



## **SBI Offshore Limited | Press Release – SBI Completion of Major EPCC Project**

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### **SBI OFFSHORE COMPLETES US\$30 MILLION OIL AND GAS EPCC PROJECT AS IT SHIFTS TOWARDS LARGER HIGHER-MARGIN PROJECTS**

**SINGAPORE, 16 July 2014 – SBI Offshore Limited** (“SBI Offshore” and together with its subsidiaries, the “Group”) announced today that it expects to complete a major Engineering, Procurement, Construction and Commissioning (“EPCC”) project for a Malaysian client worth approximately US\$30 million on 23 July 2014 for final delivery at the end of the month.

The SGX Catalist-listed O&M player said that the EPCC project – involving a Derrick Equipment Set secured in 2012 – marks a significant milestone in its strategic shift towards becoming a value-added Offshore and Marine (“O&M”) player focused on providing integrated engineering solutions for drilling equipment and services.

The Group has recognised US\$28.8 million in revenue from the EPCC project in the financial year ended 31 December 2013. Other than the balance contracted revenue and any other additional revenue claimable on this project, the completion of this EPCC project is not expected to have any other material impact on the Company’s financials for the financial year ending 31 December 2014.

On the completion and delivery, Executive Chairman of SBI Offshore, Mr. Chan Lai Thong, said: “The successful completion of the EPCC is a strong testament to our capabilities and track record even as we embark on the twin engines of future growth – to pursue larger-scale offshore or land-based oil gas and projects as well as to provide integrated solutions for drilling equipment and systems.”

In line with this strategy, it announced on 2 July 2014 that it would form a 70%-held joint venture with U.S.-based Axon Energy Products Inc. (“Axon”) – a global oilfield equipment manufacturing company – to market, install, commission and provide after-sales services for oil and gas drilling equipment and systems in Asia.

This joint venture, which will allow the Group to recognise top-line revenue as well as bottom-line profit, marks a major shift from its legacy business of agency commission revenue. SBI Offshore said on 3 July 2014 that it would not proceed with its sales representative agreement with Norway’s Aker MH AS.

Mr. Chan said: “We have proven that we can deliver the sizeable projects from design to commissioning. We will leverage on our track record and experience to pursue other value-added projects, with particular emphasis on drilling solutions which we can offer via our joint venture with Axon.”

**## End of Release ##**



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

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**About SBI Offshore Limited**

Established since 1994, SBI Offshore provides engineering, fabrication and equipment solutions to the O&M industry. Since its public listing in November 2009, it has evolved into an integrated engineering solutions provider to the oil and gas industry with strategic alliances.

The Group's customer base includes some 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, China, USA, Malaysia, South Korea and Vietnam.

*This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (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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