

FOCUSED FORWARD
| Transport | Energy | Infrastructure

Thoresen Thai Agencies Plc.

Thailand Focus

August 2013

TTA Corporate Profile

Agenda



- Key Facts & Figures
- Overview of Top-tier Businesses
- Overview of Key Second-tier Businesses
- 3QFY13 Financial Results Review
- Recent Developments
- Q&A

A Strategic Holding Company

Focusing on three lines of business



TTA

*.. is a maritime and commodities-focused business group with **Transport, Energy, and Infrastructure** businesses in the Asia-Pacific region ..*

	Group Transport	Group Energy	Group Infrastructure
Top-tier	Thoresen Shipping Singapore Pte. Ltd. Dry bulk shipping services (100% owned)	Mermaid Maritime Plc. (MMT SP) Subsea engineering and drilling services (57.1% owned)	Unique Mining Services Plc. (UMS TB) Coal logistic services (88.7% owned) Baconco Co., Ltd. Fertiliser production & sales and warehouses services in Vietnam (100% owned)
Second-tier	Petrolift Inc. Oil and gas tanker services in the Philippines (40% owned) Ship brokerage services Shipping agency services	Merton Group (Cyprus) Ltd. Coal investment (26.2% owned) Qing Mei Pte. Ltd. Greenfield coal development in Indonesia (33.3% owned)	Baria Serece Deep-sea port in South Vietnam (20% owned) Third-party logistics services Stevedoring and ship supplies

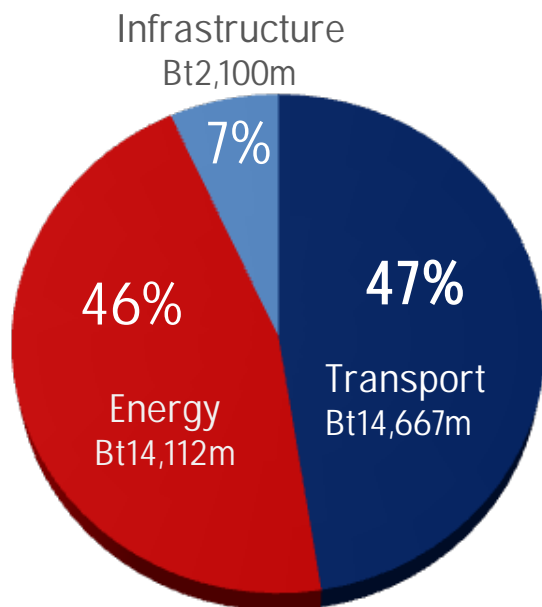
TTA Business Portfolio

Contributions from the three lines of business



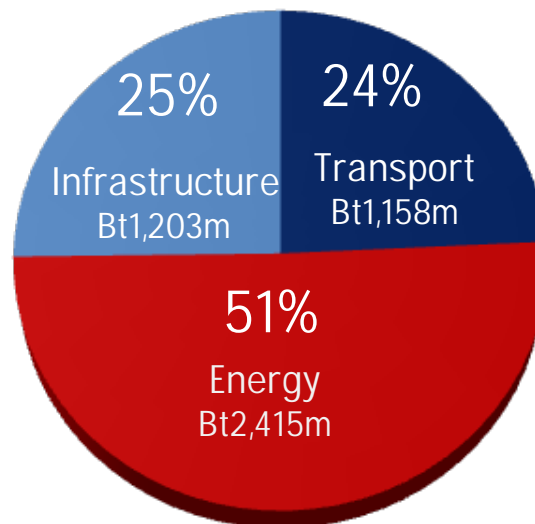
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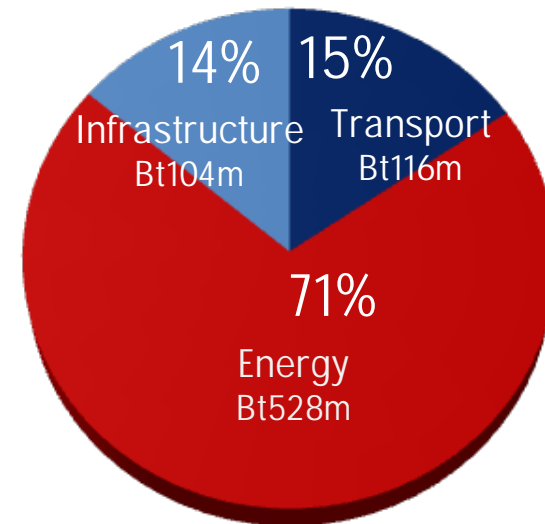
Operating Assets

