

**For Immediate Release****TTA sees 2Q/2016 uptick from Shipping & Subsea Services, despite challenging market environment**

Bangkok, Thailand, 11 August 2016 – Thoresen Thai Agencies Public Company Limited (TTA) announced an improved performance in 2Q/2016 (1 April – 30 June 2016) with EBITDA increased by 138% quarter-on-quarter and strong consolidated balance sheet. The financial status remains stable with cash and short-term investment totaling THB 12.3 billion at the end of the second quarter.

As a result, the overall normalized profit to TTA amounted to THB 10.5 million, improved 194% year-on-year and 105% quarter-on-quarter, with reported net loss to TTA of THB 30.6 million in this quarter.

Mr. Chalermchai Mahagitsiri, TTA President and Chief Executive Officer, said “we continue to operate in a challenging and volatile environment but we are pleased to see Mermaid Maritime perform well, as it has secured new subsea services contracts, while its associate Asia Offshore Drilling (AOD) has also secured a three-year contract extension from Saudi Aramco for jack-up drilling rigs AOD I and AOD II. At the same time, PMTA could maintain its good performance, with quarter-on-quarter growth across its fertilizer business and factory area for leasing business. For dry bulk operator Thoresen Shipping Group (TSG), revenues and EBITDA edged up slightly from 1Q/2016. However, the shipping sector continue to remain weak as the BDI for the entire industry is still a far apart from its record-high of above 11,000 points. Furthermore, UMS has succeeded in implementing business turnaround plan which resulted in the significant growth of other income and attributable lower net losses to TTA.

Key strategic Business Unit Performance

Thoresen Shipping Group (TSG): Thoresen Shipping Group (TSG)'s average TCE rate in 2Q/2016 was at \$5,079 per day, which was an improvement of 36% quarter-on-quarter but a decline of 19% year-on-year. TSG's average TCE rate in the second quarter was higher than the operating cash costs level of \$5,024 per day. TSG-owned fleet utilization rate remained high at 100% despite the weak market condition.

In 2Q/2016, M.V. Thor Wave with capacity of 39,042 DWT and M.V. Thor Wind with capacity of 39,087 DWT were sold for scrap, following TTA's strategy to improve the fleet efficiency and fleet renewal program. At end of 2Q/16, TSG owned 21 vessels with an average size of 52,078 DWT and an average age of 11.60 years.



TSG ended the quarter with negative EBITDA of THB 3.2 million and increased of 95% quarter-on-quarter. There was non-recurring item loss of around THB 40 million from the sale of ships for scrap during the quarter. In conclusion, TSG reported net loss of THB 196.2 million in 2Q/16 with normalized net loss of THB 155.2 million.

Mermaid Maritime (MML Group): MML Group reported a total revenue of THB 1,751 million, an increase of 24% quarter-on-quarter from THB 1,412.9 million in previous quarter. The revenue from Subsea IRM – Vessels in 2Q/2016 increased 16% quarter-on-quarter, while revenue from cable-laying significantly increased 322% quarter-on-quarter. In addition, the utilization rate increased to 45%.

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 this quarter. Two out of three rigs, AOD I & AOD II, it have been awarded for an extension of 3 more years with new contracted rate. The 'MTR-1' and 'MTR-2' remain cold stacked and marketed for sale. As for the new-builds ('MTR-3', 'MTR-4' and the DSCV), discussions are on-going with the shipyard, though the delivery have been postponed to the end of year.

In summary, MML Group reported the net profit of THB 274.2 million in 2Q/2016 and attributable net profit to TTA of THB 159.1 million.

PM Thoresen Asia Holding (PMTA): PMTA achieved net profit of THB 62.6 million and attributable net profit to TTA of THB 42.2 million in 2Q/2016. Sales volume of fertilizer products in the second quarter was 55,107 tons which increased 46% quarter-on-quarter from 37,827 tons in 1Q/2016.

Despite the serious drought in Vietnam and delayed season, PMTA can maintain domestic sales volume at 31,165 tons which increased 37% quarter-on-quarter. Export sales volume was 23,942 tons which grew 59% from 15,100 tons in the first quarter. Philippine is still the major export market followed by Madagascar.

Revenue from factory area for leasing business was THB 15.1 million in 2Q/16, an increase of 42% from Q1/2016. The demand for factory area for leasing remained high at 100% occupancy rate even though the company already expanded more space of factory area for leasing.

Unique Mining Services (UMS): UMS have started implementing business turnaround plan which resulted in the growth of other income by 85% quarter-on-quarter. Meanwhile, the continuing cost reduction program had helped to decrease 18% quarter-on-quarter to THB 17.5 million in 2Q/16.



Accordingly, with lower SG&A, EBITDA increased 6% quarter-on-quarter to THB 7.8 million in 2Q/16, with EBITDA margin of 10%. Depreciation and amortization decreased 1% quarter-on-quarter while financial restructuring helped to reduce financial cost 31% quarter-on-quarter

Therefore, UMS reported net loss of THB 11.3 million and attributable net losses to TTA of THB 10.2 million in 2Q/2016.

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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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