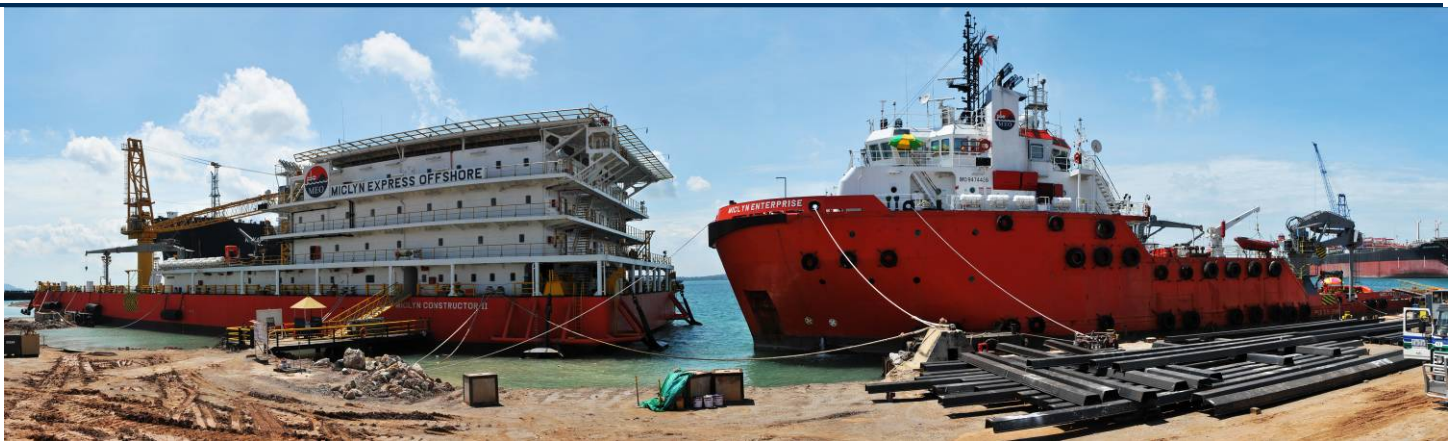




MICLYN EXPRESS OFFSHORE LIMITED

RESULTS FOR THE YEAR ENDED 30 JUNE 2012



MICLYN EXPRESS OFFSHORE ANNOUNCES RECORD PROFIT

The Directors and Management of Miclyn Express Offshore Limited (“MEO” or “the Company”) (ASX:MIO) are pleased to announce another period of strong earnings growth in financial year 2012 (“FY12”). EBITDA increased by 26% versus financial year 2011 (“FY11”).

Financial Highlights

Financials	FY12 (US\$m)	FY11 (US\$m)	Variance
Revenue	269.0	167.2	↑ 61%
Operating EBITDA	96.9	72.1	↑ 34%
EBITDA	97.7	77.6	↑ 26%
NPAT	65.5	54.7	↑ 20%
EPS	23.7	20.0	↑ 19%



MEO Chairman Neil Hamilton had the following to say in relation to the results:

“We are very pleased that the Company has been able to deliver a record result which exceeded our internal expectations. The company has delivered strong earnings growth in every reporting period since listing in March 2010 and we expect the growth to continue in Financial Year 2013 (“FY13”). The latest result confirms that MEO’s core business of vessel services is performing extremely well. The continued execution of the fleet renewal and expansion strategy has consistently delivered results and management continue to find new earnings streams to supplement the core business.”

MEO Chief Executive Officer Diederik de Boer said:

“MEO has had another year of significant growth and change. Our fleet grew by 13 vessels since last financial year, with another 9 vessels already committed for delivery in FY13. This significant investment puts our vessel services platform in a strong position for further growth. In addition to the success of our core business, we acquired the remaining shares in our Australian business Samson Maritime, increasing our exposure to the exciting Australian market. Our new Pipe Transportation business Express Offshore Solutions had an inaugural year that was well above expectations, generating US\$30m of revenue while supporting utilisation of our Tug and Barge fleet. Our Shipyard and Third Party Vessel businesses also contributed strongly. As always, our core focus is operational excellence and providing high quality service to our customers. Industry dynamics remain robust and we look forward to continued success in FY13”.

Major factors contributing to FY12 earnings growth versus FY11 include:

- Fleet expansion; the fleet has grown from 113 vessels as at 30 June 2011 to 126 vessels as at 30 June 2012
- Margin enhancement from MEO fleet as utilisation rose from 80% in FY11 to 84% in FY12
- Significant growth in earnings from Third Party Vessels, Tugs and Barges and Shipyard segments
- Contribution from new Pipe Transportation business Express Offshore Solutions

Factors negatively impacting FY12 earnings growth versus FY11 include:

- Higher corporate costs and depreciation in line with a growing fleet and business expansion, as well as acquisition of remaining shares in Samson Maritime and set up of Express Offshore Solutions
- Fewer vessel disposals in FY12; US\$5.5 million disposal gain in FY11 largely attributable to the disposal of Miclyn Constructor II
- Increased financing costs attributable to drawdown on \$80 million revolving facility to fund growth CAPEX as well as the write-off of previously capitalised upfront fees in conjunction with the refinance of Samson Maritime
- Increased tax expense largely attributable to higher exposure to Australia and a one off tax provision reversal made in FY11



Operational Highlights

Vessel Operations

Offshore Service Vessels (“OSVs”)

MEO's OSVs achieved an overall utilisation of 82% for FY12. This temporary retraction from the 91% utilisation achieved in FY11, was mainly attributable to upgrade works for new vessels entering the fleet as well as re-contracting downtime. Utilisation recovered back up to 91% in the month of June. Revenue was up 9% on FY11 with a gross margin of 62%. Three new OSVs entered the fleet in FY12 including Magellan 2, an Anchor Handling Tug constructed internally, and two Multipurpose Offshore Terminal Tugs (“MOTTs”) which were purchased from external parties against five year contracts with a key customer in Thailand. Four new OSV's are scheduled for delivery in FY13; Sovereign 1 and 2 remain on track for delivery in 2Q FY13 from our internal shipyard, a Coil Tubing Support Vessel will enter the fleet in August against a 5 year contract with a key customer in Thailand and an Accommodation/Multipurpose Support Vessel has been acquired for Malaysian operations. In addition, MEO has commenced construction of 2 Platform Supply Vessels (2,000 DWT) which will be delivered in 1Q FY14. MEO will continue to expand the OSV fleet through its newbuilding activities as well as vessel acquisitions from third parties against long term contracts.