As of 30 June 2013



Revenues

3QFY13



Normalised EBITDA

3QFY13

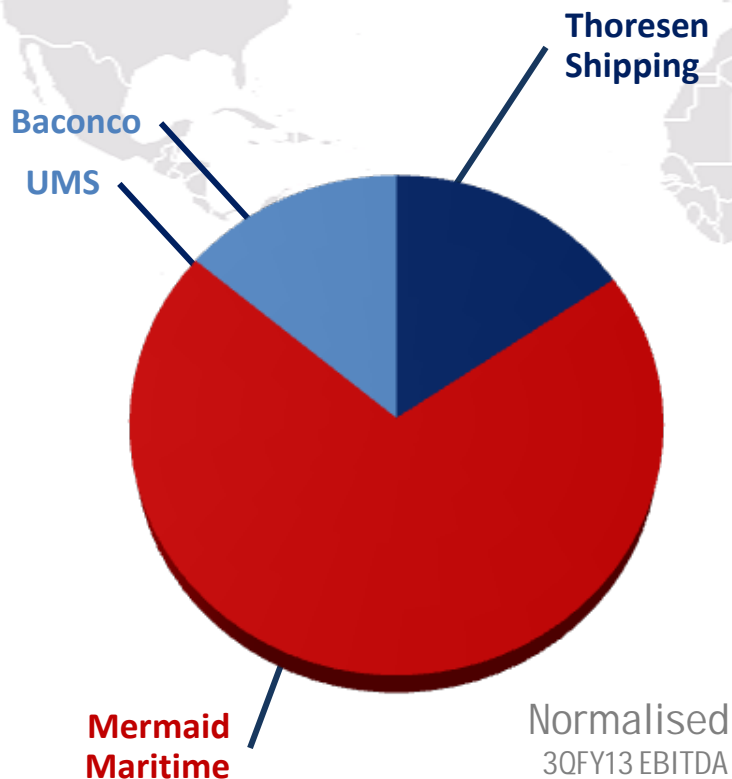
TTA Business Portfolio

Four top-tier businesses in different industry cycles

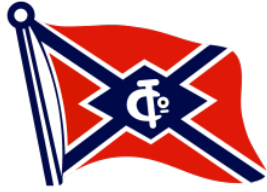


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.. manages businesses through different industry cycles using a conservative financial approach ..



Top-tier Business	Outlook
Thoresen Shipping (100% owned) Dry bulk shipping	At or near bottom of prolonged downturn
Mermaid Maritime (57% owned) Subsea engineering and offshore drilling services	In a multi-year cyclical upturn
UMS (89% owned) Coal logistics services Baconco (100% owned) Fertiliser sales Integrated logistics services	Steady



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Overview of Top-tier Businesses

Thoresen Shipping Singapore Pte. Ltd. (“TSS”)

TSS owns and operates a fleet of medium-sized dry bulk vessels, transporting dry bulk cargoes worldwide



100% ownership

Dynamics

- Owned fleet of 18 vessels (8 Handymax and 10 Supramax), 48,902-DWT average size and 10.63-year average age
- Chartered-in fleet of 15 vessels as at the end of 3QFY13 to meet rising client demand
- In-house commercial, technical, and financial risk management expertise

Key Strategies

- Maintain a compact, modern, highly efficient fleet
- Charter in vessels to fulfil clients' needs
- Capitalise on opportunities to rebuild owned fleet at the bottom of the asset cycle
- Maximise revenues by employing vessels in high yielding regions with cargo-driven commercial teams in Singapore and Copenhagen
- Maintain strong cost focus

Outlook

- Normal demand growth should continue in trade of key commodities, i.e. iron ore, coal, steel products, etc.
- Oversupply has pressured freight rates during the past few years
- Vessel prices are expected to bottom out in 2013, as global fleet growth is finally slowing
- Credit markets remain tight for shipping

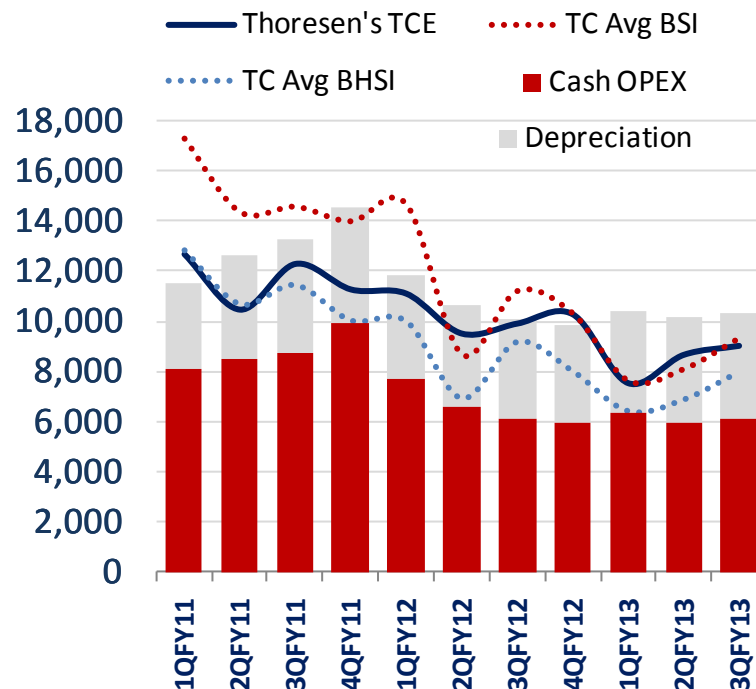


Thoresen Shipping Singapore Pte. Ltd. (“TSS”)

