



Caverton Offshore Support Group Plc

Unaudited financial results for the period ended June 30, 2016

LAGOS, NIGERIA – 29 JULY 2016 – Caverton Offshore Support Group Plc (Bloomberg: Caverton NL) the leading provider of marine, aviation and logistics services to local and international Oil and Gas (O&G) companies in Nigeria today announces its unaudited results for the first half of 2016.

Group revenues slowed largely due to the deteriorating business environment in the Offshore Supply Vessels market (OSV). Whilst management was able to manage costs across the group through improving operational efficiencies, an unrealized foreign translation loss of c.N2.9BN resulting from the recent naira devaluation by the Central Bank of Nigeria (CBN) weighed significantly on groups earnings.

Group Financial Highlights

- Revenue down 23% y-o-y to N9.14BN
- Direct Operating Expenses down by 11% y-o-y
- Indirect Operating Expenses up 56% y-o-y to N5.03BN
- FX translation loss of N2.9BN for the period; included in indirect operating expenses
- Operating Loss of N1.62BN lower
- Net debt of N15.2BN up 23% from 31st December, 2015
- Loss After Tax of N2.43BN (N0.73)

Operational Highlights

- Our vessel charter segment saw significant decline in revenue due to the overall deteriorating environment in the global OSV market.
- On the back of this we are expanding our marine portfolio to include vessel management outside of the oil and gas industry and are currently exploring pilot projects for potential clients.
- We continue to make progress with the construction of our new Maintenance, Repair & Overhaul facility (MRO) at our Ikeja base.

- In the Helicopter business, total flight hours down 33% to 5815 in the period.
- We attained 90% completion of our NAF Base Hangar in Port Harcourt in the period; once completed, the increased capacity will enable us to service our clients more effectively and grow our business in the region.
- We maintained our 0.00 Air Accident Rate in the quarter as we continue to enforce our global safety standards.

Commenting on the results, the Group CEO Mr. Bode Makanjuola said, *“We continue to operate in a challenging business environment for both our helicopter and marine businesses due to the overall slowdown in the Offshore Services industry on the back of lower oil price environment. Our target for 2016 has been to broaden our service offering by expanding our portfolio to render value added services to clients across the broader economy, reducing our dependence on the O & G space. We reiterate our commitment to this and are in advance talks with key prospective clients which we expect to boost our non- O & G revenues and begin to reflect in our numbers before the end of the year”.*

He further stated that *“our numbers were significantly impacted by the recent devaluation of the naira by the CBN; this led to a foreign translation loss of c.N2.9BN. Management is embarking on a two-pronged approach to minimize the impact of this on subsequent results through the reorganization of our revenue profile to generate more dollar revenues and debt restructuring to manage exposure to FX risk. Overall, we remain committed to delivering quality service offering to our clients and maintaining our global safety standards”.*

About Caverton

Caverton Offshore Support Group is one of Nigeria’s leading offshore support services companies providing a range of logistics and environmental support services primarily to the oil and gas industry with broader plans to support energy operations along the West African shelf as well as other ancillary support services.

Caverton has a young and growing fleet of vessels and aircraft operating out of nine strategic locations.

The company has an impressive client base which includes Shell, Total, ExxonMobil, Folawiyo Aje Services and NNPC among others.

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