Crew/Utility Vessels

MEO's Crew/Utility Vessel fleet continued to deliver a stable, highly visible revenue stream in FY12 and achieved utilisation of 92%, testament to the stability of production support. Revenues were up 11% on FY11, with gross profit up 21%. The accelerated margin growth is largely due to fleet rebalancing activity as new vessels entering the fleet earn stronger rates against a similar cost base versus older vessels. 8 newly built vessels entered the fleet in FY12, with no disposal of older vessels due to strong demand, but some vessel sales are expected in FY13. MEO's fleet renewal strategy for Crew/Utility Vessels will continue to improve utilisation and margins.

Tugs and Barges

Tug and Barge fleet performance improved substantially in FY12 reaching utilisation of 77%. Revenues were up 104% on FY11, with gross profit up 159%. MEO is seeing good demand for this fleet, particularly in Australia and the Middle East. The formation of project pipe transportation business, Express Offshore Solutions (discussed below) is also contributing to improved utilisation of the Tug and Barge fleet. MEO added two Multicat Tugs (Samson VI and VII) to the fleet during FY12 which were recently awarded 1 year +183 day contracts in the North-West Shelf of Australia, justifying the investment case. The company will continue to look for opportunities to rebalance the Tug and Barge portfolio, with a preference for larger Barges (330 foot) and Multicat Tugs where demand is strong.

Coastal Survey Vessels

Coastal Survey Vessels are a small, non-core segment of MEO inherited from our recent acquisition of Samson Maritime. Revenues, which are mainly short term in nature, were up 15% on FY11, with gross profit up 9%. Utilisation was 47% partly due to internal utilisation of vessels to support ongoing projects. MEO divested a vessel in FY12 and may explore further divestment opportunities to achieve an optimal number of vessels in this segment to meet continued demand from near shore civil construction projects.



Third Party Vessels

Revenue in this segment increased significantly from US\$15.1 million in FY11 to US\$53.1 million in FY12. The CAPEX free segment achieved a respectable gross margin of 19%. The increase in earnings is largely attributable to an increase in the number of vessels being used to supplement MEO's core fleet for Australian and Middle Eastern project work. With projects extending into FY13, MEO will see a continued earnings stream from this segment.

Express Offshore Solutions

Express Offshore Solutions ("EOS"), founded in June 2011, is a business focussed on subsea transportation services delivering innovative, cost effective and customised solutions for pipe-transportation as well as transportation of other materials and structures. The business is managed by an experienced projects team and has low capital intensity given that the equipment needed to execute the projects is chartered in from MEO or other third parties. In its inaugural year of operation, EOS generated US\$30.1 million of revenue, well above expectations. Going forward, EOS is focussed on winning further contracts in a niche segment with a number of promising opportunities, as well as enhancing margins as the business becomes more established.

Shipyards Operations

The Batam Shipyards had largely been an internal strategic asset historically, the capacity of which was mostly used for internal shipbuilding and fleet maintenance. Third party repair, maintenance and upgrade jobs contributed substantial earnings in FY12 with US\$16.6m in revenue being realised. These earnings are a continuation of work required to support a transportation project between Australia and South-East Asia, whereby stringent Australian environmental and quarantine requirements necessitate vessels to be upgraded and maintained throughout the project life. Some modest CAPEX was invested in the Shipyards in FY12 to improve safety, efficiency and capacity for third party work and MEO remains focused on building a strong third party earnings stream through increased marketing efforts.

The Shipyards continues to be an important strategic asset for MEO, providing significant competitive advantages in cost and work scheduling in maintaining and upgrading its own fleet. MEO continues to execute its shipbuilding program, with the Magellan 2 delivered in FY12, and with Sovereign 1 and 2 (AHTS) on track for delivery in 2Q FY13. Additionally, MEO commenced construction of 2 Platform Supply Vessels (2,000 DWT) which are scheduled for delivery in 1Q FY14.

Outlook

Chief Executive Officer Diederik de Boer remains optimistic on the outlook for MEO:

"MEO has a clear strategy that is translating into growing shareholder returns. As we continue to deliver operational excellence to our clients, we are ideally positioned to pursue new opportunities in a growing industry. Our current funding structure and strong cash delivery allow us to grow organically through the continued execution of our fleet renewal and expansion strategy. Continued earnings growth is expected in FY13".



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**Preliminary final report
for the period ended 30 June 2012**

Results for Announcement to the Market

Current Reporting Period : Year ended 30 June 2012

Previous Reporting Period : Year ended 30 June 2011

Earnings	% Change	Amount \$'000
Revenue from ordinary activities	+60.9%	269,007
Profit from ordinary activities after tax attributable to members	+19.8%	65,498
Net profit attributable to members	+19.8%	65,498

Information regarding the increase in revenue and profit for the year is set out in the covering announcement accompanying this report.

Dividends	Amount per share (US\$)
Interim dividend paid for 2012	3.0 cents
Final dividend for 2012	3.0 cents

Ex-Date: 27 August 2012

Record Date: 31 August 2012

Payment Date: 2 October 2012

The final dividend, payable in AUD, is unfranked. The dividend does not constitute Conduit Foreign Income ("CFI") as the CFI rules in 802A of the Income Tax Assessment Act 1997 ("ITAA 1997") apply only to Australian Corporate Tax Entities (i.e. Australian resident companies for tax purposes). As the Company is not an Australian tax resident the CFI rules will not apply. For avoidance of doubt, Australian Withholding Tax will not be retained from distributions to non-Australian shareholders, as the Company is a foreign registered entity, but the Company urges all shareholders to seek individual tax advice in relation to the tax treatment of this distribution.

The Company's Dividend Reinvestment Plan ("DRP") will remain suspended for the upcoming distribution.