Maximising revenue and streamlining costs



Thoresen Shipping vs. World Market



Outperforming benchmark TCE

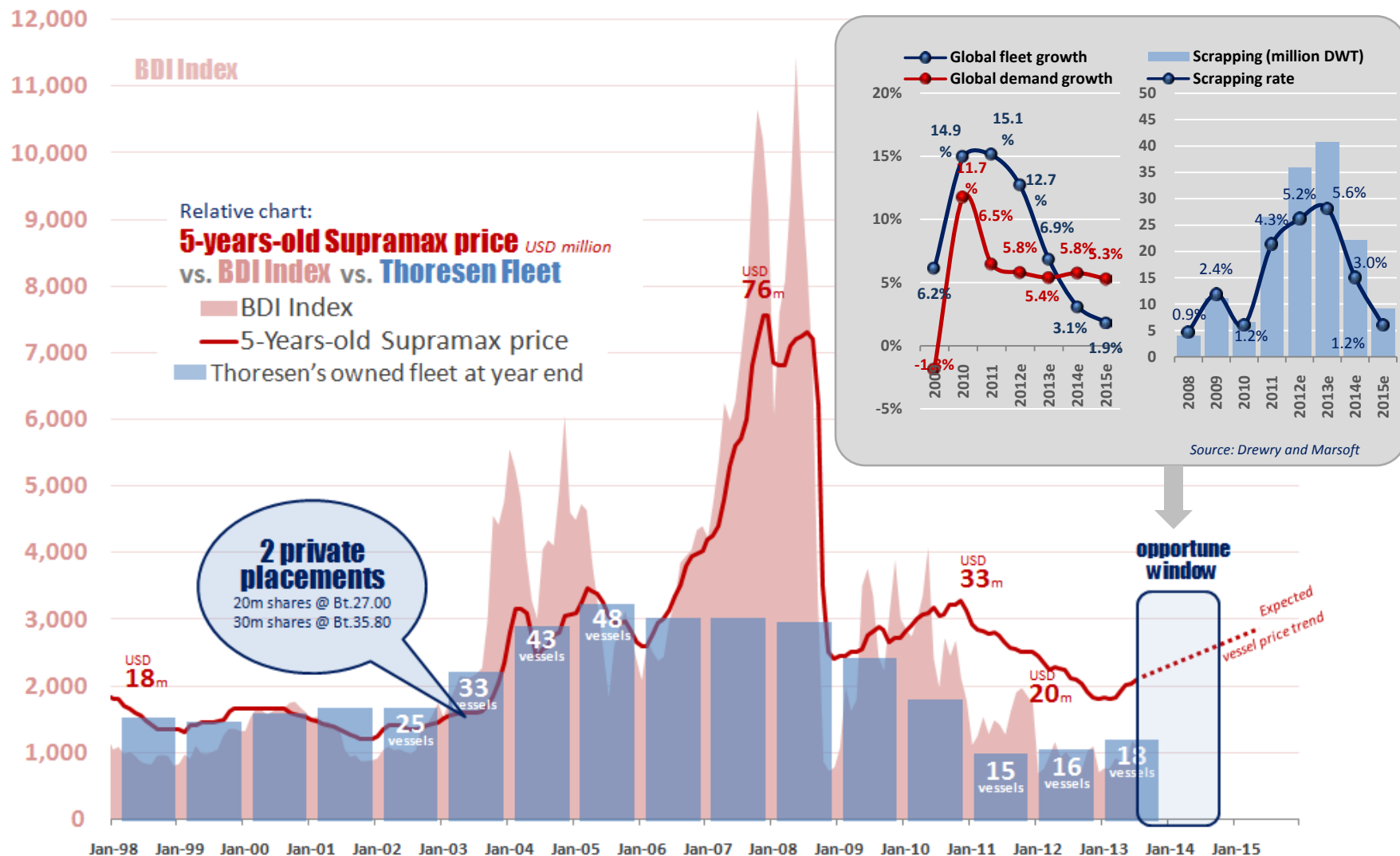
- Thoresen Shipping's TCE of USD 9,026 per day in 3QFY13 outperformed the Baltic Supramax TC rates by 8% after adjusting for fleet revenue capacity (90% of the BSI)

Streamlined cost structure

- Owner's expense of USD 3,902 per day, well below industry average
- Cash operating expenses consistently maintained at around USD 6,000 per day during recent quarters
- Total costs of USD 10,283 per day, down from USD 14,000 per day in 4QFY11

Thoresen Shipping Singapore Pte. Ltd. ("TSS")

Capitalising on opportunities to rebuild owned fleet at the bottom of the asset cycle



Mermaid Maritime Plc. (“Mermaid”)

Mermaid provides subsea engineering and offshore drilling services in the upstream offshore oil & gas industry



57% ownership

UPSTREAM



Oil field services

MERMAID



Exploration & production

MIDSTREAM



Transportation



Pipelines



Storages

DOWNSTREAM



Refining



Distribution



Retail marketplace

Mermaid: Subsea Engineering

Mermaid provides specialised diving services to support the offshore oil & gas industry



57% ownership

Dynamics

- Owned fleet of 8 subsea vessels: 3 high-spec DP DSVs with an average age of about 10 years
- Respected operational capability and excellent safety record
- Regional commercial push through Subtech in the Middle East and Seascope Surveys in Indonesia and Singapore

Key Strategies

- Focus on higher yields and longer contract durations in growth areas, such as the Middle East and Europe
- Leverage key clients and increase value added services
- Penetrate new markets and develop new clients and business opportunities

Outlook

- Outlook of subsea services for 2013 remains strong with greater demand for offshore vessels across multiple geographic regions
- Surveys show a 5.5% increase in global E&P spending to a record USD 645 billion in 2013, with more than 10% spending growth predicted for Asia and the Middle East
- Overall market is in the middle stages of a multi-year upturn



Recent long-term subsea contract wins



- Five-year offshore inspection, repair, and maintenance services contract with Saudi Aramco with a two-year option
- Approx **USD 530 million contract value** for the **five-year period**, where **Mermaid's potential revenue is between 60 to 70%**
- Mermaid to provide diving services using Mermaid Asiana, remotely operated vehicles, specialized diving equipment, and divers

