

ICON OFFSHORE BERHAD

(984830-D) (Incorporated in Malaysia)

**QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

The Board of Directors of Icon Offshore Berhad ("ICON" or "the Group") is pleased to announce the following unaudited condensed consolidated financial statements for the first quarter and period ended 31 March 2015 which should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
		CURRENT QUARTER ENDED (UNAUDITED)	CORRESPONDING QUARTER ENDED (UNAUDITED)	CURRENT PERIOD ENDED (UNAUDITED)	CORRESPONDING PERIOD ENDED (UNAUDITED)
		31.3.2015	31.3.2014	31.3.2015	31.3.2014
		RM	RM	RM	RM
Revenue	15.1.(i)	63,593,567	80,067,160	63,593,567	80,067,160
Cost of sales		(40,548,413)	(36,477,779)	(40,548,413)	(36,477,779)
Gross profit	15.1.(ii)	23,045,154	43,589,381	23,045,154	43,589,381
Other income		555,669	372,053	555,669	372,053
Administrative expenses	15.1.(iii)	(11,743,449)	(7,759,863)	(11,743,449)	(7,759,863)
Other expenses	15.1.(iv)	(783,000)	(2,412,333)	(783,000)	(2,412,333)
Profit from operations		11,074,374	33,789,238	11,074,374	33,789,238
Finance costs		(8,338,793)	(14,091,970)	(8,338,793)	(14,091,970)
Share of profit from a Joint Venture		8,516	-	8,516	-
Profit before taxation		2,744,097	19,697,268	2,744,097	19,697,268
Taxation	15.1.(v)	(35,271)	(196,973)	(35,271)	(196,973)
Profit for the quarter/period	15.1.(vi)	2,708,826	19,500,295	2,708,826	19,500,295
Other comprehensive profit: Items that will be classified subsequently to profit or loss:					
Currency translation differences		518,318	-	518,318	-
Total comprehensive income for the quarter/period		3,227,144	19,500,295	3,227,144	19,500,295

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (continued)

	Note	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
		CURRENT QUARTER ENDED (UNAUDITED) 31.3.2015	CORRESPONDING QUARTER ENDED (UNAUDITED) 31.3.2014	CURRENT PERIOD ENDED (UNAUDITED) 31.3.2015	CORRESPONDING PERIOD ENDED (UNAUDITED) 31.3.2014
		RM	RM	RM	RM
Profit attributable to:					
-Equity holders of the Company		<u>2,708,826</u>	<u>19,500,295</u>	<u>2,708,826</u>	<u>19,500,295</u>
Total comprehensive income attributable to:					
-Equity holders of the Company		<u>3,227,144</u>	<u>19,500,295</u>	<u>3,227,144</u>	<u>19,500,295</u>
Earnings per share (Sen)					
Basic	25.1	<u>0.2</u>	<u>7.6</u>	<u>0.2</u>	<u>7.6</u>
Diluted	25.2	<u>n/a⁽¹⁾</u>	<u>4.7</u>	<u>n/a⁽¹⁾</u>	<u>4.7</u>

(1) There were no dilutive effects following the conversion of the RCPS-i into ordinary shares since 23 May 2014.

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited As at 31.3.2015 RM	Audited As at 31.12.2014 RM
Non-current assets		
Property, plant and equipment	1,437,824,747	1,378,168,441
Investment in a joint venture	4,177,373	4,168,861
Intangible assets	182,992,348	183,775,348
Deferred tax assets	45,188,087	45,188,087
	<u>1,670,182,555</u>	<u>1,611,300,737</u>
Current assets		
Trade and other receivables	72,829,448	92,075,917
Inventories	1,447,882	1,543,732
Tax recoverable	2,515,576	1,954,830
Cash and bank balances	37,986,194	74,818,205
	<u>114,779,100</u>	<u>170,392,684</u>
Less: Current liabilities		
Trade and other payables	33,922,540	29,755,924
Borrowings	128,884,397	129,477,599
Taxation	1,415,028	1,244,006
	<u>164,221,965</u>	<u>160,477,529</u>
Net current (liabilities)/assets	(49,442,865)	9,915,155
Less: Non current liabilities		
Borrowings	535,498,179	539,005,775
Deferred tax liabilities	1,408,009	1,603,759
	<u>536,906,188</u>	<u>540,609,534</u>
	<u>1,083,833,502</u>	<u>1,080,606,358</u>
Equity attributable to equity holders of the Company		
Share capital	588,592,550	588,592,550
Share premium	311,210,080	311,210,080
Foreign currency translation reserves	323,980	(194,338)
Retained earnings	183,706,892	180,998,066
Total equity	<u>1,083,833,502</u>	<u>1,080,606,358</u>

