

**For Immediate Release****TTA announced improved first quarter results: Challenges remain**

Cost control along with strong effort in market, to continue in the face of severe depression in the dry bulk market and oil & gas sector

Bangkok, 16 May 2016– Thoresen Thai Agencies Plc. (TTA) announced that its overall performance for Q1/2016 improved 13%YoY and 61%QoQ, with normalized net loss to TTA of Baht 224.5 million despite the fact that Jan. – Mar. of each year is normally a low quarter due to the cyclical nature of businesses. TTA maintained strong net cash flow from operation of Baht 170.9 million, with cash and short-term investments on its consolidated balance sheet totaling to Baht 13.4 billion at the end of the first quarter 2016.

“We are pleased that Thoresen Shipping Group was able to outperform the market and MML Group’s subsea service achieved a new contract in what is typically a seasonally weak quarter. This is at a time when shipping business faced the worst downturn in nearly 30 years and crude oil prices were at 13-year-low level in 1Q/16. TTA has also implemented further cost reduction measures resulting in significant reduction of SG&A by 44 %. However, we expect shipping business and oil & gas industry would continue to face volatility and slowdown through 2016. Therefore, we continue to focus on cost control initiatives, efficient and effective execution, prudent new investment policy, and with our healthy balance sheet, we are positioned to weather these challenges,” **said Mr. Chalermchai Mahagitsiri, President and Chief Executive Officer of TTA.**

Key strategic Business Unit Performance

Thoresen Shipping Group (TSG): TCE Rate outperformed adjusted market BSI by 12%. Utilization rate of owned vessels remained at high level despite weak market conditions as the shipping index fell to the lowest point in 30 years. Chartered-in business continues to strongly generate positive margin for the group.

In 1Q/16, TSG’s average TCE rate was at \$3,747 per day, which outperformed the adjusted market TC Avg BSI of \$3,358 per day by 12% although declined 54% YoY from \$8,091 per day in 1Q/15 as the dry bulk index weakened to its lowest ever level in this quarter.



In this quarter, TTA scrapped M.V. Thor Dynamic, with capacity of 43,497 DWT. TSG now owns 23 vessels with an average size of 50,946 DWT and an average age of 11.75 years. Therefore, the group operated an average of 30 vessels (22.2 owned vessels(5) and 7.9 chartered-in vessels) in 1Q/16.

In conclusion, TSG reported a net loss of Baht 263.9 million in 1Q/16 with normalized net loss of Baht 259.3 million.

Mermaid Maritime (MML Group): In 1Q/16, MML Group's total revenue was at Baht 1,412.9 million, a decline of 29% YoY from Baht 1,984.2 million in 1Q/15. However, the revenue from Subsea IRM – Vessels and non vessels - in 1Q/16 increased 25% YoY and 18% YoY, respectively. The utilization rate increased from 33% in 1Q/15 to 40% in 1Q/16. Net profit increased 109% YoY and 101% QoQ, although cable laying business had lower contribution during this quarter.

Though the first quarter of each year is normally a low season for Maritime industry, Mermaid Maritime's subsidiary Mermaid Subsea Services (Thailand) has been awarded a two year services contract in the Gulf of Thailand with an upstream oil & gas company, starting from March 2016 to March 2018 for remotely operated vehicle (ROV). The value of the contract for the initial term is estimated to be circa USD 10 million.

In drilling business, the MML Group's three high specification jack-up drilling rigs, under Asia Offshore Drilling (AOD), have performed strongly with an average of 100% utilization in the first quarter. However, the MML's tender rigs remain cold stacked and are being marketed for sale.

In summary, 1Q/16, MML Group reported a net profit of Baht 44.2 million and attributable net profit to TTA of Baht 26.3 million.

PM Thoresen Asia Holding (PMTA): Export sales increased 95% YoY, supported by PMTA's strategy to expand to other regions. Sales volume rose 8% YoY or increased by 2,885 tons. Baconco 5-B Phase 2 (8,200 sq. m.) achieved 100% occupancy rate of factory area for leasing while the demand from current customers still keeps rising.

In 1Q/16, PMTA achieved a net profit of Baht 26.4 million and attributable net profit to TTA of Baht 17.8 million, with growing sales volume and revenues YoY underpinned by its export-focused strategy. The service income from the factory rental leasing business was THB 10.6 million.

Export sales volume sharply increased 95% YoY from 7,760 tons in 1Q/15 to 15,100 tons in 1Q/16, supported by PMTA's strategy to sell to other regions that have the different planting season from Southeast Asia.



Unique Mining Services (UMS): Sales Volume increased 35% QoQ. New services helped increase other income.

In 1Q/16, UMS had a net loss to TTA of Baht 16 million. UMS's sales volume decreased 33% YoY from 86,000 tons in 1Q/15 to 58,000 tons in 1Q/16 but increased 35% QoQ from 43,000 tons in 4Q/15. The decline in sales volume YoY was mainly from lower sales volume of other size coal during 1Q/16 as opportunities for importing coal for sales was limited, but sales volume improved 35% QoQ.

The other income showed signs of improvement of 197% YoY and 118% QoQ as UMS have started implementing business turnaround plan. Moreover, the continuing cost reduction program had helped reduce the SG&A by 32% YoY and 6% QoQ.

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About TTA

Thoresen Thai Agencies Public Company Limited, or TTA, is a strategic investment holding company that is listed on the Stock Exchange of Thailand, with an investment policy to achieve growth through a balanced portfolio that is diversified both locally and internationally. Included in its current business portfolio are dry-bulk shipping services, offshore oil and gas services, fertiliser production and supply, seaports and logistics and food and drinks, among others. For more information, visit www.thoresen.com.

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