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Gulf Marine Services



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Overview of GMS

A world leading global SESV operator

OUR BUSINESS

- Operator of the world's largest fleet of advanced self-propelled self-elevating support vessels (SESVs).
- The SESVs provide the stable platform from which our clients perform a wide range of activities throughout the total lifecycle of the offshore oil, gas and renewable energy industries.
- Currently serving global blue chip clients in North West Europe and MENA regions.



FUTURE GROWTH STRATEGY

- New build programme to add six new SESVs to the 2013 fleet by 2016 (a 66% increase in SESV fleet size).
- Expand operations in existing markets of MENA and North West Europe.
- Enter South East Asia and West Africa markets.



Core Strengths and Competitive Advantage

YOUNG TECHNICALLY ADVANCED FLEET	One of the youngest fleets in the industry due to GMS' new build and replacement programme.
COST EFFECTIVE	GMS builds and maintains its fleet at its yard in the UAE to international standards with construction, modification and repairs significantly cheaper and more time-efficient compared to third party yards.
FLEXIBLE	Being both builder and operator, GMS can efficiently tailor vessels to clients' requirements. GMS SESVs frequently supplant drilling rigs.
FASTER	Faster moves in-field than conventional jackups and no need for anchor handling or tug support.
BARRIERS TO ENTRY	Successfully operating SESVs in GMS' markets presents significant barriers to entry for new entrants and incumbents.
HSE PERFORMANCE	Strong HSE record across our global operations. No LTIs in 2014.
OPERATIONAL EXPERTISE	In excess of 35 years of operational experience.
EXPERIENCED MANAGEMENT TEAM	Strong proven track record of delivering successful operational and financial performance.

GMS is very well placed for future growth

Market dominance in MENA with increasing demand:

- All Small Class SESVs on hire, every option to extend exercised in the period
- GMS Enterprise's first contract is in this region

Continued successful operations in Europe:

- Two Large Class SESVs on hire in NW Europe

North West Europe

392

Installed O&G Platforms



MENA

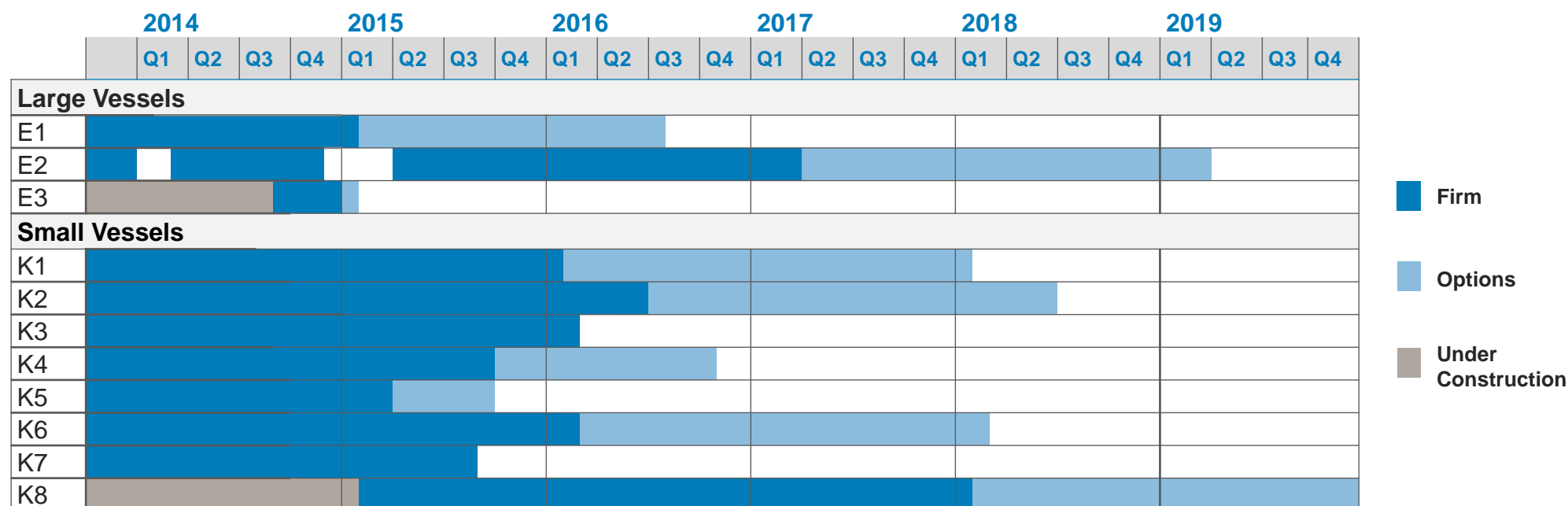
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Installed O&G Platforms



Order Book of Contracts and Options

Backlog as at 1 November 2014:

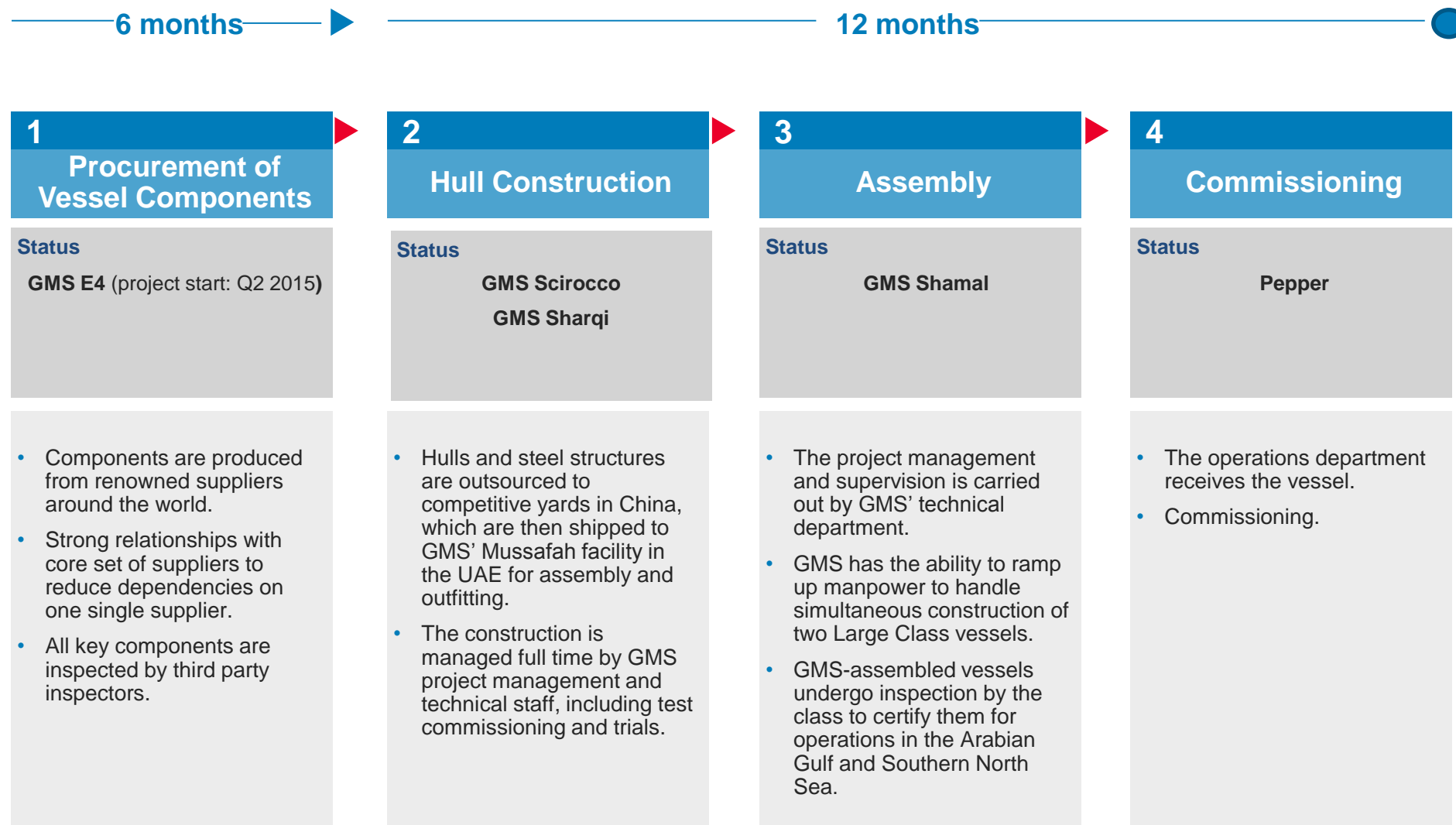


Backlog as at 1
November 2014:
(\$ millions)

	Firm	Options	Total
Large	82	130	212
Small	187	147	334
Other	1	-	1
TOTAL	270	277	547

- Most contracts comprise of a firm period with client's option to extend for a further period.
- Since 2007, in excess of 90% of contract extension options have been exercised.
- On-going client demand routinely presents retendering opportunities.

New Build Programme



New build programme, which will expand fleet capacity by 66%, on schedule

Delivery of Fleet Expansion: 2015 - 2016

	2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
New SESV Vessels								
Pepper (Enhanced Small)								
Shamal (Mid-Size)								
Scirocco (Mid-Size)								
Sharqi (Mid-Size)								
E4 (Large)								

 Scheduled delivery date of vessel

2015 / 2016 Capex cost (including leased purchases) = \$259m

Delivery of new fleet will help drive earnings growth in 2015 and 2016

Key Performance Indicators for H1 2014

Strong performance

	H1 2014				Full Year 2013
	Small	Large	Other	Combined	
Average charter day rate excluding hotel services (\$000s)	38	103	12	42	43
Utilisation	100%	75%	100%	96%	94%
Average daily vessel opex (\$000s)	11	21	4	11	11

- High utilisation levels for SESVs of 95% to the end of Q3 2014 (full year 2013: Large 88% and Small 95%).
- Large Class vessel utilisation was impacted by an expected period of off hire before a client contract that was subsequently cancelled*. The vessel continues to be successfully redeployed on short term contracts in anticipation of longer term work.
- Day charter rates and daily vessel opex have remained stable.
- Day rates on new contracts signed this year are in line with rates previously indicated.

*Refer to 8 May 2014 Interim Management Statement.

Capex to end 2016

\$m	2014*	2015	2016	Total
Large Class construction	39	48	41	128
Mid-Size Class construction	98	75	6	179
Leased purchases (1)		38	51	89
	137	161	98	396

(1) Intention is to acquire an existing Small Class vessel in 2015 for \$38 million at the end of its finance lease period (with plans to purchase a second existing Small Class vessel in 2017 for the same purchase price at the end of its finance lease). An Enhanced Small Class Vessel (P-Class) is due to be delivered in Q2 2015. The intention is to purchase the vessel in 2016 for \$51 million.

Net Debt Position	At Q3 2014 (\$m)
Debt outstanding	264
Cash at bank	84
Net debt	180
Undrawn facility	110

Current capital expansion plans are fully financed

*\$82 million is forecast to be spent in H2 2014.