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<u>Issued and fully paid ordinary shares of RM0.50 each</u>		<u>Attributable to equity holders of the Company</u>			
	<u>Number of shares</u>	<u>Share Capital RM</u>	<u>Share Premium RM</u>	<u>Foreign Currency Translation Reserve RM</u>	<u>Retained earnings RM</u>	<u>Total equity RM</u>
At 1 January 2015	1,177,185,100	588,592,550	311,210,080	(194,338)	180,998,066	1,080,606,358
Currency translation differences	-	-	-	518,318	-	518,318
Profit for the financial quarter/ period	-	-	-	-	2,708,826	2,708,826
As at 31 March 2015	<u>1,177,185,100</u>	<u>588,592,550</u>	<u>311,210,080</u>	<u>323,980</u>	<u>183,706,892</u>	<u>1,083,833,502</u>

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)

	<u>Attributable to equity holders of the Company</u>					
	<u>Issued and fully paid ordinary shares of RM0.50 each</u>					
	<u>Number of shares</u>	<u>Share Capital</u>	<u>Share Premium</u>	<u>Foreign Currency Translation Reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
		RM	RM	RM	RM	RM
At 1 January 2014	257,720,050	257,720,050	-		121,643,927	379,363,977
Ordinary Shares split to RM0.50 each	257,720,050	-	-	-	-	-
Proceeds from shares issued	221,745,000	110,872,500	299,355,750	-	-	410,228,250
Share issuance expenses	-	-	(8,115,445)	-	-	(8,115,445)
Islamic Redeemable Convertible Preference Shares ("RCPS-i") conversion to ordinary shares	440,000,000	220,000,000	19,969,775	-	-	239,969,775
Currency translation differences	-	-	-	(194,338)	-	(194,338)
Profit for the financial year	-	-	-	-	59,354,139	59,354,139
As at 31 December 2014	<u>1,177,185,100</u>	<u>588,592,550</u>	<u>311,210,080</u>	<u>(194,338)</u>	<u>180,998,066</u>	<u>1,080,606,358</u>

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	PERIOD ENDED (UNAUDITED) 31.3.2015	PERIOD ENDED (UNAUDITED) 31.3.2014
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,744,097	19,697,268
Adjustments for:		
Amortisation of intangible assets	783,000	2,412,333
Depreciation of property, plant and equipment	15,138,546	14,364,683
(Gain)/ loss on disposal of property, plant and equipment	-	(174,870)
Interest expense	8,338,793	14,091,970
Interest income	(305,780)	(179,006)
Unrealised loss on foreign exchange	34,521	172,075
Share of profit/ (loss) of joint venture	(8,516)	-
Operating profit before working capital changes	<u>26,724,661</u>	<u>50,384,453</u>
Changes in working capital:		
Inventories	95,850	1,206,973
Receivables	18,992,241	(6,458,446)
Payables	<u>5,366,682</u>	<u>7,879,486</u>
Cash generated from operations	51,179,434	53,012,466
Tax paid	<u>(560,747)</u>	<u>(654,948)</u>
Net cash generated from operating activities	<u>50,618,687</u>	<u>52,357,518</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(74,557,731)	(14,217,317)
Proceeds from disposal of property, plant and equipment	-	9,392,380
Interest received	305,780	179,006
Net cash used in investing activities	<u>(74,251,951)</u>	<u>(4,645,931)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings (net of transaction cost)	25,614,350	6,242,800
Repayment of finance lease liabilities	(8,259)	(9,598)
Repayment of borrowings	(30,335,377)	(56,874,498)
Interest paid	(9,029,901)	(10,075,030)
Decrease in fixed deposits pledged	42,122	(53,159)
Net cash used in financing activities	<u>(13,717,065)</u>	<u>(60,769,485)</u>
Exchange gain/ (loss) on cash and bank balances	518,318	(172,075)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(36,832,011)	(13,229,973)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	68,534,727	40,111,396
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>31,702,716</u>	<u>26,881,423</u>