USD
530m
Five-year contract
+ two-year option



- Five-year contract of field maintenance, remedial, and call-off work, to be performed within a window of three months in each contract year in Qatar
- Potential value of **USD 25 million over five years**, an average of **USD 5 million per contract year**
- Contract to be performed utilizing specialized DP Barge, Mermaid Siam, and its associated saturation diving system and personnel

USD
25m
Five-year contract



- Three-year inspection, repair, and maintenance contract with the duration of approximately 100 days in each contract year through 2015
- Potential value of **USD 23 million over three years**
- Contract to be performed utilizing DP2 vessel M.V. Endeavour, which is on long-term charter to Mermaid's subsidiary Seascope Surveys

USD
23m
Three-year contract

Mermaid: Offshore Drilling

Mermaid provides drilling services to offshore oil & gas industry



57% ownership

Dynamics

- Fleet of 2 tender drilling rigs:
 - **MTR-1** being marketed as accommodation barge after contract ended in July 2013
 - **MTR-2** on a 2-year drilling contract starting in May 2013



- Fleet of 3 new-build, high-spec jack-up rigs through Mermaid's **33.8%** shareholding in Asia Offshore Drilling ("AOD"):
 - **AOD I, AOD II, and AOD III** were delivered in January, April, July 2013, respectively
 - Positive contributions from AOD's long-term contracts with Saudi Aramco have begun and are expected to rise in FY14, when all three jack-up rigs are operational

Key Strategies

- Utilise MTR-1 and MTR-2 as long as they are marketable
- Explore opportunities to renew the tender rig fleet
- Leverage on Seadrill's strong global presence and network in areas of technical and commercial management to develop AOD

Outlook

- Renewed market interest in the tender rig sector driven by fleet replacement and attractive potential returns
- Demand for premium jack-up rigs remains strong globally, with the strongest demand expected in the Middle East and the Pacific Rim
- Oil companies continue to show a preference for newer equipment due to their superior technical capacities and operational efficiency



Recent drilling contracts wins

All three jack-up rigs secured 3-year contracts in the Middle East



AOD I



USD

197m +39.5m
Mobilisation fee

Three-year contract + 1-year option
Commenced on 1 May 2013

AOD II



USD

197m +34m
Mobilisation fee

Three-year contract + 1-year option
Delivered on 15 April 2013

AOD III



USD

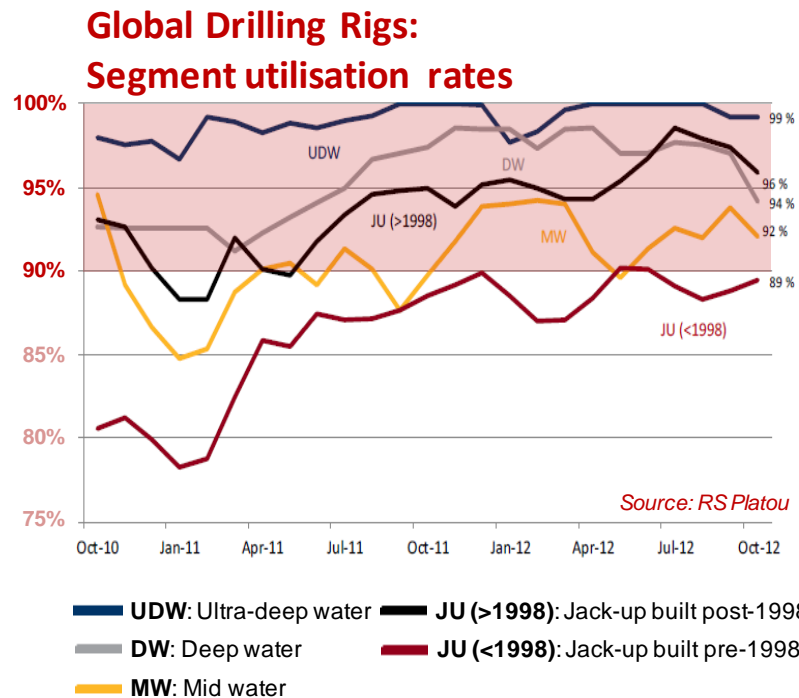
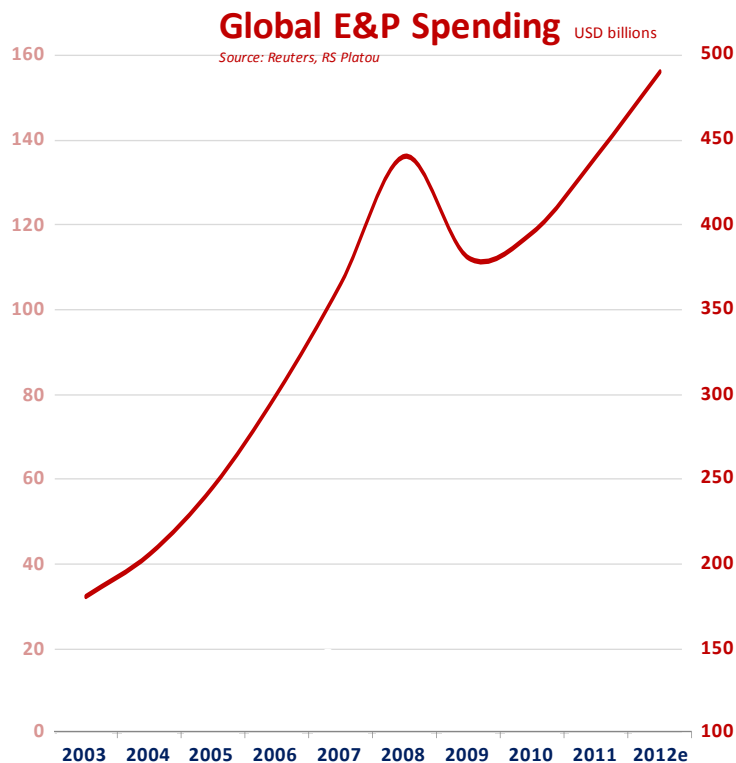
197m +34m
Mobilisation fee

