

Unaudited Financial Results For The 4th Quarter And
Full Year Ended 31 December 2009

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1) Consolidated Income Statement

| | Group | | | Group | | |
|---------------------------------|----------------|----------------|--------------------------|-----------------|----------------|--------------------------|
| | 3 months | | | Full year | | |
| | 4Q09 | 4Q08 | Increase / (Decrease) | FY2009 | FY2008 | Increase / (Decrease) |
| | USD'000 | USD'000 | USD'000 | USD'000 | USD'000 | USD'000 |
| Revenue | - | (83) | 83 | - | 4,422 | (4,422) |
| Cost Of Revenue | (55) | 212 | (267) | - | 3,655 | (3,655) |
| Gross Profit/(Loss) | 55 | (295) | 350 | - | 767 | (767) |
| EEH Management Costs | 894 | 645 | 249 | 3,258 | 4,805 | (1,547) |
| Other Admin Expenses | 3,639 | 89 | 3,550 | 4,825 | 1,155 | 3,670 |
| Total Operating Expenses | 4,533 | 734 | 3,799 | 8,083 | 5,960 | 2,123 |
| | | | | | | - |
| Operating Loss | (4,478) | (1,029) | (3,449) | (8,083) | (5,193) | (2,890) |
| Interest (Expenses) / Income | (1,682) | 53 | (1,735) | (1,988) | 1,239 | (3,227) |
| Loss Before Tax | (6,160) | (976) | (5,184) | (10,071) | (3,954) | (6,117) |
| Tax | - | - | - | - | - | - |
| Loss After Tax | (6,160) | (976) | (5,184) | (10,071) | (3,954) | (6,117) |

Commentary on Profit and Loss for the 3 months ended 31 December 2009

No charter revenue was recorded in 4Q09 while 4Q08 recorded a negative revenue of USD83K comprising mainly adjustment of charter revenue for the ARV 2 between April 2008 and September 2008. During 4Q09 we reclassified direct cost of USD55K to administration expenses as we did not have revenue to offset; while 4Q08 we incurred direct cost of USD0.2 million being late bills received relating to the ARV 2 charter.

Operating expenses in 4Q09 and 4Q08 amounted to USD4.5 million and USD0.7 million respectively. The USD3.8 million increase in operating expenses was mainly attributable to higher EEH management cost (which comprised mainly payroll costs) by USD0.2 million; and USD3.6million in administration expenses due to the following:

- the increase of USD1.4 million in vessel expenses incurred in 4Q09 for the preparation of ARV 1 deployment;
- the increase of USD1.4 million in professional fees incurred for issue of our bond;
- the reduction of USD0.3 million bank fees in 4Q08;

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- the increase of USD0.2 million in directors costs including USD0.1 million directors' fee incurred in 4Q09 and USD0.1 million write back of over-provision of directors' benefits of USD0.1 million in 4Q08; and
- the increase of USD0.3 million other administration expenses mainly due to higher insurance, travelling and general expenses in 4Q09.

Interest expenses incurred for 4Q09 was USD1.7 million incurred mainly for the bond issued in October 2009. In comparison 4Q08 we recorded interest income from our fixed deposit.

Net loss for 4Q09 registered USD6.2 million compared with USD1.0 million in 4Q08. The increase in net loss of USD5.2 million as a result of higher interest expenses USD1.7 million, higher operating expenses by USD3.8 million and offset by lower gross loss in 4Q09 by USD0.3 million.

Commentary on Profit and Loss for the full year ended 31 December 2009

No charter revenue or gross profit was recorded in FY2009 and as our two vessels underwent conversion at the Yard during the year. In FY2008, we chartered out ARV 2 for a six month period recording a charter income of USD4.4 million and a gross profit of USD0.8 million.

Total operating expenses in FY2009 amounted to USD8.1 million which was higher than FY2008 operating expenses of USD6.0 million. The USD2.1 million increase in operating expenses was mainly attributable to:

- the increase of USD1.4 million in vessel expenses for the preparation of ARV 1 mobilisation;
- the increase of USD1.2 million in professional fees incurred for the USD34.4 million bond issued in October 2009;
- the increase of USD1.0 million foreign exchange loss effect resulting from the weakened USD against our liabilities in other currencies; offset by
- the decrease of USD1.5 million in EEH management costs during FY2009 mainly due to higher administration costs incurred during the initial establishment of the Group in FY2008.

Operating loss recorded for FY2009 was USD8.1 million, which was an increase of USD2.9 million compared to FY2008, as a result of higher operating expenses USD2.1 million explained above and the USD0.8 million gross profit recorded in FY2008.

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Interest expenses incurred for FY2009 was USD2.0 million arising from short term loans utilised during the year and our bond issued in October 2009. In comparison FY2008 recorded an interest income of USD1.2 million from our fixed deposit.

Net loss for FY2009 registered USD10.1 million compared with USD4.0 million in FY2008 as a result of higher interest and operating expenses and lower gross profit as explained above.

