

PRESS RELEASE

14 November 2012

Ekuinas Restructures its Oil & Gas Portfolio

Exits Tanjung Offshore Berhad and Increases Stake in Tanjung Kapal Services to Fully Focus on OSV Market

Key Highlights

- Ekuinas undertakes a strategic restructuring of its Oil & Gas (O&G) portfolio through divestment of its minority stake in Tanjung Offshore Berhad (TOB) and acquisition of additional stake in Kota Bayu Ekuiti Berhad (KBE), the holding company of Tanjung Kapal Services Sdn Bhd, a leading Malaysian company that provides Offshore Support Vessel (OSV) services to oil and gas (O&G) majors in Malaysia.
- The portfolio restructuring which was undertaken through a market share placement and acquisition exercise resulted in Ekuinas receiving a cumulative total proceeds of RM62.0 million (including dividends) from its investment in TOB, out of which RM42.5 million has been utilised as additional investment in KBE. This brings Ekuinas' total investment in KBE to RM233.1 million for a 93.3% stake on a fully dilutive basis.
- Together with Ekuinas' recent investment in OMNI Petromaritime Sdn Bhd, another fast growing Malaysian OSV company, the portfolio restructuring exercise would enable Ekuinas to fully focus on the OSV market and provide it with the platform to create one of the largest Malaysian OSV groups in line with its objective of creating market leading companies of the future.

KUALA LUMPUR, (14 November 2010): Ekuiti Nasional Berhad (Ekuinas), the government-linked private equity fund management company, today announced it has undertaken a strategic restructuring of its Oil & Gas (O&G) portfolio to enable it to fully focus on the OSV market. The portfolio restructuring exercise involves the divestment of Ekuinas' minority stake in Tanjung Offshore Berhad (TOB) and the acquisition of additional equity stake in Kota Bayu Ekuiti Bhd (KBE), the holding company of Tanjung Kapal Services Sdn Bhd (TKS), a leading Malaysian company that provides Offshore Support Vessel (OSV) services.

The portfolio structuring was undertaken through a market share placement and acquisition exercise undertaken by a leading investment bank mandated by Ekuinas to place out its entire existing 24% stake in TOB and acquire additional Redeemable Convertible Preference Shares

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(RCPS) in KBE from existing holders based on the prevailing market prices. Pursuant to the placement exercise and dividends already received from TOB, Ekuinas generated a cumulative total proceeds of RM62.0 million from its investment in TOB, out of which RM42.5 million has been utilised as additional investment in KBE. Together with the earlier investment made by Ekuinas in KBE announced in April 2012, this brings Ekuinas' total investment in KBE to RM233.1 million for a 93.3% stake on a fully dilutive basis.

Ekuinas Chief Executive Officer, Dato' Abdul Rahman Ahmad said, "We are pleased to have been able to support TOB throughout our investment tenure despite the challenges the company has had to face in recent years. With the cash proceeds received from the recently completed group restructuring and de-merger exercise, Ekuinas is exiting from TOB and leaving it in a strong financial position to strengthen its non-marine business comprising engineered products, maintenance and oilfield solution services, and capable of pursuing its own growth plans within the fast expanding Malaysian oil & gas (O&G) sector."

TOB had in September 2012 completed its comprehensive group restructuring exercise involving the de-merger of its marine vessel services business under TKS from its other non-marine O&G services business as part of a continuing plan to streamline operations, improve focus and help create sustainable shareholder value. To facilitate the de-merger exercise, Ekuinas through KBE, had initially acquired a 100% equity stake in TKS and thereafter allowed TOB's shareholders the opportunity to participate and own equity in KBE through a Restricted Offer for Sale exercise for KBE's RCPS.

"This strategic restructuring of our O&G portfolio will enable Ekuinas to consolidate and increase its investment in Tanjung Kapal Services and fully focus on the OSV market, which we believe has strong growth potential in view of increased domestic and regional exploration and production (E&P) activity. This, together with our recently announced investment in OMNI Petromaritime Sdn Bhd (OMNI), would put Ekuinas in a strong position to focus on building one of the largest Malaysian OSV groups in line with our aim of creating market leading companies of the future," Abdul Rahman further added.

On 30 September 2012, Ekuinas had announced a RM220.9 million investment for a 82.5% stake in OMNI. Collectively, the two OSV companies (TKS and OMNI) own and operate a total portfolio of 28 vessels with a combined revenue in excess of RM245 million.

TOB was Ekuinas' second investment and represents the first divestment for Ekuinas since its inception in 2009. To date, Ekuinas has directly undertaken committed investments in 12 high potential companies and 3 companies under its Outsourced Programme, amounting to RM1.6 billion, which together with private capital, has facilitated an economic capital deployment of more than RM2.1 billion into the Malaysian economy.

- Ends -

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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