Three-year contract + 1-year option
Delivered on 17 July 2013



Subsea Engineering and Offshore Drilling

Benefiting from a robust global E&P spending



- Recent survey by Pareto which covers 23 oil and gas companies predicts a **6% increase in global E&P spending in 2013 and 8% in 2014**
- **10%+ spending increases predicted for offshore oil and gas**
- There are no signs of lower investment appetite in new projects, as the average hurdle rate continues to be low USD60/barrel
- Overall market is in the **middle stages of a cyclical upturn**

Unique Mining Services Plc. (“UMS”)



UMS imports quality coal, classifies into different sizes, and provides just-in-time delivery services to customers in Thailand

89% ownership

Dynamics

- Owner of 2 warehouses on 70 acres of land with capacity of about 4.1 million tonnes per annum
- 30% market share in industrial segment with client base of more than 500 small and medium-sized industrial customers throughout Thailand
- Concentration of customers in cement producers, electricity generating companies, food processors, and pulp and paper industry

Key Strategies

- Increase overall market in Thailand by converting customers to use coal-fired boilers
- Secure stronger ties with large corporate users of coal
- Expedite pellet project to upgrade low-value 0-5 mm coal inventory and increase overall margins
- Explore other initiatives, including international coal trading, to improve long-term profitability

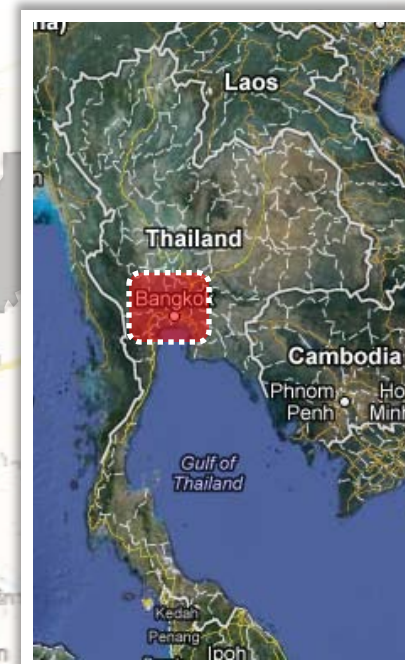
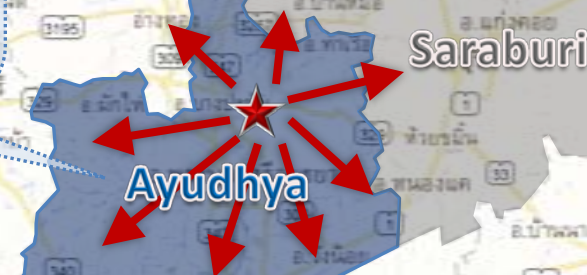
Outlook

- Coal is tipped to be the fossil fuel of choice in South East Asia by 2020 because of its cost advantages, abundance of supply and accessibility, as well as on-going development of “clean-coal” technologies (Wood Mackenzie Report: May 2011)
- Ministry of Energy estimates Thailand’s natural gas reserve-to-production ratio availability of only 12 years





Ayudhya Plant is built to feed higher proportion of **0-5 mm coal** to **cement plants in Saraburi**, while supplying larger-sized classified coal to other factories in the area



Samut Sakorn Plant is built to supply larger-sized classified coal to wide range of factories in the area