2) **Consolidated Balance Sheets**

| | Group | |
|---------------------------------------|-------------------|-------------------|
| | 31.12.2009 | 31.12.2008 |
| | USD'000 | USD'000 |
| CURRENT ASSETS | | |
| Cash at Bank | 7,554 | 266 |
| Fixed Deposits | - | 2,781 |
| Trade Debtors | - | 301 |
| Other Debtors and Prepayment | 3,798 | 2,529 |
| Total Current Assets | 11,352 | 5,877 |
| | | |
| FIXED ASSETS | | |
| Plant and Equipment | 108,621 | 89,074 |
| Total Fixed Assets | 108,621 | 89,074 |
| Accumulated Depreciation | (936) | (857) |
| Net Fixed Assets | 107,685 | 88,217 |
| TOTAL ASSETS | 119,037 | 94,094 |
| | | |
| CURRENT LIABILITIES | | |
| Bond Payable | 34,400 | - |
| Trade Creditors | 2,019 | 3,458 |
| Other Creditors / Accruals | 2,240 | 186 |
| Total Current Liabilities | 38,659 | 3,644 |
| | | |
| SHAREHOLDERS' EQUITY | | |
| Ordinary Shares | 94,404 | 94,404 |
| Retained Earning | | |
| Balance B/F | (3,954) | - |
| Current Year Profit After Tax | (10,071) | (3,954) |
| Total Shareholders' Equity | 80,378 | 90,450 |
| | | |
| TOTAL LIABILITIES & EQUITY | 119,037 | 94,094 |

Commentary on Balance Sheets

Equity

As at 31 December 2009, shareholders' equity was USD80.4 million compared to USD90.5 million in the previous year. The decline of USD10.1 million was the result of the net loss incurred in FY2009.

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Liabilities

Current liabilities increased from USD3.6 million in 31.12.2008 to USD38.7 million as at 31 December 2009. The increase of USD35.1 million in current liabilities was mainly due to:

- the USD34.4 million bond issued in October 2009; and
- the increase in creditors and accruals of USD0.6 million, mainly due to interest expenses accrued at the financial year end.

Fixed Assets

As at 31 December 2009, our net fixed assets amounted to USD107.7 million which comprised mainly the 2 vessels namely, ARV 1 and ARV 2. The increase in fixed assets by USD19.5 million since 31 December 2008 was mainly due to the capex of USD18.1 million and USD1.4 million incurred by ARV 1 and ARV 2 respectively.

Current Assets

As at 31 December 2009, our current assets was USD11.4 million comprising mainly our cash at bank USD7.6 million and USD3.8 million for the prepayments and deposits made for purchase of vessel equipment.

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3) Consolidated Cash flow Statement

| | Group | | | Group | | |
|---|-----------------|-----------------|--------------------------|-----------------|-----------------|--------------------------|
| | 3 months | | | Full year | | |
| | 4Q09 | 4Q08 | Increase / (Decrease) | FY2009 | FY2008 | Increase / (Decrease) |
| | USD'000 | USD'000 | USD'000 | USD'000 | USD'000 | USD'000 |
| Cash From Operating Activities | | | | | | |
| Loss Before Tax | (6,161) | (976) | (5,185) | (10,071) | (3,954) | (6,117) |
| Add/(Less) | | | | | | |
| Net Foreign Exchange Loss | - | - | - | - | 153 | (153) |
| Interest | 1,682 | (53) | 1,735 | 1,988 | (1,239) | 3,227 |
| Depreciation | 14 | 36 | (22) | 79 | 856 | (777) |
| Loss After Adjustment | (4,465) | (993) | (3,472) | (8,004) | (4,184) | (3,820) |
| | | | | | | |
| (Increase)/Decrease In Working Capital | | | | | | |
| Trade Debtors | 19 | 2,060 | (2,041) | 300 | (300) | 600 |
| Other Debtors | (1,298) | (598) | (700) | (1,270) | (2,528) | 1,258 |
| Trade And Other Creditors | (7,157) | (6,605) | (552) | 183 | 3,644 | (3,461) |
| Cash Used For Operating Activities | (12,901) | (6,136) | (6,765) | (8,791) | (3,368) | (5,423) |
| | | | | | | |
| Cash From Investing Activities | | | | | | |
| Cash Applied In Investing Activities | (8,031) | (8,552) | 521 | (19,547) | (89,075) | 69,528 |
| | | | | | | |
| Cash From Financing Activities | | | | | | |
| Interest | (1,248) | 53 | (1,301) | (1,554) | 1,239 | (2,793) |
| Term Loan | (4,669) | - | (4,669) | (1) | - | (1) |
| Bond Proceeds | 34,400 | - | 34,400 | 34,400 | - | 34,400 |
| Net Proceeds From Issue Of Shares | - | - | - | - | 94,404 | (94,404) |
| Cash From Financing Activities | 28,483 | 53 | 28,430 | 32,845 | 95,643 | (62,798) |
| | | | | | | |
| Net Cash Surplus/ (Deficit) | 7,551 | (14,635) | 22,186 | 4,507 | 3,200 | 1,307 |
| Foreign Exchange Effects | - | - | - | - | (153) | 153 |
| Cash Balance B/F | 3 | 17,682 | (17,679) | 3,047 | - | 3,047 |
| Cash Balance C/F | 7,554 | 3,047 | 4,507 | 7,554 | 3,047 | 4,507 |

Commentary on Cash Flow for the 3 months ended 31 December 2009

For the 3 months ended 31 December 2009, we recorded a net cash surplus of USD7.6 million arising from:

- Cash flow generated from financing activities of USD28.5 million mainly from the USD34.4 million bond issue offset by repayment of short term loans and interest expenses of USD4.7 and million USD1.2 million respectively; offset by
- Cash flow used for investing amounting to USD8.0 million, which was mainly incurred for ARV 1 conversion; and
- Cash flow used for our operations amounting to USD12.9 million, mainly as a result of our loss incurred and increased in working capital.

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Commentary on Cash Flow for the full year ended 31 Dec 2009.

For the year ended 31 December 2009, we recorded a net cash surplus of USD 4.5 million arising from:

- Cash flow generated from financing activities of USD32.8 million from the net proceeds of our bond issue of USD34.4 million; offset by
- Cash flow used for investing amounting to USD19.5 million, mainly incurred for ARV 1 conversion; and
- Cash flow used for our operations amounting to USD8.8 million, mainly as a result of our loss incurred.

Submitted by:

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