



SBI Offshore Limited

## SGX-CATALIST LISTED SBI OFFSHORE ANNOUNCES FRESH ORDERS WHICH LIFT ORDER BOOK TO US\$41M; ANNOUNCES FY2011 RESULTS SHOWING NET PROFIT RISING BY 72.9%

- Order book rises to US\$41M from US\$6.1M a year ago; secures US\$5M in new orders on top of US\$36M orders announced on 28 January 2012
- Gross profit margin increases 16.2 percentage points to 52.9% in FY2011 from 36.7% in FY2010
- Expects higher orders and sales for FY2012

### Financial Highlights

US\$ ('mil)	FY2011	FY2010	Change (%)
Revenue	7.12	9.34	(23.7)
Cost of sales	(3.4)	(5.9)	(43.3)
Gross profit	3.77	3.42	10.0
Gross profit margin (%)	52.9	36.7	16.2
Net Profit attributable to Equity Holders	0.27	0.14	98.0
Earnings per share (cent)*	0.22	0.12	83.0
Net asset value (cents)**	7.85	7.63	-

\*EPS calculated based on weighted average number of shares in issue of 121,680,100 for FY2011 and 116,888,319 for FY2010

\*\*NAV calculated based on total number of issued shares of 121,680,100

**SINGAPORE, 24 February 2012 – SBI Offshore Limited** (“SBI Offshore” and together with its subsidiaries, the “Group”) announced today that it had secured fresh orders of original equipment manufacturer (“OEM”) offshore equipment products worth US\$5 million which lifted its order book to US\$41 million (mainly for delivery over the next 15 months).

The 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 said the latest orders came on



top of the US\$36 million new projects secured since the start of the 2012, which were announced on 28 January 2012.

SBI concurrently announced that its net profit for the financial year ended 31 December 2011 (“FY2011”) increased 72.9% to US\$0.26 million from a year earlier, on revenue of US\$7.1 million for FY2011 and US\$9.3 million for FY2010, respectively. Gross profit increased by 10.0% from US\$3.42 million in FY2010 to US\$3.77 million in FY2011, mainly due to higher commission income.

Despite lower revenue, the Group recorded a higher gross profit margin of 52.9% in FY2011 compared to 36.7% in FY2010.

Total general and administrative expenses for FY2011 increased 6.4% to US\$3.77 million compared to a year earlier. This was mainly due to an increase in operating costs of the Group’s design and engineering subsidiaries, Sea Reef Offshore Pte Ltd (“SOPL”) and Sea Reef International Inc. (“SRI”).

Fully diluted earnings per share based on a share capital base of 121,680,100 shares was 0.22 US cent in FY2011 compared to 0.12 US cent in FY2010 (116,888,319 shares). Net asset value per share increased to 7.85 US cents as at 31 December 2011 from 7.63 US cents as at 31 December 2010.

### Outlook

Mr. Jonathan Hui, Executive Chairman and CEO of SBI Offshore, said: “For the last two years the Group has been building up a dedicated commercial and engineering team, with global design and sales capabilities and fabrication facilities. Our portfolio of products and brands is now fairly well recognized in the industry, which has helped the company to move up the value chain.”

“Brazil is expected to take the lead in a new round of orders for drillships and semi-submersibles in 2012. The tight offshore equipment supply market will also create opportunities for our various joint-ventures to offer contract manufacturing services at competitive prices and shorter delivery lead times,” he said.



With a sizeable portfolio of OEM product lines, the Group is confident of achieving further significant sales, with SRI securing two initial orders, worth approximately US\$1.3 million, from a leading international drilling contractor. It has also received enquiries from other contractors for equipment replacement or upgrades. Having cut off non-core activities since the middle of FY2011, Sea Reef – which lost US\$1.4 million in FY2011 – is expected to perform better in FY2012 as the design/engineering fee from the Group's current order book is more than the current overheads of SRI and SOPL combined.

The Group has also been pre-qualified by the four major Korean yards and has received several purchase enquiries for potentially significant orders.

“In view of the momentum of orders secured, ongoing market development efforts as well as rollout of our strategy, the Group is poised to record substantially higher orders and sales for FY2012 compared to the last couple of years,” Mr Hui said.

**## 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 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.



*This press release has been prepared by the Company and its contents have been reviewed by the PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this press release.*

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