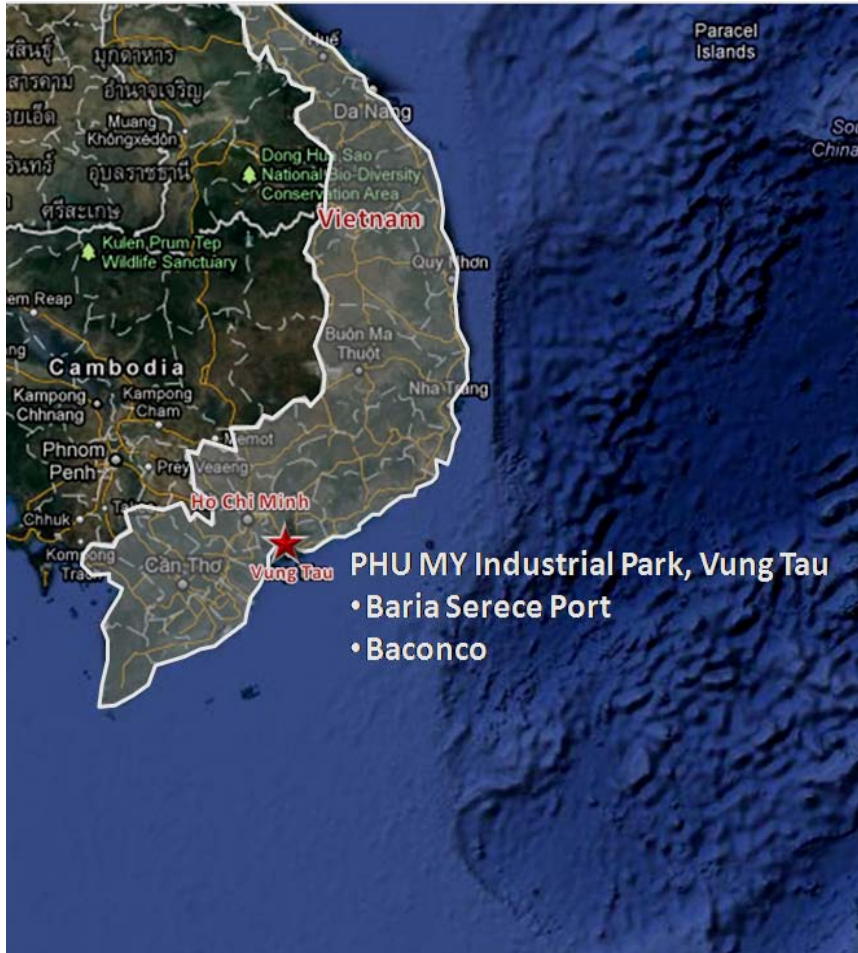


Baconco Co., Ltd. (“Baconco”)

**Baconco is strategically located next to deep-sea port Baria Serece
In Phu My Industrial Park, Vung Tau Province**



100% ownership





Baconco produces and distributes blended fertilisers while increasing its warehouse and logistics services to support Baria Serece port

100% ownership

Dynamics

- Owner of 5.5 hectare fertiliser production and logistics facility at Phu My Industrial Zone, adjacent to Baria Serece Port
- Five fertiliser production processes with combined capacity of 300,000 tonnes per annum
- Bagging capacity of 400,000 tonnes per annum
- Network of 200 wholesalers, 4,000 retailers, and 2 million end-users
- Group warehousing capacity of 53,000 sq.m.

Key Strategies

- Continue development of specialty products
- Leverage market position and reputation to penetrate the agrochemical business
- Increase logistics activities within Phu My industrial zone – high potential to become Indochina's fertiliser hub
- Increase export markets in Asia and Africa

Outlook

- Strong fertiliser demand in Vietnam of over 7 million tonnes in 2013, of which 2.5 million tonnes will be imported
- Increasing demand for professional, global-standard warehousing and logistics services



Vision Completed: Integrated Professional Logistics Services in South Vietnam



Deep-sea port
Baria Serece



Warehouses

Baconco



Shipping agencies

Thoresen Vinama Agencies



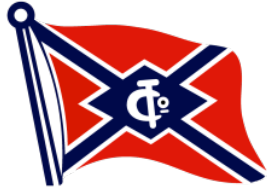
Land transport

Thoresen Vinama Logistics



Marine transport

Thoresen Shipping



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Overview of Key Second-tier Businesses

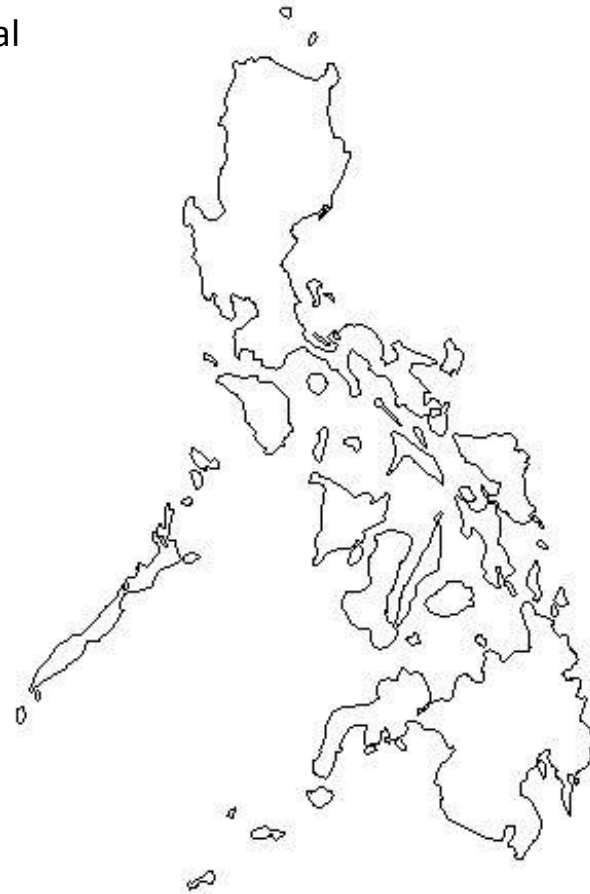
Petrolift Inc. (“Petrolift”)



Petrolift owns and operates a fleet of small tankers, transporting refined petroleum, ethanol and gas across islands in the Philippines

40% ownership

- A young (10-years-old average age) fleet of petroleum tankers/barges, including two LPG tanker, with a total capacity of 41 million litres
- Integral part of the Philippines’ petroleum and gas supply chain, given the country’s geographical landscape
- Accredited contractor for tanker services of the oil majors in the Philippines
- Excellent customers and good charters generating stable and predictable cash flows



Merton Group (Cyprus) Ltd. / Qing Mei Pte. Ltd.