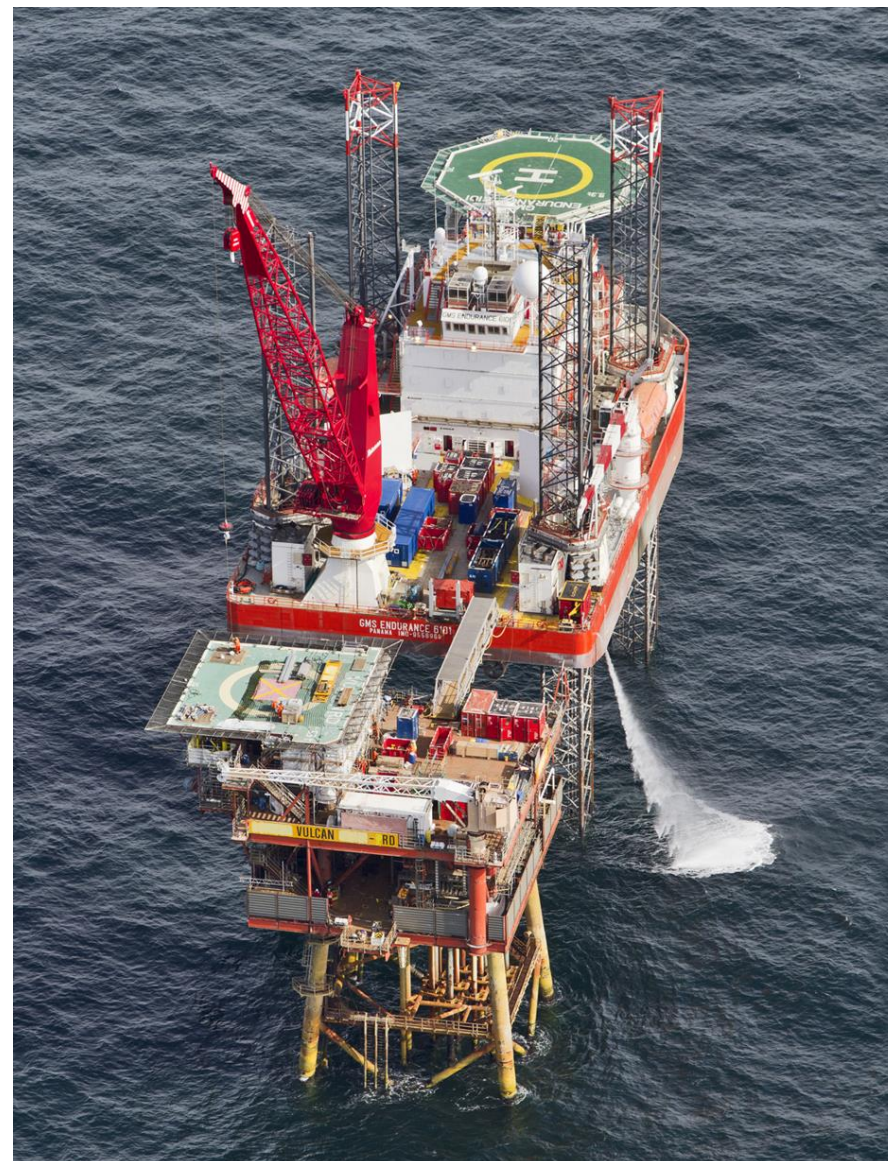
In Summary

- Secured backlog of US\$ 547 million provides good visibility on future earnings.
- Strong overall demand (MENA in particular).
- New build programme to expand fleet capacity by 66% by 2016 progressing well and as scheduled.
- Good progress on delivering future growth strategy.
- Very well placed for 2015 and beyond.