Net Tangible Assets per Security	2012	2011
Weighted average number of securities ('000)	276,568	273,646
Net tangible assets per security	1.03	0.88

Details of Entities where Control Has Been Gained or Lost During the Period

Details of entities where control has been gained or lost during the period are set out in Note 7 of the Notes to the Condensed Consolidated Financial Statements.

Associates and Joint Ventures

Details of Associates and Joint Ventures are set out in Note 8 of the Notes to the Condensed Consolidated Financial Statements.



**Preliminary final report
for the period ended 30 June 2012**

Accounting Standards

International Financial Reporting Standards were used in compiling this report.

Audit Report

The preliminary final report is based on financial statements which are in the process of being audited.

There are no likely disputes or qualifications to the accounts.



**Preliminary final report
for the period ended 30 June 2012**

Consolidated statement of comprehensive income for the year ended 30 June 2012

	Notes	Year ended 30 June 2012 US\$'000	Year ended 30 June 2011 US\$'000
Revenue	2(a)	269,007	167,176
Cost of sales		(165,315)	(93,356)
Gross profit		103,692	73,820
Other gains and losses	2(b)	3,929	7,931
Administration expenses	2(c)	(30,329)	(20,301)
Finance costs	2(d)	(7,056)	(5,030)
Other expenses	2(e)	(59)	(265)
Profit before tax		70,177	56,155
Income tax expense	4	(4,253)	(1,522)
PROFIT FOR THE YEAR		65,924	54,633
Other comprehensive income			
Reclassified to income statement for deemed divestment of a joint venture		(1,886)	-
Exchange differences arising on translation of foreign operations		(1,102)	5,670
Other comprehensive income for the year, net of tax		(2,988)	5,670
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		62,936	60,303
Profit attributable to:			
Owners of the Company		65,498	54,651
Non-controlling interests		426	(18)
		65,924	54,633
Total comprehensive income attributable to:			
Owners of the Company		62,510	60,321
Non-controlling interests		426	(18)
		62,936	60,303
Earnings per share			
Basic (USD cents per shares)	3(a)	23.7	20.0
Diluted (USD cents per shares)	3(b)	23.7	20.0



**Preliminary final report
for the period ended 30 June 2012**

Consolidated statement of financial position as at 30 June 2012

	Notes	<u>30 June 2012</u> US\$'000	<u>30 June 2011</u> US\$'000
Assets			
<i>Current assets</i>			
Cash and cash equivalents		17,850	24,859
Trade and other receivables	5	83,156	64,761
Inventories and work-in-progress	6	6,133	5,498
Derivative financial instrument		-	3
Total current assets		<u>107,139</u>	<u>95,121</u>
<i>Non-current assets</i>			
Property, plant and equipment	9	431,558	332,326
Deferred tax assets	4	728	554
Intangible assets	10	63,274	52,315
Other non-current assets	11	921	2,070
Total non-current assets		<u>496,481</u>	<u>387,265</u>
Total assets		<u>603,620</u>	<u>482,386</u>
Liabilities			
<i>Current liabilities</i>			
Trade and other payables	12	49,430	40,545
Borrowings	13	23,871	18,336
Current tax liabilities	4	6,110	5,024
Provisions	14	373	568
Total current liabilities		<u>79,784</u>	<u>64,473</u>
<i>Non-current liabilities</i>			
Borrowings	13	173,183	122,814
Deferred tax liabilities	4	247	109
Provisions	14	1,051	1,428
Total non-current liabilities		<u>174,481</u>	<u>124,351</u>
Total liabilities		<u>254,265</u>	<u>188,824</u>
Net assets		<u>349,355</u>	<u>293,562</u>
Equity			
<i>Capital and reserves</i>			
Share capital	15	27,470	27,084
Share premium	16	156,524	149,679
Reserves	17	(41,909)	(40,030)
Retained earnings	18	206,788	156,421
Equity attributable to owners of the Company		<u>348,873</u>	<u>293,154</u>
Non-controlling interests	19	482	408
Total equity		<u>349,355</u>	<u>293,562</u>



**Preliminary final report
for the period ended 30 June 2012**

Consolidated statement of changes in equity for the year ended 30 June 2012

	<u>Note</u>	<u>Share capital</u> US\$'000	<u>Share premium</u> US\$'000	<u>Other equity reserves</u> US\$'000	<u>Translation reserve</u> US\$'000	<u>Share based payments reserve</u> US\$'000	<u>Retained earnings</u> US\$'000	<u>Attributable to owners of the Company</u> US\$'000	<u>Non-controlling interests</u> US\$'000	<u>Total</u> US\$'000
Balance at 1 July 2010		26,787	144,012	(45,034)	(1,172)	100	111,382	236,075	727	236,802
Payment of dividends to shareholders	21	-		-	-	-	(9,612)	(9,612)	-	(9,612)
Total comprehensive income for the year		-	-	-	5,670	-	54,651	60,321	(18)	60,303
Change in estimate for IPO and its related expenses	16	-	320	-	-	-	-	320	-	320
Issue of share capital	15,16	297	5,347	-	-	-	-	5,644	-	5,644
Acquisition of additional interest in a subsidiary	17(a), 19	-	-	(109)	-	-	-	(109)	(301)	(410)
Recognition of share-based payment	17(c)	-	-	-	-	515	-	515	-	515
Balance at 30 June 2011		27,084	149,679	(45,143)	4,498	615	156,421	293,154	408	293,562



**Preliminary final report
for the period ended 30 June 2012**

Consolidated statement of changes in equity for the year ended 30 June 2012 (continued)

	Note	Share capital	Share premium	Other equity reserves	Translation reserve	Share based payments reserve	Retained earnings	Attributable to owners of the Company	Non- controlling interests	Total
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 July 2011		27,084	149,679	(45,143)	4,498	615	156,421	293,154	408	293,562
Payment of dividends to shareholders	21	-	-	-	-	-	(15,496)	(15,496)	-	(15,496)
Total comprehensive income for the year		-	-	-	(2,988)	-	65,498	62,510	426	62,936
Issue of share capital	15,16	386	6,845	-	-	-	-	7,231	-	7,231
Disposal of interest in a subsidiary	19	-	-	-	-	-	-	-	56	56
Realisation of fair value adjustment on property, plant and equipment upon liquidation of a subsidiary	18	-	-	-	-	-	365	365	-	365
Repayment of capital to non-controlling interests	19	-	-	-	-	-	-	-	(408)	(408)
Recognition of share-based payment	17c)	-	-	-	-	1,109	-	1,109	-	1,109
Balance at 30 June 2012		27,470	156,524	(45,143)	1,510	1,724	206,788	348,873	482	349,355