Merton and Qing Mei own coal concessions in the Philippines and Indonesia, respectively

Project in the Philippines

No direct ownership

- **SERI** is a joint venture between **Merton Group** (of which TTA owns 26.2%) and **SKI Construction** to develop 17,500 hectares of coal reserves in Cebu
- Reserve of over 2 million tonnes has been estimated on the initial 107-hectare block
- Undergoing a restructuring process, given that the two existing shareholders are unable to properly finance its operations, thus SERI is temporarily shut down



Project in Indonesia

33% ownership

- **Qing Mei** (a joint venture between TTA, **Merton Group**, and **Britmar**) owns a 70% stake in 33,000 hectares of coal concessions in Central Kalimantan
- Initial exploratory work has indicated approximately 100 million tonnes of reserves in Block 1
- Planning to bid for power project in Central Kalimantan; if successful, Qing Mei will develop coal mine



Baria Serece

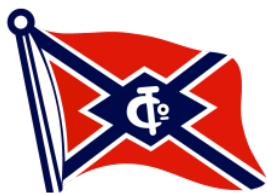


Baria Serece operates a deep-sea port in Phu My Industrial Park

20% ownership

- Among Vietnam's largest dry cargo deep water ports
- Licensed to operate domestic and international general cargo vessels of up to 12 metres and 80,000 DWT in size
- Capacity to handle cargoes of up to 7 million tonnes per annum





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3QFY13 Financial Results

Performance Recap

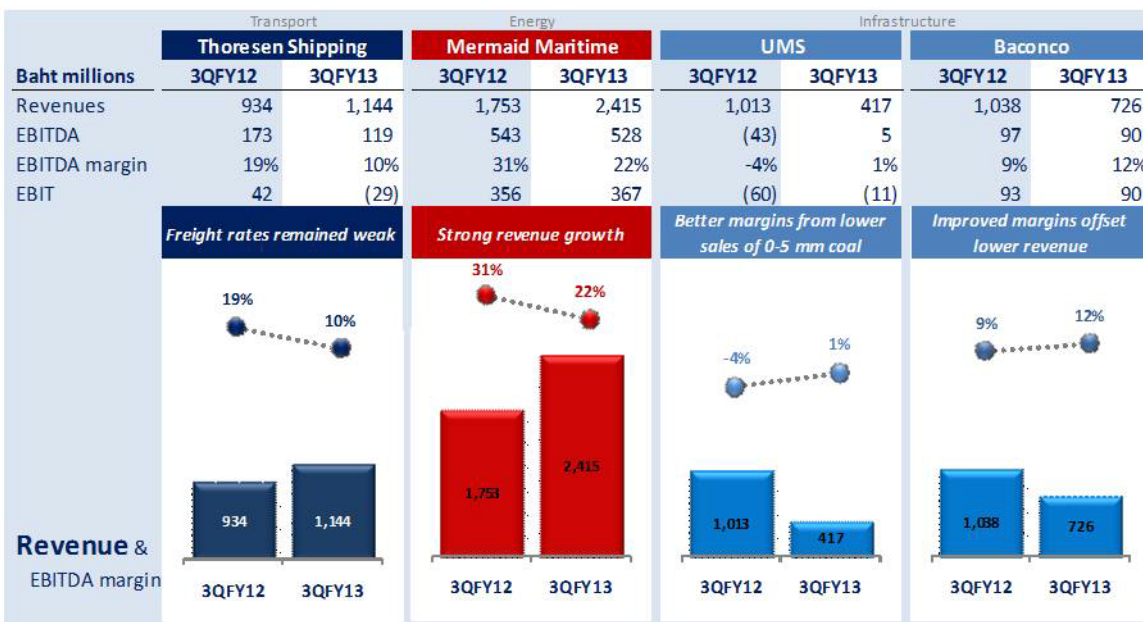
Income statement



- 3QFY13 was affected by the Baht 230 million provision for coal inventories at UMS and the Baht 227 million unrealised forex losses at Mermaid
- Excluding the provision for coal inventories and forex impacts, 3QFY13 net profits should have been Baht 27 million (not adjusting for taxes), improving qoq

Income statement					
Baht millions	3QFY12	2QFY13*	3QFY13	%yoy	%qoq
Revenues	4,810	3,657	4,776	-1%	31%
Freight charges	934	1,118	1,144	22%	2%
Offshore services	1,753	1,394	2,415	38%	73%
Sales	2,045	1,059	1,138	-44%	7%
Costs	3,608	3,086	3,558	-1%	15%
Gross profits	1,201	571	1,218	1%	113%
SG&A	489	476	555	13%	17%
EBITDA	713	95	663	-7%	596%
Depreciation & Amortisation	427	434	442	3%	2%
Other income	65	36	31	-52%	-13%
Equity income	34	9	60	74%	593%
EBIT	385	(294)	313	-19%	206%
Finance costs	(155)	(116)	(133)	14%	-15%
Income taxes	(64)	(17)	(39)	39%	-134%
Profits before EI	166	(427)	141	-15%	133%
Extraordinary items	(2,369)	9	(223)		
Minority interests	(56)	56	1		
Forex translation	(92)	105	(192)		
Net profit	(2,351)	(257)	(273)	88%	-6%
No. of shares (million)	708	774	991		
Basic EPS (Baht)	(3.32)	(0.33)	(0.28)		

