

PRESS RELEASE

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EKUINAS CREATES ONE OF MALAYSIA'S LARGEST OSV GROUPS THROUGH STRATEGIC MERGER OF TANJUNG KAPAL SERVICES AND OMNI PETROMARITIME

Key highlights: -

- Ekuinas announces the strategic consolidation of its two offshore support vessels (OSV) companies, Tanjung Kapal Services Sdn Bhd (TKS) and recently-acquired OMNI Petromaritime Sdn Bhd (OMNI) to create one of Malaysia's largest OSV groups with a combined portfolio of 28 vessels and consolidated revenue of more than RM245 million.
- Under the merger exercise, the two companies shall be made wholly-owned subsidiary of the renamed OSV investment holding company, Icon Offshore Berhad (Icon Offshore) in which Ekuinas will have an 88.1% stake on a fully diluted basis for a total investment of RM484.1 million.
- Leveraging on the significant growth opportunities arising from the expected increase in oil and gas Exploration and Production (E&P) activities domestically and in the region, Ekuinas hopes to aggressively grow Icon Offshore through strategic fleet investment and expansion of international business and expects the Group to be poised for listing by 2014.
- The merger exercise of TKS and OMNI further validates the effectiveness of Ekuinas' private equity model as one of the government's innovative strategies under the New Economic Model to increase Bumiputera economic participation through the creation of Malaysia's next generation of leading companies.

KUALA LUMPUR, 20 November 2012: Ekuiti Nasional Berhad (Ekuinas), the government-linked private equity fund management company, today announced that it has undertaken a strategic consolidation of the two offshore support vessel (OSV) companies under its portfolio, Tanjung Kapal Services Sdn Bhd (TKS) and OMNI Petromaritime Sdn Bhd (OMNI), to create one of Malaysia's largest OSV companies.

TKS, previously the offshore marine arm of Tanjung Offshore Berhad (TOB), was substantially acquired by Ekuinas through Kota Bayu Ekuiti Berhad (KBE) in July 2012 when it facilitated TOB's de-merger of its marine vessel services business under TKS from the non-marine services business, as part of TOB's comprehensive group restructuring exercise. Later, in September 2012, Ekuinas completed a RM220.9 million investment in OMNI, another fast-growing Malaysian Offshore Support Vessel (OSV) service provider.

At an event held in Kuala Lumpur today, Ekuinas announced that it has undertaken a strategic merger of the two companies which shall be made wholly-owned subsidiaries of KBE, which has been renamed Icon Offshore Berhad (Icon Offshore). Pursuant to the completion of the exercise and additional injection of capital to finance future expansion plans, Ekuinas will have made a consolidated investment of RM484.1 million for an 88.1% stake in Icon Offshore on a fully dilutive basis. The remaining stake in Icon Offshore shall be owned by management as well as TOB's shareholders, who had exercised their right to participate and own equity in KBE/Icon Offshore through a Restricted Offer for Sale exercise for KBE/Icon Offshore's RCPS that was successfully completed in September 2012.

YB Tan Sri Nor Mohamed Yakcop, Minister in the Prime Minister's Department, who officiated the merger announcement and official launch of Icon Offshore this morning said, "The merger exercise of TKS and OMNI validates the effectiveness of Ekuinas' private equity model as one of the government's innovative strategies under the New Economic Model to increase Bumiputera economic participation through the creation of Malaysia's next generation of leading companies."

"The government is extremely pleased to see two Bumiputera companies merging in a highly fragmented industry to create one of the largest OSV companies in Malaysia, capable of competing effectively not only within Malaysia but also regionally", Tan Sri Nor further added.

With 28 owned and managed vessels under its portfolio, the enlarged entity under Icon Offshore will be among the largest OSV companies in the country with an estimated market leading share of 13% of the local Anchor Handling Tug & Supply (AHT/S) market. Both globally and domestically, the AHT/S and Supply Vessels represent the two largest vessel types in terms of fleet size, with a combined OSV market share of 62% and 41% respectively.

Commenting on the merger, Ekuinas' Chairman, Raja Tan Sri Dato' Seri Arshad Raja Tun Uda said, "We are excited by the creation of Icon Offshore and its potential to be a future regional champion within the OSV industry, especially given the vast opportunities accorded from increased oil and gas (O&G) exploration and production activities in Malaysia and the region. The Malaysian and regional OSV sub-sectors are highly competitive yet fragmented and the feedback from industry clients indicated that consolidation is very much welcomed. Accordingly, we are pleased to have facilitated this consolidation of two highly reputable companies with

strong track records and we are optimistic that the merger would lead to better fleet performance, improved standards, and, ultimately, higher demand for OSVs.”

According to O&G analysts, the local OSV industry is expected to grow significantly in the near future, fuelled by the recently-announced robust capital expenditure plans for the domestic E&P activity amounting to RM300 billion for the next five years. However, the local OSV industry is highly fragmented, with an estimated 70% of players owning less than 10 vessels each.

EkuiNAS’ Chief Executive Officer, Dato’ Abdul Rahman Ahmad explained, “Icon Offshore will have a combined asset value of more than RM1.2 billion, consolidated revenue of more than RM245 million and is highly profitable. Leveraging on this platform, we hope to aggressively grow Icon Offshore business through strategic fleet investment and expansion of its existing international markets. We are confident that Icon Offshore will be well positioned for listing by 2014 and ready to be a leading OSV company in the region, in line with our mandate to create market leaders of the future.”

Icon Offshore is backed by over 100 years of management industry experience, with a strong management team helmed by Dr. Jamal Yusof, the founder and MD of OMNI who assumes the position of Chief Executive Officer of Icon Offshore, with Captain Hassan Ali, the former CEO of TKS, appointed as the Deputy CEO of Icon Offshore. Under the merger exercise, the Management team will continue to retain a meaningful equity in the group with the opportunity to further increase their stake pursuant to a performance-based management equity incentive plan agreed.

EkuiNAS completed its fourth investment for 2012 with the acquisition of OMNI in September. After the launching of its Tranche II Funds, EkuiNAS has to date a portfolio of 12 direct investments and three investments under its outsourced programme with a total committed investment of RM1.6 billion. Together with private capital from its co-investors, EkuiNAS has facilitated an economic capital deployment of more than RM2.1 billion into the Malaysian economy since inception.

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About Ekuinas

Ekuinas (Ekuiti Nasional Berhad) is a government-linked private equity fund management company established on 1 September 2009. With the government endowment of RM5 billion under the 9th Malaysia Plan and 10th Malaysia Plan, Ekuinas aims to create Malaysia's next generation of leading companies whilst promoting equitable, effective and sustainable Bumiputera economic participation.

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