Fleet growth drives substantial increase in earnings potential



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Clients

A well diversified blue chip client base

Oil and Gas

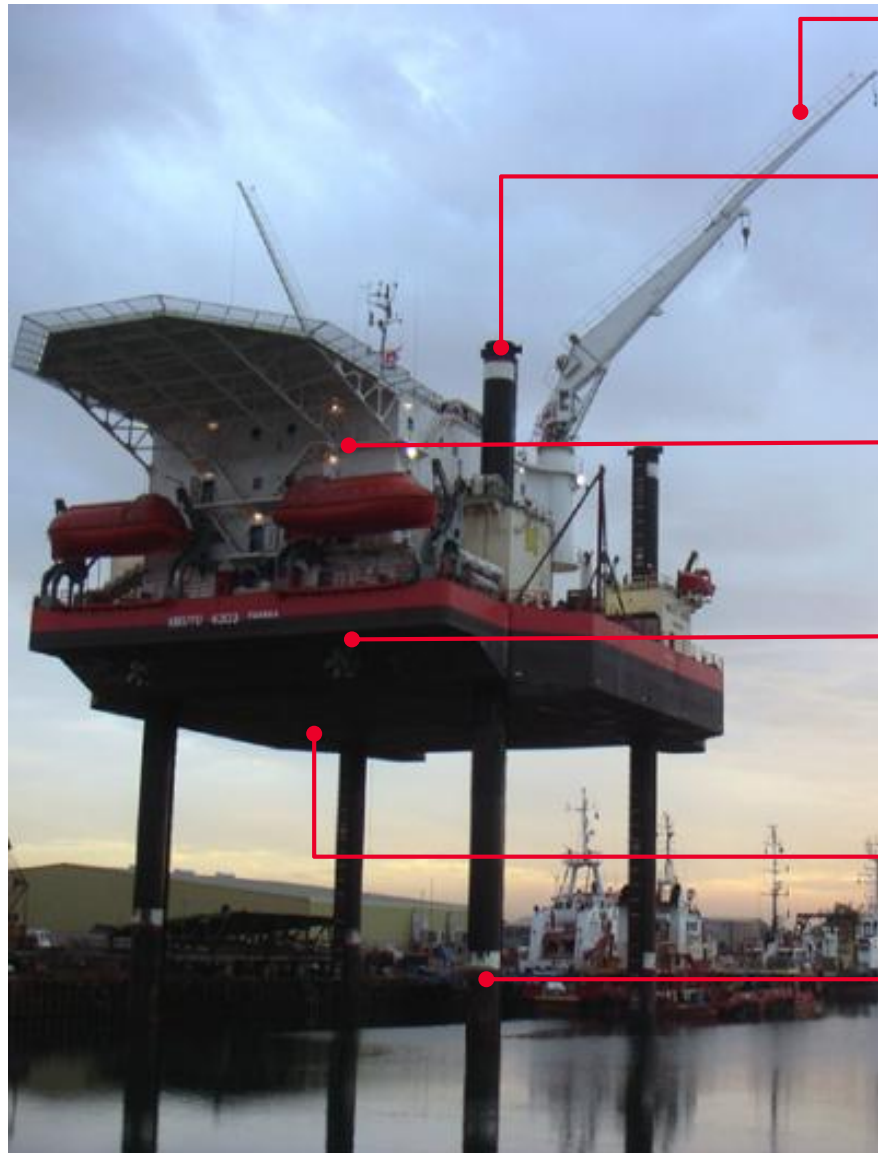


Renewable Energy



Small Class SESV Overview

(K-Class) The backbone of the GMS fleet



Main crane

- 36-45 tonnes
- Oil & gas lifting

45m water depth capability

- 68m leg length
- Able to work in 45 meter water depth

Accommodation

- Accommodates 150 people which can be expanded to 300

Self-propelled

- Speed of up to 4 knots
- Eliminates need for tugs and support vessels

Large deck area

- 600m² deck area

Four-leg design

- Stable and more positioning flexibility
- Faster rig move
- Reduces punch-through risk

Wärtsilä design

- Proven technology with high reliability and flexibility
- Units constantly tested and very well known in the core Arabian Gulf market

Areas of operation

- GCC
- South East Asia
- West Africa

Enhanced Small Vessel Class SESV Overview

(P-Class) Next generation addition to the GMS fleet



Main crane

- 45 tonnes main
- 33 tonnes auxiliary
- Oil & gas lifting

45m water depth capability

- 67.9m leg length
- Able to work in 45 meter water depth

Accommodation

- Accommodates 150 people which can be expanded to 300

Large deck area

- 700m² deck area

Self-propelled

- Speed of up to 5 knots
- Eliminates need for tugs and support vessels

Four-leg design

- Stable and more positioning flexibility
- Faster rig move
- Reduces punch-through risk

Wärtsilä design

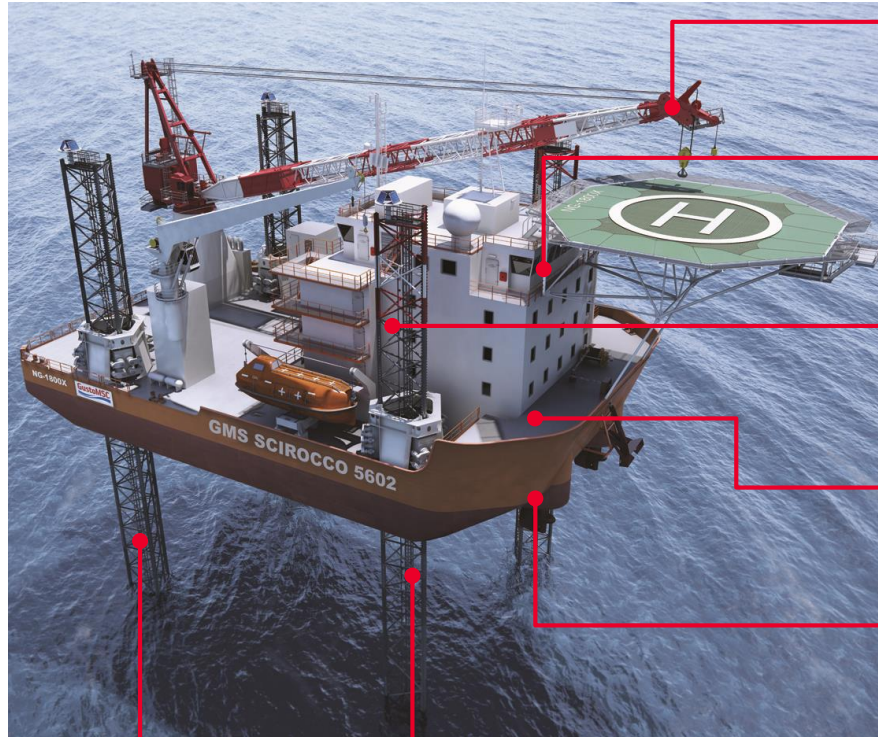
- Similar to the K-Class design

Areas of operation

- GCC
- South East Asia
- West Africa

Mid-Size Class SESV Overview

(S-Class) Next generation addition to the GMS fleet



Main crane

- 150 tonne main
- 15 tonne auxiliary

Accommodation

- Accommodates 150 people which can be expanded 300

55m water depth capability

- 75m leg length

Large deck area

- 850m2 deck area
- Variable load – 800 tonnes

Self-propelled

- Speed of 7 knots
- Can carry load from shore to job location
- Eliminates need for tugs or support vessels
- Reduced mobilisation time and significant cost savings

Four-leg design

- Stable and more positioning flexibility
- Faster rig move
- Reduces punch-through risk