*Restated



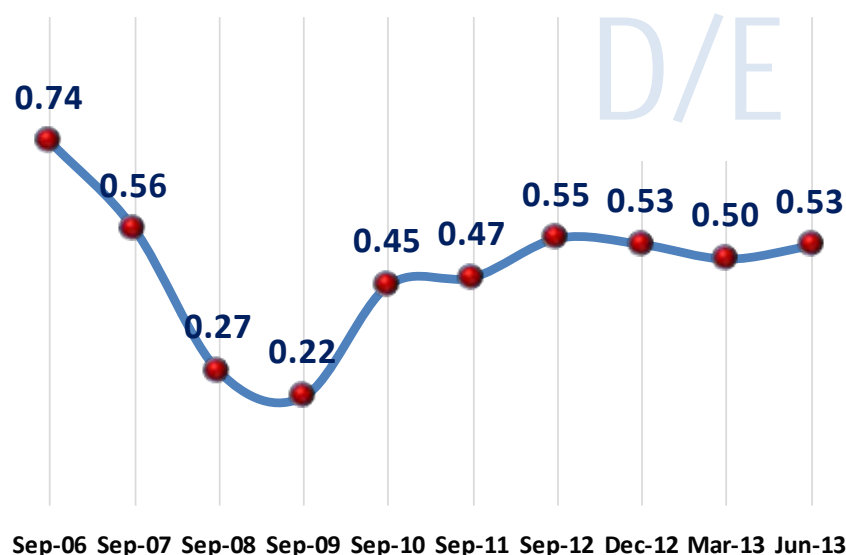
Performance Recap

Balance sheet



Baht millions	30-Sep-11	30-Sep-12	30-Jun-13
Cash & cash equivalents	3,797	3,585	3,775
Short-term investments	984	803	3,357
PP&E	27,002	25,769	26,235
Goodwill, net	3,817	1,499	1,499
Total assets	48,032	42,531	47,531
Short-term debt	3,689	4,595	4,551
Long-term debt	10,692	9,412	10,876
Total liabilities (TL)	17,216	16,920	18,517
Retained earnings	21,487	16,514	15,846
Total equities (TE)	30,816	25,611	29,015
BV/share	43.53	36.17	29.27
TL/TE	0.56	0.66	0.64
D/E	0.47	0.55	0.53
Net D/E	0.31	0.38	0.29

- Balance sheet strengthened following the capital raising in March 2013
- Leverage remains at acceptable levels



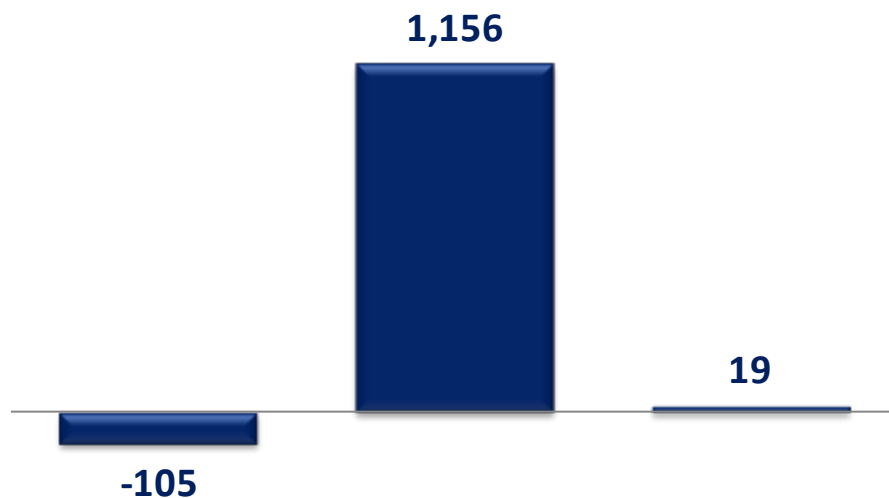
Performance Recap

Operating cash flows

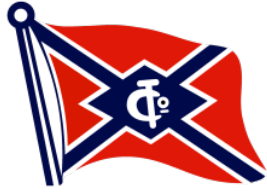


Net operating cash flows

(Million Baht)



- 9MFY13 net operating cash flow was down due to outstanding receivables from the Saudi Aramco, which commenced in 2QFY13, a situation which should improve over the next quarter



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Recent Developments

Recent Developments



Capital increase was 108% oversubscribed and well received by the market

- TTA raised Baht 3,965 million from the rights offering in March 2013
- Up to Baht 2,407 million may be raised within 2.5 years from the exercise of free warrants given to RO subscribers, with first exercise date in June 2013
- Proceeds from the rights offering will be used primarily towards Mermaid's capital increase and equity for Thoresen Shipping's acquisition of second-hand vessels

	No. of shares	Exercise price (Baht/share)	New capital (Million Baht)
Current	708,004,413		
5:2 RO	283,201,765	14.00	3,964.8
TTA-W3 conversion	141,600,882	17.00	2,407.2
Total shares after capital increase	1,132,807,060		6,372.0

Assuming 100% subscription rates for warrants

Recent Developments



Mermaid raising SGD 176.1 million through a 5:4 rights offering

- Mermaid is planning to raise SGD 176.1 million of capital through a rights issue and private placement
- Up to 628.8 million shares will be issued at a price of SGD 0.28 per share
- Proceeds from the rights offering will be used primarily to acquire two new tender rigs and reserve for other investments
- TTA agreed to subscribe its rights shares in full
- Books Closure Date: 26 August 2013
- Subscription period: 29 August – 6 September 2013
- Issuance of the rights shares: 19 September 2013 (expected)
- Commencement of trading of the rights shares: 20 September 2013 (expected)

	No. of shares	Exercise price (SGD/share)	New capital (Million SGD)
Current	784,747,743		
Exercisable ESOP shares	1,251,800		
5:4 RO	628,799,634	0.28	176.1
Total shares after capital increase	1,414,799,177		176.1

Assuming 100% subscription rates for warrants

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