Consolidated statement of cash flows for the year ended 30 June 2012

	<u>Year ended 30 June 2012</u>	<u>Year ended 30 June 2011</u>
	US\$'000	US\$'000
Cash flows from operating activities		
Profit for the year	65,924	54,633
Income tax expense recognised in profit or loss	4,253	1,522
Amortisation of provisions	(573)	(573)
Amortisation of intangible assets	216	375
Amortisation of drydocking expenditure	2,551	1,750
Depreciation of property, plant and equipment	17,778	14,459
Property, plant and equipment written off	21	151
Gain on disposal of property, plant and equipment (net)	(896)	(5,626)
Amortisation of debt upfront fee	529	-
Interest expense	6,368	4,741
Interest income	(201)	(147)
Expense recognised in respect of share-based payments	1,109	515
Unrealised currency translation gains	(747)	(504)
Fair value losses/ (gains) on forward foreign exchange contracts	3	(3)
	96,335	71,293
Movements in working capital		
Increase in trade and other receivables	(12,552)	(27,258)
Increase in inventories and work-in-progress	(570)	(852)
Increase in trade and other payables	6,134	16,187
	89,347	59,370
Cash generated from operations	89,347	59,370
Income tax paid	(4,124)	(1,330)
Interest paid	(7,212)	(3,797)
	78,011	54,243
Cash flows from investing activities		
Interest received	181	226
Proceeds from disposal of property, plant and equipment	1,784	35,697
Payments for property, plant and equipment	(100,610)	(71,278)
Deposits for vessels purchased	-	(2,070)
Payments for intangible assets	-	(371)
Payment for acquisition of remaining interest in a joint venture	(16,557)	-
Proceeds from disposal of interest in a subsidiary	56	-
	(115,146)	(37,796)
Net cash used in investing activities	(115,146)	(37,796)



Consolidated statement of cash flows for the year ended 30 June 2012 (continued)

	Notes	<u>Year ended 30 June 2012</u> US\$'000	<u>Year ended 30 June 2011</u> US\$'000
Cash flows from financing activities			
Dividends paid to shareholders	21	(15,496)	(9,612)
Payment of debt upfront fee		(1,752)	-
Repayment of capital to non-controlling interests	19	(408)	-
Payments for additional interest in a subsidiary		-	(410)
Proceeds from borrowings		92,600	17,147
Repayment of borrowings		(44,342)	(14,004)
(Repayments)/ addition of obligations under finance leases		(141)	78
		<hr/>	<hr/>
Net cash generated / (used in) from financing activities		30,461	(6,801)
Net (decrease)/ increase in cash and cash equivalents		(6,674)	9,646
Cash and cash equivalents at the beginning of the year		24,859	14,811
Effects of exchange rate changes on the balance of cash held in foreign currencies		(335)	402
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year		17,850	24,859



Notes to the Preliminary Final Report

1. Significant accounting policies

These preliminary financial statements relate to Miclyn Express Offshore Limited and the entities it controlled at the end of, or during, the year ended 30 June 2012. These are general purpose financial statements which have been prepared in accordance with the International Financial Reporting Standards ("IFRS").

The accounting policies adopted are consistently applied by all entities in the Miclyn Express Offshore Group. Certain accounting policies changed as a result of the adoption of new and revised IFRSs and the impact of these changes is as follows:

Adoption of new and revised accounting standards

The accounting policies and methods of computation adopted in the preparation of the preliminary final report are consistent with those adopted and disclosed in the Company's 2011 annual financial report for the financial year ended 30 June 2011.

The new or revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS"), which became mandatory as of 1 July 2011, are not expected to result in substantial changes to the Group's accounting policies.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these consolidated financial statements.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in United States dollars, rounded to the nearest thousand, unless otherwise noted.



2. Profit from operations

	Year ended 30 June 2012	Year ended 30 June 2011
	US\$'000	US\$'000
Profit before tax for the year includes :		
a) Revenue from operations		
Charter revenue	218,509	150,335
Mobilisation/demobilisation income	485	511
Ship management income	3,377	3,456
Ship repair income	16,562	12,874
Project pipe transportation	30,074	-
	269,007	167,176
b) Other gains and losses		
Gain on disposal of property, plant and equipment	934	5,740
Amortisation of provisions	573	573
Rental income	1,136	345
Management income	1,058	642
Scrap sales	482	263
Interest income	201	147
Sundry income	25	98
Net foreign exchange (loss)/gain	(477)	120
Fair value (losses)/gains on forward foreign exchange contracts	(3)	3
	3,929	7,931
c) Administration expenses		
Employee related expenses	22,837	15,867
Professional fees	2,642	2,001
Rental expenses	1,536	984
Depreciation of property, plant and equipment	1,027	856
Allowance for doubtful debt	511	322
Others	1,776	271
	30,329	20,301
d) Finance costs		
Interest expense	6,368	4,741
Amortisation of debt upfront fee	529	-
Commitment fee in relation to bank facility	159	289
	7,056	5,030
e) Other expenses		
Loss on disposal of property, plant and equipment	38	114
Property, plant and equipment written off	21	151
	59	265
f) Depreciation and amortisation		
Depreciation of property, plant and equipment	17,778	14,459
Amortisation of drydocking expenditure	2,551	1,750
	20,329	16,209
Amortisation of intangible assets	216	375
	20,545	16,584



3. Earnings per share

(a) Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	Year ended 30 June 2012 US\$'000	Year ended 30 June 2011 US\$'000
Profit for the year attributable to owners of the Company	65,498	54,651
Weighted average number of ordinary shares used in calculation of basic earnings per share ('000)	276,568	272,673
Basic earnings per share (USD cents per share)	23.7	20.0

* The 30 June 2012 weighted average number of shares issued for the acquisition of remaining 50% interest in Samson Maritime Holdings Pty Ltd ("Samson Maritime") has been calculated as 6 months over 12 months x 3,897,000 shares.