Dynamic positioning

- Dynamic positioning system (DP2)
- Fast and precise positioning at location

Gusto MSC NG1800-X design

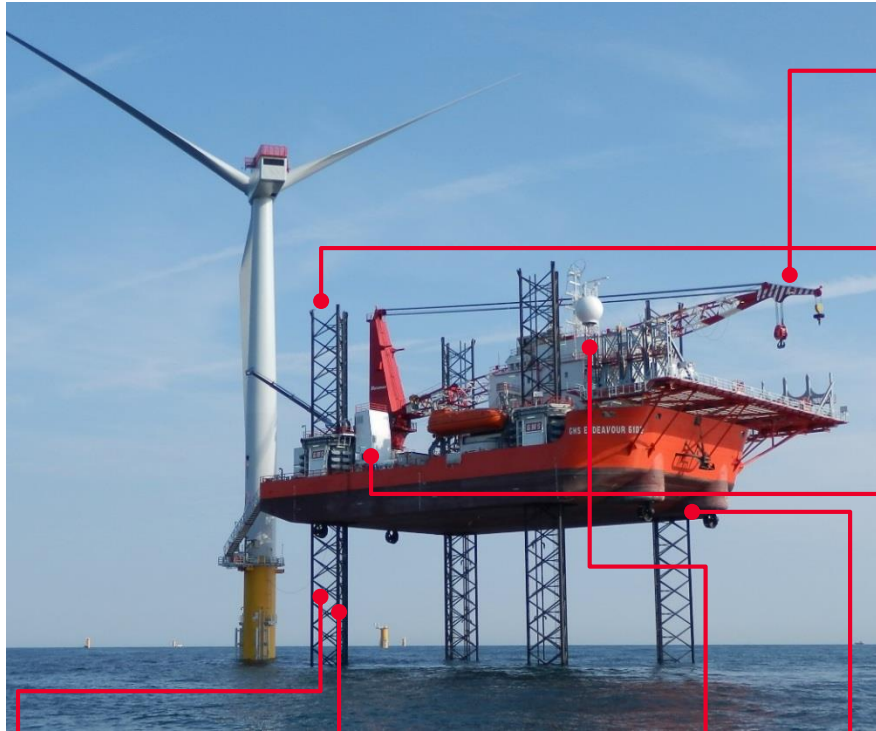
- Proven technology with high reliability and flexibility
- Units constantly tested and very well known in the core Arabian Gulf market

Areas of operation

- GCC
- North West Europe
- South East Asia,
- West Africa

Large Class SESV Overview

(E-Class) The flagship of the GMS fleet



Four-leg design

- Stable and more positioning flexibility
- Faster rig jacking
- Reduces punch-through risk

Dynamic positioning

- Dynamic positioning system (DP2)
- Fast and precise positioning at location
- Variable load 1400 tonnes

Accommodation

- Accommodates 150 people which can be expanded to 300

Main crane

- 300 tonnes & 400 tonnes
- Heavy oil & gas lifting
- Wind turbine installation

Up to 80m water depth capability

- 94.2m leg length
- Able to work in up to 80m water depth, and 50m in harsh environments

Large deck area

- 1000m2 deck area
- Ability to carry oil & gas equipment, wind turbines

Self-propelled

- Speed of 8 knots
- Can carry load from shore to job location
- Eliminates need for tugs or support vessels
- Reduced mobilisation time and significant cost savings

Gusto MSC 2500X design

- Offering higher technical and operational capabilities
- Harsh weather capabilities, opened up SNS market
- Fully complies with the latest MOU and meets all of the SNAME(1) requirements

Priority regions of operation

- GCC
- North West Europe
- South East Asia,
- West Africa

GMS In-House Construction Facility

LATEST NEW BUILD GMS ENTERPRISE



GMS Enterprise leaves the company's construction facility in Mussafah, Abu Dhabi for sea trials

CONSTRUCTION FACILITY AT MUSSAFAH BASE IN THE UAE

- Mussafah base is the HQ of GMS, strategically located on the waterfront of the Mussafah industrial area in Abu Dhabi.
- The lease, which GMS has held since 1977, was renewed in November 2013 and is next due for renewal in 2016
- 34,820m² fabrication and logistical base with the capacity to assemble / outfit three vessels concurrently.
- Full in-house project management and technical supervision capabilities.
- Flexible cost and operating structure facilitating manpower ramp up or downscaling.
- Proven track-record of on time delivery.
- Constructed 3 Large and 1 Small SESVs.
- Project management of refurbishment of 3 Small Vessels.

Significant Barriers to Entry

Successfully operating SESVs in GMS' markets has a number of challenges for new entrants and incumbents:

1 Operational Track Record Essential to Secure Contracts

- NOC pre-qualification 1 – 2 years.
- Operational experience is explicitly required.
- Strong safety performance.

2 Safety Case Required for North West Europe O&G work

- Extensive accreditation process – harsh weather capability essential.
- Few qualified SESV operators.

