



## SBI Offshore Limited FY2010 Results Press Release

### SGX-CATALIST LISTED SBI OFFSHORE REPORTS REVENUE OF US\$ 9.3 MILLION FOR FY2010, A YEAR OF SIGNIFICANT EXPANSION IN CAPABILITIES AND STRATEGIC ALLIANCES

- Order book of US\$7.1 million is expected to expand due to sharp recovery in offshore rig orders since late 2010
- Lower profit mainly due to higher investments to significantly expand the Group's capabilities to participate in large scale turnkey engineering projects
- Recent joint-ventures to contribute to performance in FY2011, which is expected to be better than that achieved in FY2010

#### Financial Highlights

US\$ ('mil)	FY2010	FY2009	Change (%)
Revenue	9.3	12.2	(23.4)
Cost of sales	(5.9)	(8.0)	(26.1)
Gross profit	3.4	4.2	(18.4)
Gross profit margin (%)	36.7	34.4	2.3ppt
Net profit attributable to equity holders	0.1	2.0	(93.2)
Earnings per share ("EPS") (cents)*	0.12	1.80	N.M.
Net asset value ("NAV") per share (cents)**	7.55	6.12	N.M.

\*EPS calculated based on weighted average number of shares in issue of 116,888,319 for FY2010 and 110,680,100 for FY2009

\*\*NAV per share calculated based on total number of issued shares of 121,680,100 for FY2010 and 110,680,110 for FY2009

**SINGAPORE, 23 February 2011**– SBI Offshore Limited ("SBI Offshore" and together with its subsidiaries, the "Group"), an integrated engineering solutions provider to owners and builders of jack-up rigs, semi-submersibles, drillships, mobile offshore production platforms, and offshore construction and support vessels in Asia and the Americas, announced its results for the financial year ended 31 December 2010 ("FY2010") today.



For FY2010, the Singapore Exchange Catalist-listed Group achieved net profit of US\$135,110 on revenue of US\$9.3 million, which compared with US\$2.0 million and US\$12.2 million, respectively, in FY2009.

Apart from the lower commission income recorded due to re-scheduled deliveries of drilling equipment for certain orders, FY2010's results reflected the Group's significant efforts to enlarge and deepen its scale of operations through joint ventures and strategic alliances with Western design and engineering houses and equipment OEMs in its first full year of operations since its successful public listing.

In line with its strategy to invest in and expand its design and engineering capabilities, the Group recorded approximately US\$1.31 million in costs associated with establishing new design and engineering subsidiaries, Sea Reef Offshore Pte Ltd and Sea Reef International Inc. The Group also recorded US\$0.67 million in losses for its China manufacturing facilities as it prepares to ramp up operations in support of upcoming sales orders.

Had it not been for these investments – which gave the Group new capabilities to provide turnkey engineering solutions to the offshore oil and gas industry – profit before tax would have been US\$2.04 million for FY2010 instead of US\$0.2 million.

Basic and fully diluted EPS based on share capital base of 116,888,319 shares was 0.12 US cent in FY2010 compared to 1.80 US cents in FY2009.

The Group's balance sheet remains healthy with cash and cash equivalents of US\$1.9 million. NAV per share based on total number of issued shares of 121,680,100 shares increased to 7.55 US cents as at 31 December 2010 from 6.12 US cents as at 31 December 2009.

Mr. Jonathan Hui, Executive Chairman and Chief Executive Officer of SBI Offshore, said: "Our financial performance in FY2010 reflected our commitment to build in-house competencies and establish alliances with Western design & engineering houses and equipment OEMs, as well as enlarging our footprint beyond Asia to the Americas with new operations in Houston, USA and Macaé, Rio de Janeiro, Brazil."

"These investments are in line with our strategy to position ourselves as an integrated engineering solutions provider to owners and builders of offshore drilling rigs as well as construction and support vessels. We are now able to undertake large-scale projects worth more than US\$100 million, together with our Western alliance partners," he said.



## **Recent Developments**

Several significant developments – in line with the Group’s vision to become a leading integrated engineering solutions provider to the offshore oil and gas industry – took place in FY2010.

### Qualification of China facility by Aker MH

Since the qualification of its facility in Jiangyin, People’s Republic of China, by Norwegian drilling equipment packages specialist Aker MH AS (“Aker MH”) in March 2010, SBI Offshore has been commended for several subcontract projects completed. With the announcement of Aker MH’s recent drilling equipment contract wins from Asian customers, the Group is confident of securing bigger orders from Aker MH in FY2011.

### Alliances with Western technology partners

In April 2010, the Group entered into a joint venture with Houston-based design & engineering specialist Sea Reef LLC (“Sea Reef”) to accelerate growth for its design and engineering division. The Group has since been actively marketing its own range of equipment to both owners and builders of offshore drilling rigs and construction and support vessels.

In January 2011, the Group signed a legally binding memorandum of understanding with USA-based crane specialist, Ram Machine Tooling Inc. to jointly pursue opportunities within the global O&M crane market.

To-date, these initiatives have drawn confidence from several major shipyards and rig/vessel owners such as Jurong Shipyard, Dalian Shipbuilding Offshore, Cosco, Sinopacific Shipbuilding Group, Noble Drilling, and McDermott, who have included the Group’s new product lines into their master vendor list.

### Order book update

SBI Offshore currently has an order book of approximately US\$7.1 million for delivery over the next 18 months. With the sustained recovery of the O&M industry and supported by its enlarged capabilities, the Group’s intends to aggressively market and secure additional equipment orders in FY2011.

In line with its development plans, the Group expects operating costs in 1H2011 to be significantly higher than in 1H2010.



“As the offshore oil and gas industry has experienced a sharp recovery since the last quarter of 2010, we see increased demand for offshore drilling rigs and offshore construction and support vessels. Hence, we expect our growth initiatives that were undertaken in FY2010 to contribute to the Group’s performance in FY2011, which is expected to be better than that achieved in FY2010,” added Mr. Hui.

**## End of Release ##**

***Issued on behalf of SBI Offshore Limited by WeR1 Consultants Pte Ltd***

**About SBI Offshore Limited**

Established since 1994, SBI Offshore was primarily engaged in the marketing and distribution of offshore equipment to shipyards and builders of jack-up rigs, semi-submersibles, drillships, and mobile offshore production platforms in Asia. Since its public listing in November 2009, it has evolved into an integrated engineering solutions provider to the offshore oil and gas industry with strategic alliances and acquisitions of Western design & engineering houses and equipment OEMs.

The Group’s customer base includes most of the leading owners and builders of mobile offshore drilling and production units in the world. The Group’s current distribution network currently encompasses Singapore, the People’s Republic of China (“PRC”), United States of America, Brazil, Malaysia, Indonesia, the Philippines and Vietnam.

*SBI Offshore Limited (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 11 November 2009. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").*

*This press release has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this press release.*

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