The 30 June 2011 weighted average number of shares issued for the acquisition of interest in a joint venture, Samson Maritime Holdings Pty Ltd ("Samson Maritime") has been calculated as 8 months over 12 months x 2,919,000 shares.

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The shares options are anti-dilutive and, accordingly, no adjustment is made for them.

Diluted earnings per share attributable to owners of the Company is calculated as follows:

	Year ended 30 June 2012 US\$'000	Year ended 30 June 2011 US\$'000
Profit for the year attributable to owners of the Company	65,498	54,651
Weighted average number of ordinary shares used in calculation of basic earnings per share ('000)	276,568	272,673
Weighted average of shares to be issued arising from acquisition of interest in a subsidiary ('000)	-	1,946
Weighted average number of ordinary shares used in calculation of diluted earnings per share ('000)	278,568	274,619
Diluted earnings per share (USD cents per share)	23.7	20.0



4. Income taxes

	Year ended 30 June 2012	Year ended 30 June 2011
	US\$'000	US\$'000
Income tax expense comprises:		
Current tax expenses in respect of the current year	4,235	2,175
Adjustments recognised in the current year in relation to current tax of prior years	(21)	(445)
Deferred tax expense relating to the origination and reversal of temporary differences	(384)	(253)
Foreign withholding tax paid	423	45
Total income tax expense	4,253	1,522

In accordance with the provisions of the Singapore Income Tax Act ("the Act") and Singapore's International Shipping Enterprise Incentive ("AIS"), the operating profits from shipping activities of vessels plying international waters are tax-exempt. The exemption is subject to the Group meeting the terms and conditions set out in Section 13A of the Act and AIS (approved since 1 February 2011). In addition, income tax is chargeable on interest received during the financial year which is treated as a separate source of income for tax purposes.

Current liabilities

	Year ended 30 June 2012	Year ended 30 June 2011
	US\$'000	US\$'000
Current liabilities		
Income tax payable	(6,110)	(5,024)

Deferred tax balances

The following are the major deferred tax liabilities and assets recognised by the Group, and the movements thereon, during the current and prior reporting periods:

	Accelerated tax <u>depreciation</u> US\$'000	Fair value <u>Adjustment</u> US\$'000	<u>Tax losses</u> US\$'000	<u>Total</u> US\$'000
At 1 July 2010	77	-	(269)	(192)
Charge/(credit) to profit or loss	32	-	(285)	(253)
At 30 June 2011	109	-	(554)	(445)
Acquisition of a subsidiary (Note 7(ii))	159	677	(525)	311
Charge/(credit) to profit or loss	(11)	-	(373)	(384)
Exchange differences	(10)	-	47	37
At 30 June 2012	247	677	(1,405)	(481)



4. Income taxes (continued)

The following is the analysis of the deferred tax assets and liabilities balances for presentation purposes:

	Year ended 30 June 2012	Year ended 30 June 2011
	US\$'000	US\$'000
Deferred tax assets	1,405	554
Deferred tax liabilities	(924)	(109)
	<u>481</u>	<u>445</u>

The Group has unremitted retained earnings of US\$18,553,000 (2011 : US\$14,653,000) from a joint venture in Thailand where no deferred tax liability is provided for, as it is not expected that a liability will crystallise.

5. Trade and other receivables

	Year ended 30 June 2012	Year ended 30 June 2011
	US\$'000	US\$'000
Trade receivables	69,306	49,335
Allowance for doubtful debts	(1,449)	(939)
Advances	4,466	2,273
Deposits	1,475	1,713
Prepayments	2,635	2,378
Insurance claims	2,442	1,808
Other receivables	3,983	4,943
Tax recoverable	298	-
Loan to a related party (i)	-	3,250
	<u>83,156</u>	<u>64,761</u>

(i) Loan to a related party has been repaid during the period.

6. Inventories and work-in-progress

	Year ended 30 June 2012	Year ended 30 June 2011
	US\$'000	US\$'000
Raw materials	500	282
Spare parts and consumables	4,773	4,575
Bunkers and lube oil	672	641
Work-in-progress	188	-
	<u>6,133</u>	<u>5,498</u>



7. Entity over which control has been acquired or disposed by the Group during the period

<u>Name of subsidiary and country of incorporation and operation</u>	<u>Principal activities</u>	<u>Effective equity interest held</u>	
		30 June 2012 %	30 June 2011 %
Express Offshore Solutions Pte. Ltd. (i) Singapore	Marine transportation of pipes	70	100
Samson Maritime Holdings Pty Ltd (ii) Australia	Investment holding	100	50

(i) On 28 July 2011, the Group disposed of 30% of its interest in Express Offshore Solutions Pte. Ltd. (“EOS”), reducing its continuing interest to 70%. The proceeds on disposal of US\$56,000 were received in cash.

(ii) On 16 December 2011, the Group acquired the remaining 50% of the issued share capital of Samson Maritime Holdings Pty Ltd (“Samson”). Prior to this acquisition, the group already owned 50% interest in Samson and accounted it as joint venture of the Group. This transaction has been accounted for using the acquisition method of accounting.

Consideration transferred (at acquisition date fair values)

	US\$'000
Cash	16,577
Newly issued shares	7,231
	23,808

The total purchase consideration is US\$23,808,000, of which US\$16,577,000 is paid in cash and US\$7,231,000 is paid with newly issued shares of the Company. The scrip component was priced at 30 days volume weighted average price before the execution of the Sale and Purchase Agreement.

Acquisition-related costs amounting to US\$190,000 have been excluded from the consideration transferred and have been recognised as an expense in the period, within the “administration expenses” line item in the income statement.