3 Capital Intensive Business

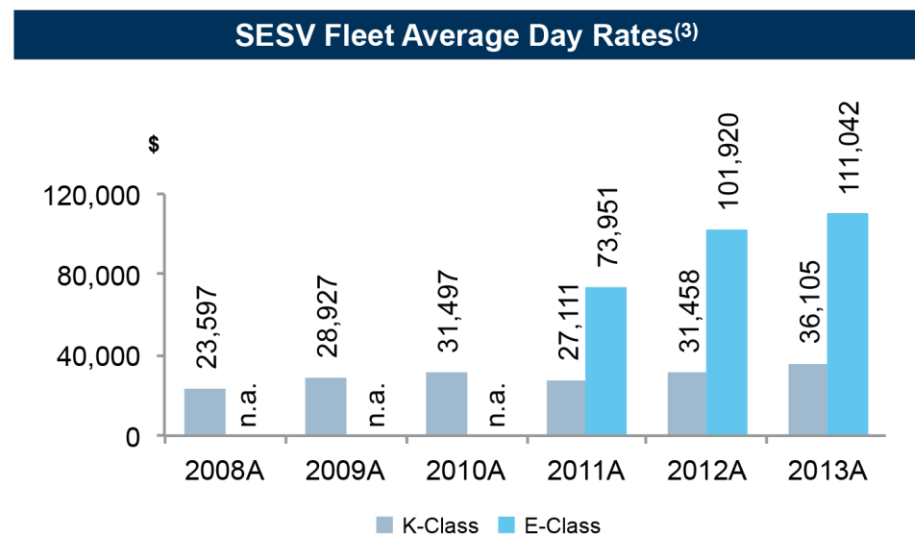
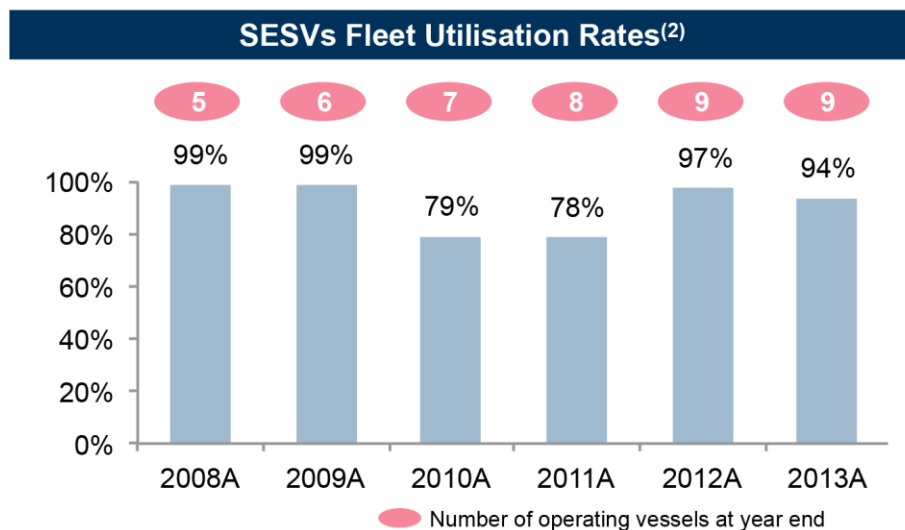
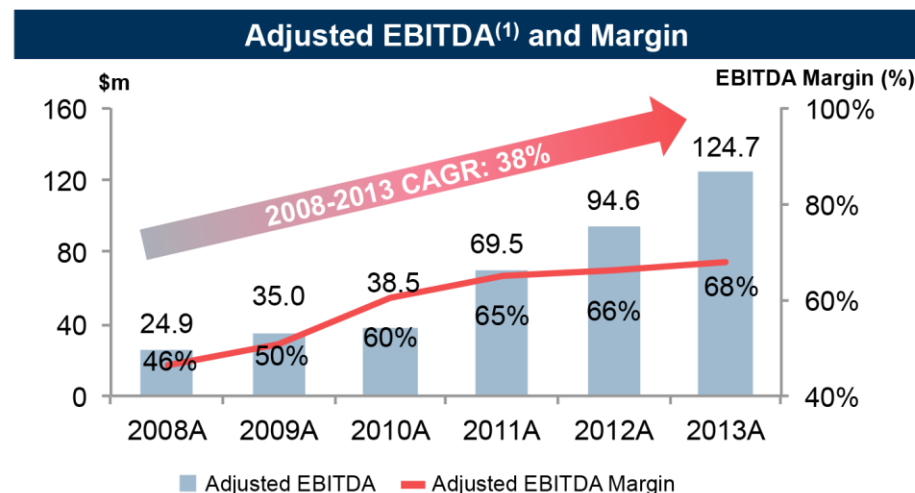
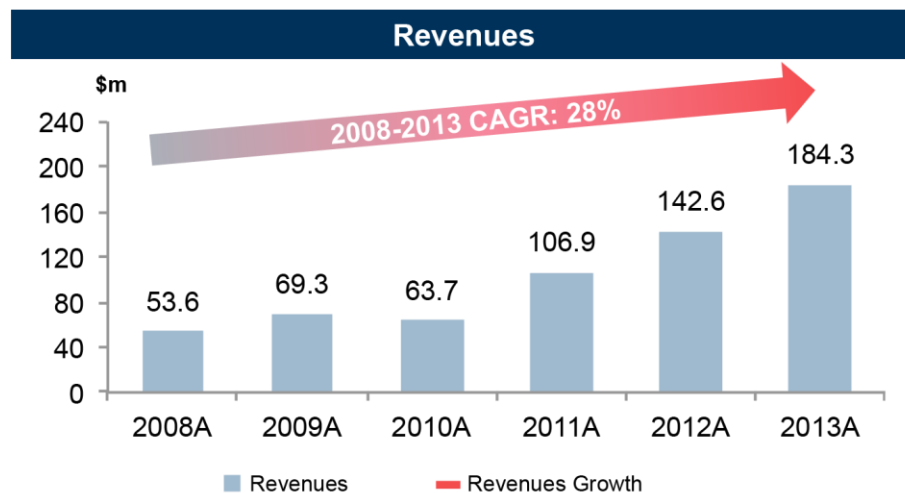
- E-Class costs approximately \$124m for a third party with operational expertise critical to managing new build construction.
- Customers don't pre-contract inhibiting debt financed new builds.

Replicating GMS' fleet and operations could take at least 4 years and would require over \$1 billion⁽¹⁾ and would still not be able to realise the benefits of GMS' longer operational track-record or integrated model

(1) Assumes new entrants would have to build 7 Small Vessels at \$37.5m each (the cost GMS acquires them for), 4 Large Vessels at \$124m each (the amount it costs a 3rd party to build them), 3 Mid-Size vessels at \$85m each (the amount it costs a 3rd party to build them) and 1 Small Enhanced Vessel at \$51m (the price GMS is paying for it). New entrants would also require a maintenance base and suitable levels of working capital adding further significant costs.

