first production is scheduled for mid-2011. 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

<u>Consolidated Statement of Comprehensive Income</u>

The discussions below refer to the 3 months period ended 31st May 2010 ("3Q FY2010") and the corresponding figures for 31st May 2009 ("3Q FY2009") for the Group's consolidated financial information. The discussions should be read in conjunction with the first quarter announcement for the 3 months period ended 30th November 2009 released on 14th January 2010 and second quarter announcement for the 3 months period ended 28th February 2010 released on 9th April 2010, to obtain an overall understanding of the 9 months year to date results.

Revenue

Revenue for 3Q FY2010 was USD18.5 million, a decrease of 7% or USD1.4 million from USD19.9 million in 3Q FY2009. The decrease was mainly due to the transition of charter of *Lewek Champion* and *Lewek Chancellor* to new contracts. *Lewek Champion* and *Lewek Chancellor* commenced its operation in beginning of fourth quarter and end of third quarter respectively. This was partially offset by the contribution of revenue from *Lewek Arunothai* of approximately USD12.5 million for the quarter.

Gross profit

Gross profit of the Group for the 3Q FY2010 amounted to USD61,000, as compared to USD10 million in 3Q FY2009. The decrease was due to the maintenance downtime of *Lewek Arunothai* for approximately one and half months and the transition of charter of *Lewek Champion* and *Lewek Chancellor* as described above.

Other operating income/(expenses), net

Other operating income/expenses, (net) changed from net expense of USD666,000 in 3Q FY2009 to net income of USD201,000 in 3Q FY2010. The change was mainly due to exchange gain resulting from the appreciation of USD against other currencies used for operation.

Administrative expenses

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

Financial income

Financial income mainly relates to interest income derived from cash and fixed deposit accounts placed with the banks**.**

Financial expense

Financial expenses largely relate to interest incurred on bank loans. Financial expenses increased from USD1.2 million in 3Q FY2009 to USD2.3 million in 3Q 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 reversal in income tax was mainly due to overprovision of Thailand corporate tax in respect of the operation of *Lewek Arunothai*.

Consolidated Statement of Financial Position

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

Total assets for the Group as at 31st May 2010 and 31st August 2009 amounted to USD622.1 million and USD598.8 million respectively. The increase in total assets was mainly due to

(i) investment in associates, 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*

Correspondingly, the total liabilities also increased as a result of additional financing from banks to undertake the Group's new FPSO project in Vietnam.

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

	3 months ended		% increase/ (decrease)	9 months ended		% increase/ (decrease)
	31st May 10	31st May 09		31st May 10	31st May 09	
Revenue	18,538	19,862	(7%)	81,489	54,121	51%
Cost of sales	(18,477)	(9,870)	87%	(53,200)	(25,526)	108%
Gross profit	61	9,992	(99%)	28,289	28,595	(1%)
Other operating income/(expenses)	201	(666)	n.m.	(168)	(407)	(59%)
Administrative expenses	(1,871)	(2,211)	(15%)	(6,521)	(7,546)	(14%)
(Loss)/profit from operations	(1,609)	7,115	n.m.	21,600	20,642	5%
Financial income	367	83	342%	594	522	14%
Financial expenses	(2,320)	(1,150)	102%	(7,176)	(4,626)	55%
(Loss)/profit before income tax	(3,562)	6,048	n.m.	15,018	16,538	(9%)
Income tax	126	(124)	n.m.	(1,560)	(469)	233%
(Loss)/profit for the financial period	(3,436)	5,924	n.m.	13,458	16,069	(16%)
Other comprehensive income						
Net gain/(loss) on cash flow hedges	280	(143)	n.m.	(36)	(1,336)	(97%)
Total comprehensive (loss)/income for the financial period	(3,156)	5,781	n.m.	13,422	14,733	(9%)
(Loss)/earnings per share (cents)	(3.10)	5.34	n.m.	12.13	14.48	(16%)

Notes:

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

	3 months ended		% increase/ (decrease)	9 months ended		% increase/ (decrease)
	31st May 10	31st May 09		31st May 10	31st May 09	
Exchange gain/(loss)	155	(701)	n.m.	31	(431)	n.m.
Depreciation	(6,080)	(2,107)	189%	(17,186)	(5,933)	190%
Fair value gain/(loss)	12	3	300%	(263)	(20)	n.m.

n.m – Not meaningful

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

	As at 31st May 2010	As at 31st August 2009	% Increase / (Decrease)
ASSETS			
Current assets			
Cash and bank balances	73,217	75,505	(3%)
Trade receivables	19,620	28,753	(32%)
Other receivables, deposits and prepayments	46,365	25,559	81%
Derivative financial instruments	3	20	(85%)
Total current assets	139,205	129,837	7%
Non-current assets			
Property, plant and equipment	465,196	468,941	(1%)
Investment in associates	433	-	n.m.
Long term receivables	17,240	-	n.m.
Total non-current assets	482,869	468,941	3%
Total assets	**622,074**	**598,778**	**4%**
LIABILITIES AND EQUITY			
Current liabilities			
Derivative financial instruments	2,099	1,816	16%
Bank loans	72,908	48,032	52%
Trade payables	8,500	6,896	23%
Other payables and accruals	49,144	46,916	5%
Income tax payable	239	642	(63%)
Total current liabilities	132,890	104,302	27%
Non- current liabilities			
Bank loans	306,709	330,378	(7%)
Other payables and accruals	37,847	32,892	15%
Total non-current liabilities	344,556	363,270	(5%)
Capital and reserves			
Share capital	94,578	94,578	-
Hedging reserves	(426)	(390)	9%
Restructuring deficit	(31,191)	(31,191)	-
Accumulated profits	81,667	68,209	20%
Total equity	144,628	131,206	10%
Total liabilities and equity	**622,074**	**598,778**	**4%**

n.m – Not meaningful

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

(i) Statement of changes in equity for the 9 months ended 31st May 2010

	Share capital	Hedging reserve	Restructuring deficit	Accumulated profits	Total equity
At 31st August 2009	94,578	(390)	(31,191)	68,209	131,206
Total comprehensive income for the financial period	-	(36)	-	13,458	13,422
At 31st May 2010	94,578	(426)	(31,191)	81,667	144,628

(ii) Statement of changes in equity for the 9 months ended 31st May 2009

	Share capital	Hedging reserve	Restructuring deficit	Accumulated profits	Total equity
At 31st August 2008	94,578	(9)	(31,191)	47,087	110,465
Total comprehensive income for the financial period	-	(1,336)	-	16,069	14,733
At 31st May 2009	94,578	(1,345)	(31,191)	63,156	125,198

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

	3 months ended		9 months ended	
	31st May 2010	31st May 2009	31st May 2010	31st May 2009
Net cash flow from operating activities	12,519	1,060	47,157	31,032
Net cash flow used in investing activities	(21,879)	(24,266)	(88,652)	(103,111)
New cash flow from financing activities	(1,625)	(1,598)	34,229	68,429
Net decrease in cash and cash equivalents	(10,985)	(24,804)	(7,266)	(3,650)
Cash and cash equivalents at beginning of financial period	16,416	34,366	12,697	13,212
Cash and cash equivalents at end of financial period	5,431	9,562	5,431	9,562

Note 1:

Breakdown of cash and cash equivalents are as follows:

	As at	
	31st May 2010	31st May 2009
Cash and bank balances	73,217	43,043
Less: Restricted cash/charged accounts	(67,786)	(33,481)
Cash and cash equivalents	5,431	9,562

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 31st May 2010 and 31st May 2009:

	Construction		Production		Total	
	9 months ended 31st May 2010	9 months ended 31st May 2009	9 months ended 31st May 2010	9 months ended 31st May 2009	9 months ended 31st May 2010	9 months ended 31st May 2009
Revenue	38,625	54,121	42,864	-	81,489	54,121
Profit from operations	4,874	20,642	16,726	-	21,600	20,642
Allocated financial expenses	(2,441)	(2,911)	(2,515)	-	(4,956)	(2,911)
Unallocated financial expenses					(2,220)	(1,715)
Financial income					594	522
Income tax					(1,560)	(469)
Profit for the financial period					13,458	16,069

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

	Construction		Production		Total	
	As at 31st May 2010	As at 31st August 2009	As at 31st May 2010	As at 31st August 2009	As at 31st May 2010	As at 31st August 2009
Assets:						
Segment assets	232,688	195,299	316,166	-	548,854	195,299
Non-operating assets	-	-	-	313,089	-	313,089
Unallocated assets					73,220	90,390
Total assets					622,074	598,778
Liabilities:						
Segment liabilities	154,747	109,914	215,466	-	370,213	109,914
Non-operating liabilities	-	-	-	248,975	-	248,975
Unallocated liabilities					107,233	108,683
Total liabilities					477,446	467,572

Business segments (cont'd)

	Construction		Production		Total	
	9 months ended 31st May 2010	**9 months ended 31st May 2009**	**9 months ended 31st May 2010**	**9 months ended 31st May 2009**	**9 months ended 31st May 2010**	**9 months ended 31st May 2009**
Other information:						
Capital expenditure	51	4,278	13,390	84,924	13,441	89,202
Depreciation	6,343	5,933	10,843	-	17,186	5,933

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

	9 months ended 31st May 2010	**9 months ended 31st May 2009**	**% Increase/ (Decrease)**
Singapore	2,726	30,348	(91%)
Brunei	8,844	12,477	(29%)
Indonesia	5,307	-	n.m.
Malaysia	8,644	8,620	0.3%
Philippines	-	73	(100%)
Thailand	53,489	2,603	n.m.
Vietnam	2,479	-	n.m.
Total	81,489	54,121	51%

b) Non-current assets – Note 2

	As at 31st May 2010	**As at 31st August 2009**	**% Increase/ (Decrease)**
Singapore	460,442	445,175	3%
British Virgin Islands	22,427	23,766	(6%)
Total	482,869	468,941	3%

c) Information about major customers

Included in the revenues from the Construction segment of USD38.6 million (3Q FY2009: USD54.1 million) are revenues for approximately USD33.4 million (3Q FY2009: USD48.5 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)

	9 months ended 31st May 2010	9 months ended 31st May 2009
Charter revenue from related parties	2,638	2,761
Vessel operating income from related parties	1,972	6,154
Charter expenses paid to related parties	(7,454)	(8,921)
Vessel operating expenses paid to related parties	(3,433)	(2,908)
Interest paid to a related party	(628)	(889)
Management fees paid to a related party	(474)	(468)
Purchase of equipments from related parties	(38)	(4,054)
Rental expense paid to a related party	(700)	(489)
Key management personnel compensation		
- Salaries, bonus and allowance	(1,436)	(1,544)
- Defined contribution plan expense	(13)	(11)

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) <u>Critical judgements in applying the Group's accounting policies</u>

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) <u>Key sources of estimation uncertainty</u>

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 3 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 f

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,
- 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	9 months ended 31st May 2010	9 months ended 31st May 2009
EBITDA (in USD thousands)		38,786	26,575
EBIT (in USD thousands)		21,600	20,642
Earnings per share			
– Basic and diluted (in USD cents)	A	12.13	14.48
Weighted average number of shares (‘000)		110,955	110,955
Interest cover ratio (times)	B	5.89	6.48
Return on equity (9 months)	C	9.76%	13.60%

	Notes	As at 31st May 2010	As at 31st August 2009
Net interest bearing debt (in USD thousands)	D	306,400	302,905
Net tangible assets (in USD thousands)		144,628	131,206
Debt equity ratio (times)	E	2.12	2.31
Current ratio (times)	F	1.05	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