7. Entity over which control has been acquired or disposed by the Group during the period (continued)

Assets acquired and liabilities assumed at the date of acquisition

	Carrying amounts in acquiree's books US\$'000	Fair value adjustments US\$'000	Fair value amount US\$'000
Cash and bank balances	20	-	20
Trade and other receivables	12,041	-	12,041
Inventories	168	-	168
Property, plant and equipment	31,695	2,258	33,953
Net deferred tax assets	732	(677)	55
Borrowings	(17,384)	-	(17,384)
Trade and other payables	(8,929)	-	(8,929)
Income tax payable	(862)	-	(862)
Fair value of identified net assets acquired	17,481	1,581	19,062
Goodwill			28,554
Less: Fair value of the Group's interest previously accounted for as a joint venture			(23,808)
Total consideration:			23,808
Newly issued shares			(7,231)
Cash consideration paid			16,577
Cash and cash equivalents acquired			(20)
Net cash outflow arising on acquisition			16,557

Goodwill arising on acquisition

	US\$'000
Consideration transferred	23,808
Add: Fair value of the Group's interest in subsidiary previously accounted for as a joint venture	23,808
Less: Fair value of identified net assets acquired	(19,062)
Goodwill arising on acquisition	28,554

Goodwill arose from the acquisition of Samson Maritime Holdings Pty Ltd ("Samson") and was attributable to the anticipated future earnings of the Samson fleet, and to enhance profitability through operating synergies. A major value-driver of the combination is the anticipated revenue arising through opportunities to support civil construction and field development projects in Australia not only with the Samson fleet, but with other vessels owned within the Group.

Impact of acquisition on the results of the Group

Included in the profit for the year is US\$3,386,000 attributable to post acquisition profit of Samson. Post acquisition revenue for the year from Samson amounted to US\$36,952,000.

Had the acquisition of Samson been effected at 1 July 2011, the revenue of the Group for the year would have been increased by US\$13,854,000 and the profit for the year would have been increased by US\$766,000.



8. Joint ventures

<u>Name of joint ventures and country of incorporation and operation</u>	<u>Principal activities</u>	<u>Effective equity interest held</u>	
		<u>30 June 2012</u> %	<u>30 June 2011</u> %
Uniwise Holdings Limited Thailand	Investment holding	37.5	37.5
Uniwise Offshore Limited Thailand	Offshore support vessel business	50.0	50.0
Alliance Offshore Service Limited Hong Kong	Ship owner and charterer	50.0	50.0
Alliance Offshore Services Pte Ltd Singapore	Owner and charterer of vessels and barges	50.0	50.0
Samson Maritime Holdings Pty Ltd Australia (Note 7(ii))	Investment holding	-	50.0

The following amounts are included in the Group's financial statements as a result of proportionate consolidation of above joint ventures:

	<u>Year ended</u> <u>30 June 2012</u> US\$'000	<u>Year ended</u> <u>30 June 2011</u> US\$'000
Assets and liabilities		
Non-current assets	32,103	49,608
Current assets	10,079	17,319
Current liabilities	(7,405)	(15,306)
Non-current liabilities	(9,895)	(22,297)
Revenue	32,684	30,798
Expenses	(26,408)	(27,318)



9. Property, plant and equipment

	Vessels	Drydocking	Leasehold land & building	Furniture and fittings	Office equipment	Motor vehicles	Plant and machinery	Vessel under construction/ work in progress	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cost:									
At 1 July 2010	267,180	5,146	7,213	605	678	515	6,342	40,498	328,177
Additions	40,010	4,197	22	59	463	207	1,449	24,871	71,278
Disposals	(37,054)	(283)	-	(9)	(15)	(35)	(306)	-	(37,702)
Write-off	(15)	(783)	-	(110)	(46)	-	(359)	-	(1,313)
Exchange differences	4,018	20	464	16	52	53	319	444	5,386
Transfer	32,055	-	-	-	-	-	-	(32,055)	-
At 30 June 2011	306,194	8,297	7,699	561	1,132	740	7,445	33,758	365,826
Additions	66,692	4,527	1,491	85	1,366	163	1,362	26,994	102,680
Acquisition of subsidiary	20,725	45	-	145	154	244	628	171	22,112
Disposals	(971)	(37)	-	-	(4)	(47)	(280)	-	(1,339)
Write-off	-	-	-	-	-	-	(32)	-	(32)
Exchange differences	(109)	(24)	(408)	(14)	(38)	(21)	(204)	(196)	(1,014)
Transfer	22,948	391	-	-	-	-	-	(23,339)	-
At 30 June 2012	415,479	13,199	8,782	777	2,610	1,079	8,919	37,388	488,233



9. Property, plant and equipment (continued)

	Vessels US\$'000	Drydocking US\$'000	Leasehold land & building US\$'000	Furniture and fittings US\$'000	Office equipment US\$'000	Motor vehicles US\$'000	Plant and machinery US\$'000	Vessel under construction/ work in progress US\$'000	Total US\$'000
Accumulated depreciation and impairment:									
At 1 July 2010	19,064	2,069	1,000	190	339	86	2,880	-	25,628
Depreciation for the year	11,914	1,750	519	82	291	108	1,545	-	16,209
Disposals	(7,664)	(116)	-	-	(14)	(27)	(220)	-	(8,041)
Write-off	(1)	(741)	-	(12)	(142)	-	(266)	-	(1,162)
Exchange differences	616	10	60	10	23	15	132	-	866
At 30 June 2011	23,929	2,972	1,579	270	497	182	4,071	-	33,500
Acquisition of subsidiary	3,592	13	-	8	82	89	222	-	4,006
Depreciation for the year	15,451	2,551	(46)	66	537	208	1,562	-	20,329
Disposals	(170)	(28)	-	-	(1)	(35)	(217)	-	(451)
Write-off	-	-	-	-	-	-	(11)	-	(11)
Exchange differences	(418)	(16)	(91)	35	(14)	(14)	(180)	-	(698)
At 30 June 2012	42,384	5,492	1,442	379	1,101	430	5,447	-	56,675
Carrying amount:									
At 30 June 2012	373,095	7,707	7,340	398	1,509	649	3,472	37,388	431,558
At 30 June 2011	282,265	5,325	6,120	291	635	558	3,374	33,758	332,326



9. Property, plant and equipment (continued)

The carrying amount of the Group's motor vehicles includes an amount of US\$22,000 (2011 : US\$99,000) secured in respect of assets held under finance leases.