Historic Results

Operational and financial performance - a successful track record

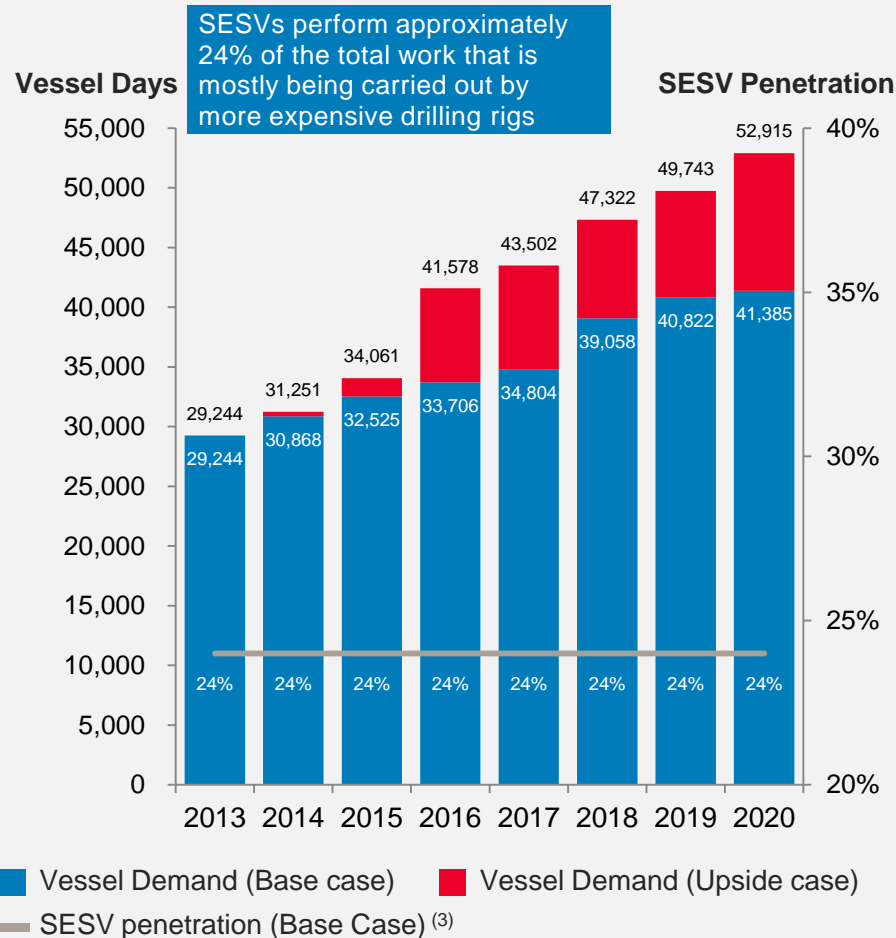


- (1) Calculated as net profit before tax plus depreciation of property, plant and equipment, amortization of intangibles and dry docking expenditure, share appreciation rights, net finance cost and foreign exchange losses; minus miscellaneous income, foreign exchange gains and any one-off or non-recurring costs.
- (2) Calculated as average between Large and Small Vessels. Based on total Large and Small Vessel days available, including days of planned maintenance and mobilisation.
- (3) Average day rates of contracts ongoing in each year. Note, K-Class excludes contracts under 100 days.

Estimated Total Market Demand

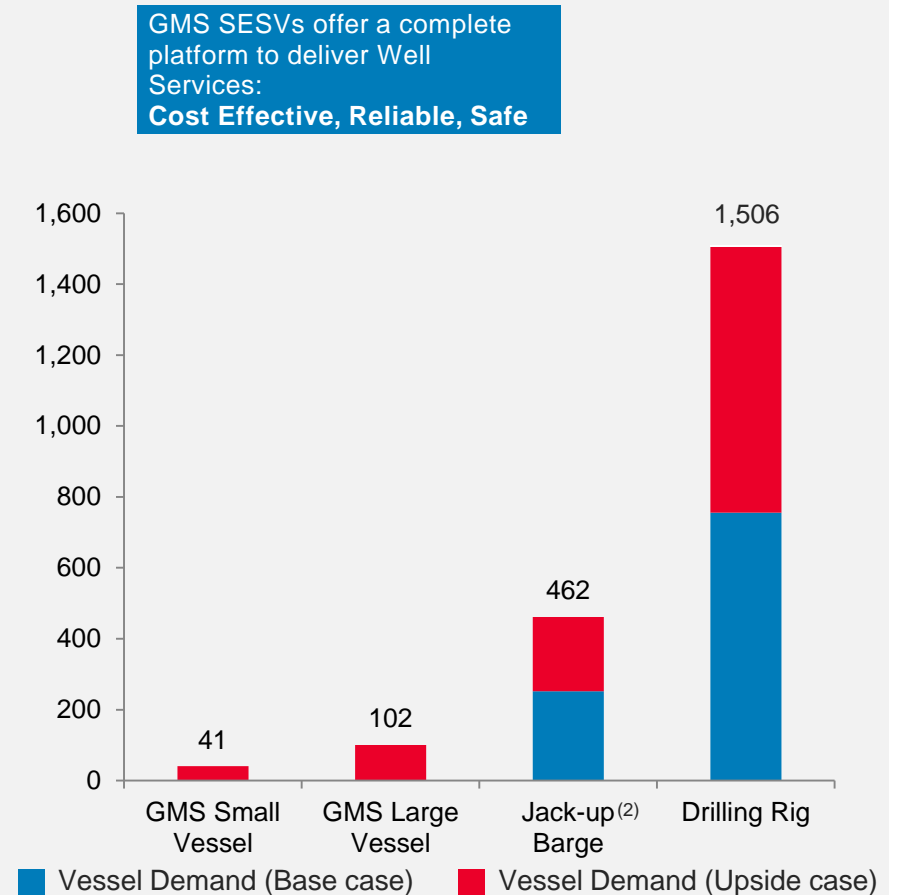
SESVs are well placed to win market share from alternative providers