During the financial year ended 30 June 2012, the Group has pledged the property, plant and equipment of certain subsidiaries amounting to US\$327,033,000 (2011 : US\$267,176,000) to secure banking facilities granted to the Group (Note 13).

10. Intangible assets

	Year ended 30 June 2012	Year ended 30 June 2011
	US\$'000	US\$'000
<u>Composition:</u>		
Goodwill (note (a))	62,598	51,423
Licences (note (b))	676	892
	63,274	52,315

(a) Goodwill

	Year ended 30 June 2012	Year ended 30 June 2011
	US\$'000	US\$'000
<u>Cost and carrying amount:</u>		
Balance at beginning of year	51,423	47,738
Deemed divestment of a joint venture (note 7(ii))	(18,587)	-
Goodwill arising on acquisition of a subsidiary (Note 7(ii))	28,554	-
Effect of foreign currency exchange differences	1,208	3,685
Balance at end of the year	62,598	51,423

During the financial year ended 30 June 2012, goodwill arises from the purchase on 16 December 2011 of the remaining 50% interest in Samson Maritime Holdings Pty Ltd ("Samson"), a company incorporated in Australia, for a total purchase consideration of US\$23,808,000.

(b) Licences

	Year ended 30 June 2012	Year ended 30 June 2011
	US\$'000	US\$'000
<u>Cost and carrying amount:</u>		
Balance at beginning of year	1,267	896
Additions during the year	-	371
Balance at end of the year	1,267	1,267
<u>Accumulated amortisation:</u>		
Balance at beginning of year	375	-
Amortisation during the year	216	375
Balance at end of the year	591	375
Balance at end of the year	676	892



11. Other non-current assets

The other non-current assets represent debt upfront fees prepaid (2011 : deposits paid for vessels purchased).

12. Trade and other payables

	Year ended 30 June 2012	Year ended 30 June 2011
	US\$'000	US\$'000
Trade payables	25,666	19,158
Other payables	1,777	904
Accrued expenses	21,987	17,233
Loan payable to a related party (i)	-	2,000
Loan payable to a shareholder of joint venture (i)	-	1,250
	49,430	40,545

(i) Loans payable to a related party / a shareholder of joint venture have been repaid during the period.

13. Borrowings

	Year ended 30 June 2012	Year ended 30 June 2011
	US\$'000	US\$'000
Secured - at amortised cost		
<u>Current</u>		
Bank loans	23,866	18,301
Finance lease liabilities	5	35
	23,871	18,336
<u>Non current</u>		
Bank loans	173,171	122,746
Finance lease liabilities	12	68
	173,183	122,814
	197,054	141,150

14. Provisions

Provisions represent the fair value of existing fixed rate contracts with customers at date of acquisition of subsidiaries. Amortisation is provided based on the remaining contract lease period of the off-market contracts, ranging from 5 to 9.5 years.

	Year ended 30 June 2012	Year ended 30 June 2011
	US\$'000	US\$'000
Current	373	568
Non-current	1,051	1,428
	1,423	1,996



15. Share capital

	Number of shares	Share capital US\$'000
At 1 July 2010	271,700,000	26,787
Issued for settlement of deferred consideration	2,919,000	297
At 30 June 2011	274,619,000	27,084
Issued for settlement of consideration	3,897,000	386
At 30 June 2012	278,516,000	27,470

During the financial year ended 30 June 2011, there is an issue of 2,919,000 shares of the Company for settlement of deferred consideration relating to the acquisition of joint venture interest in Samson Maritime Holdings Pty Ltd.

On 22 December 2011, there is an issue of 3,897,000 shares of the Company for settlement of consideration relating to the acquisition of remaining 50% interest in Samson Maritime Holdings Pty Ltd (Note 7(ii)).

16. Share premium

	Year ended 30 June 2012 US\$'000	Year ended 30 June 2011 US\$'000
Balance at the beginning of year	149,679	144,012
Issued for acquisition of a subsidiary	6,845	-
Change in estimate for IPO and its related expenses	-	320
Issued for settlement of deferred consideration	-	5,347
	156,524	149,679

During the financial year ended 30 June 2012, the share premium of US\$6,845,000, determined by the market price (A\$1.87) in excess of the par value from the shares issued for settlement of consideration relating to the acquisition of remaining 50% interest in Samson Maritime Holdings Pty Ltd (Note 7(ii)).

During the financial year ended 30 June 2011, the share premium of US\$5,347,000, determined by the IPO price (A\$1.90) in excess of the par value from the shares issued for settlement of deferred consideration, was recorded.



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17. Reserves

	Year ended 30 June 2012	Year ended 30 June 2011
	US\$'000	US\$'000
<u>Composition</u>		
Other equity reserves	(45,143)	(45,143)
Translation reserve	1,510	4,498
Share based payment reserve	1,724	615
	<u>(41,909)</u>	<u>(40,030)</u>
 <u>Movements</u>		
(a) Other equity reserves		
Balance at the beginning of year	(45,143)	(45,034)
Acquisition of additional interest in a subsidiary	-	(109)
Balance at end of year	<u>(45,143)</u>	<u>(45,143)</u>
 (b) Translation reserve		
Balance at beginning of year	4,498	(1,172)
Exchange differences arising on translation of foreign operations	(2,988)	5,670
Balance at end of year	<u>1,510</u>	<u>4,498</u>
 (c) Share based payments reserve		
Balance at beginning of year	615	100
Recognition of share-based payments	1,109	515
Balance at end of year	<u>1,724</u>	<u>615</u>

18. Retained earnings

	Year ended 30 June 2012	Year ended 30 June 2011
	US\$'000	US\$'000
Balance at beginning of year	156,421	111,382
Net profit attributable to owners of the Company	65,498	54,651
Payment of dividends to shareholders	(15,496)	(9,612)
Realisation of fair value adjustment on property, plant and equipment upon liquidation	365	-
Balance at end of year	<u>206,788</u>	<u>156,421</u>



19. Non-controlling interests

	Year ended 30 June 2012 US\$'000	Year ended 30 June 2011 US\$'000
Balance at beginning of year	408	727
Share of profit /(loss) for the year	426	(18)
Disposal of interest in a subsidiary	56	-
Repayment of capital to non-controlling interest	(408)	-
Reduction in non-controlling interests arising on the acquisition of additional interest in subsidiary	-	(301)
Balance at end of year	482	408

20. Segmental information

The Group's reportable segments under IFRS 8 are offshore support vessels, crew / utility vessels, tugs, barges, coastal survey vessels, third party vessels, project pipe transportation and shipyard services as further described below:

(i) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

	Segment revenue		Segment profit/(loss)	
	Year ended 30 June 2012 US\$'000	Year ended 30 June 2011 US\$'000	Year ended 30 June 2012 US\$'000	Year ended 30 June 2011 US\$'000
Offshore support vessels	70,209	64,316	36,071	37,873
Crew / utility vessels	54,702	49,108	25,894	20,794
Tugs	23,783	10,273	9,073	1,518
Barges	18,540	10,473	14,327	6,491
Coastal survey vessels	5,727	4,983	1,409	1,402
Third party vessels	53,060	15,127	9,920	3,783
Project pipe transportation	30,074	-	3,194	-
Shipyard	72,180	79,012	3,804	1,959
	328,275	233,292	103,692	73,820
Eliminations	(59,268)	(66,116)	-	-
Total	269,007	167,176	103,692	73,820
Other gains and losses			3,929	7,931
Administration expenses			(30,329)	(20,301)
Finance costs			(7,056)	(5,030)
Other expenses			(59)	(265)
Profit before tax			70,177	56,155
Income tax expense			(4,253)	(1,522)
Consolidated profit for the year			65,924	54,633

Revenue and results reported above represents revenue generated from external customers.



20. Segmental information (continued)

(ii) Segment assets and liabilities

	Year ended 30 June 2012	Year ended 30 June 2011
	US\$'000	US\$'000
Segment assets		
Offshore support vessels	231,202	189,724
Crew / utility vessels	196,472	157,090
Tugs	43,478	24,865
Barges	44,397	39,221
Coastal survey vessels	7,603	7,929
Shipyard	27,308	17,629
Project pipe transportation	8,600	-
Total segment assets	<u>559,060</u>	<u>436,458</u>
Unallocated	44,560	45,928
Consolidated assets	<u>603,620</u>	<u>482,386</u>
Segment liabilities		
Offshore support vessels	13,456	9,946
Crew / utility vessels	20,064	32,425
Tugs	7,324	4,609
Barges	594	1,090
Coastal survey vessels	4,374	832
Shipyard	11,221	11,691
Project pipe transportation	7,710	-
Total segment liabilities	<u>64,743</u>	<u>60,593</u>
Unallocated	189,522	128,231
Consolidated liabilities	<u>254,265</u>	<u>188,824</u>

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than “cash and cash equivalents”, “other receivables and prepayments”, “intangible assets”, “deferred tax assets” and certain “property, plant and equipment” used for administrative purposes. Goodwill has been allocated to reportable segments. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- All liabilities are allocated to reportable segments other than “borrowings (excluding the term debt facilities held by a certain joint venture of the Group)”, “other financial liabilities” and “current and deferred taxation”. Liabilities for which reportable segments are jointly liable are allocated in proportion to the cost of sales incurred.



20. Segmental information (continued)

(iii) Other segment information

	Depreciation and amortisation		Additions to non-current assets	
	Year ended 30 June 2012	Year ended 30 June 2011	Year ended 30 June 2012	Year ended 30 June 2011
	US\$'000	US\$'000	US\$'000	US\$'000
Offshore support vessels	7,776	5,613	45,645	38,752
Crew / utility vessels	6,818	6,253	44,218	19,855
Tugs	1,485	920	15,534	4,272
Barges	2,604	1,698	5,183	7,304
Coastal survey vessels	423	279	5,066	111
Shipyards	406	967	3,241	519
Project pipe transportation	6	-	39	-
Unallocated	1,027	854	1,860	465
	20,545	16,584	120,786	71,278

(iv) Geographical information

The Group's vessels carried out work in four geographical areas including, Asia (Thailand, Malaysia, Singapore, Indonesia, Myanmar, India and others), Australia, Middle East and Africa.

The Group's revenue from external customers and information about its segment assets by geographical location are detailed below.

The management consider that the nature of the Group's business precludes a meaningful allocation of vessel and related assets to specific geographical segments as defined under IFRS 8. These vessels, together with the related drydocking costs and vessel equipment are primarily chartered across geographic markets.

	Revenue from external customers		Non-current assets	
	Year ended 30 June 2012	Year ended 30 June 2011	Year ended 30 June 2012	Year ended 30 June 2011
	US\$'000	US\$'000	US\$'000	US\$'000
Asia				
Indonesia	15,839	8,952	7,453	6,162
Malaysia	25,712	11,082	-	-
Singapore	864	3,034	34,639	34,501
Thailand	39,175	37,668	178	80
Rest of Asia	22,307	7,083	-	-
Other inter-regional	46,122	20,530	-	-
Australia	78,953	39,198	30,481	18,908
Middle East & Africa	40,035	37,862	419	268
Others	-	1,767	-	-
	269,007	167,176	73,170	59,919
Vessels	-	-	373,095	282,265
Vessels in construction/ work in progress	-	-	37,388	33,758
Drydocking costs	-	-	7,707	5,325
Vessel plant and equipment	-	-	3,472	3,374
Deposits for vessels purchased	-	-	-	2,070
Others	-	-	1,649	554
	269,007	167,176	496,481	387,265



20. Segmental information (continued)

(v) Information about major customers

Included in Group's revenue are:

- Charter revenue of US\$30,133,000 (2011 : US\$29,989,000) derived from a customer;
- Ship repair and charter revenue of US\$ 83,632,000 (2011 : US\$33,662,000) derived from another customer.

21. Dividends

During the financial year ended 30 June 2012, the Group declared and paid dividend of US\$5.6 cents per share amounting to a total of US\$15,496,000, in respect of profits accrued for the period from 1 January 2011 to 31 December 2011.

During the financial year ended 30 June 2011, the Group declared and paid inaugural dividend of US\$3.5 cents per share amounting to a total of US\$9,612,000, in respect of profits accrued for the period from 26 March 2010 (date of listing) to 31 December 2010.