Significant expansion opportunity



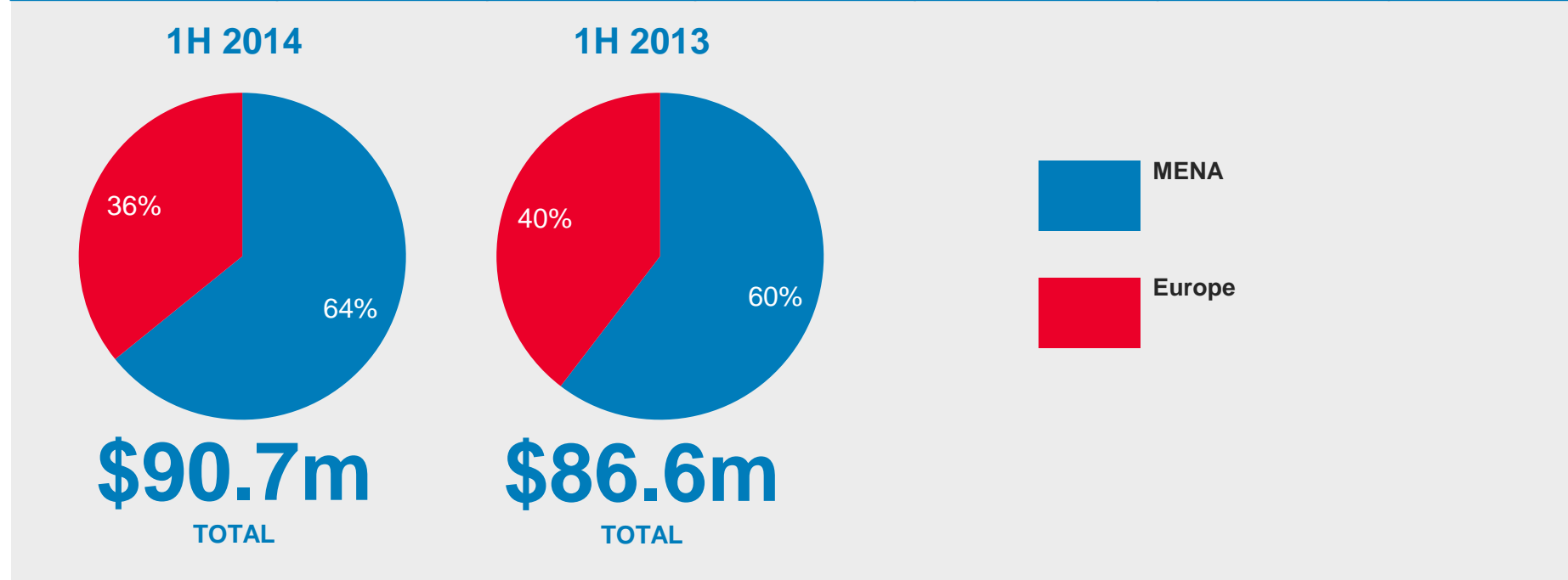
Source: Douglas Westwood report. (1) Assumes SESVs require 1 day of charter hire for relocation, non-propelled vessels would require up to 3 days of charter hire for relocation, up to 3 support vessels, up to 7 days of hire for each vessel. (2) Assumes asset is non-propelled. (3) Refers to oil & gas market. Note: penetration rates are illustrative.

Cost Advantage of SESVs over other types of vessel of up to \$1.4m / move



Segment Reporting

\$m	Revenue			Adjusted Gross Profit		
	6 months ended 30 June		Year ended 31 December	6 months ended 30 June		Year ended 31 December
	2014	2013	2013	2014	2013	2013
Small vessels	51.5	46.2	94.5	37.4	31.8	65.6
Large vessels	32.6	34.3	77.7	24.8	27.9	63.5
Others	6.6	6.1	12.1	4.5	3.6	7.0
Total	90.7	86.6	184.3	66.7	63.3	136.1



Board Composition



Simon Heale (Chairman)

Independent Non-Executive Chairman

- Non-Executive Chairman at Kaz Minerals plc
- Multiple previous directorships and executive positions
- UK Chartered Accountant



Duncan Anderson

Chief Executive Officer

- Joined GMS in 2007
- Previously COO of Lamnalco and Gulf Offshore
- UK Chartered Engineer



Simon Batey

Senior Independent Non-Executive Director

- Independent Non-Executive Director and Chairman of the Audit Committee at Telecity Group
- Previously NED of Arriva and THUS Group
- UK Chartered Accountant



Rick Dallas

Non-Executive Director

- Managing Director Gulf Capital
- Previously MD of Oryx Capital International and a Partner at Gibson, Dunn & Crutcher



Mike Straughen

Independent Non-Executive Director

- Non-Executive Director of Glacier Energy Services Holdings Ltd
- Formerly CEO of the Engineering Division at Wood Group plc
- Previously with AMEC for 25 years, latterly as Group MD
- UK Chartered Engineer



Dr Karim El Solh

Non-Executive Director

- Co-Founder and CEO of Gulf Capital
- Co-Managing Partner of Gulf Related
- Previously Chairman of Metito
- Previously CEO of The National Investor
- Over 21 years experience in private equity investment banking and real estate



Richard Anderson

Independent Non-Executive Director

- Non Executive Director of Soma Oil & Gas
- CFO and member of the Board at Eurasia Drilling Company
- Chairman of the Board at Vanguard Natural Resources LLC (NASDAQ)
- 36 years' experience in oil & gas industry related finance
- US Certified Public Accountant



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