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

**PART A – EXPLANATORY NOTES PURSUANT TO
MALAYSIAN FINANCIAL REPORTING STANDARD 134**

1. BASIS OF PREPARATION

The unaudited quarterly report has been prepared in accordance with the requirements of MFRS 134, “Interim Financial Reporting”, paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad Main Market Listing Requirement (“Bursa Securities Listing Requirements”) and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014.

The significant accounting policies and methods adopted for the unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2014.

The adoption of the following MFRSs and Amendments to MFRSs that came into effect on 1 January 2015 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

- Annual Improvements to MFRSs 2010-2012 Cycle (Amendments to MFRS 2 Share Based Payment, MFRS 3 Business Combinations, MFRS 8 Operating Segments, MFRS 13 Fair Value Measurement, MFRS 116 Property, Plant and Equipment, MFRS 124 Related Party Disclosures and MFRS 138 Intangible Assets)
- Annual Improvements to MFRSs 2011-2013 Cycle (Amendments to MFRS 3 Business Combinations, MFRS 13 Fair Value Measurement and MFRS 140 Investment Property)
- Amendments to MFRS 119 Defined Benefits Plans: Employee Contributions

MFRSs and amendments to MFRSs that are applicable to the Group but not yet effective

Malaysian Accounting Standards Board had issued the following new standards and amendments to standards which are effective for the financial period beginning on or after 1 January 2016. The Group did not early adopt these new standards, amendments and improvements to published standards.

- MFRS 9 Financial Instruments (effective from 1 January 2018)
- MFRS 15 Revenue from Contracts with Customers (effective from 1 January 2017)
- Amendments to MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets-Clarification of Acceptable Methods of Depreciation and Amortisation (effective from 1 January 2016)
- Amendments to MFRS10 Consolidated Financial Statements and MFRS 128 Investment in Associates and Joint Ventures–Sale or Contribution of Assets between an Investor and its Associates/ Joint Ventures (Effective from 1 January 2016)
- Amendments to MFRS 127 Separate Financial Statements – Equity Accounting in Separate Financial Statements (Effective from 1 January 2016)
- Annual Improvements to MFRSs 2012-2014 Cycle (Amendments to MFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, MFRS 7 Financial Instruments: Disclosures, MFRS 119 Employee Benefits, MFRS 134 Interim Financial Reporting) (effective from 1 January 2016)

The initial application of the abovementioned accounting standards and amendments to published standards are not expected to have any material impacts to the financial statements of the Group and of the Company except as mentioned below:

- Amendment to MFRS 11 ‘Joint arrangements’ (effective from 1 January 2016) requires an investor to apply the principles of MFRS 3 ‘Business Combination’ when it acquires an interest in a joint operation that constitutes a business. The amendments are applicable to both the acquisition of the initial interest in a joint operation and the acquisition of additional interest in the same joint operation. However, a previously held interest is not re-measured when the acquisition of an additional interest in the same joint operation results in retaining joint control.
- Amendments to MFRS 116 ‘Property, plant and equipment’ and MFRS 138 ‘Intangible assets’ (effective from 1 January 2016) clarify that the use of revenue-based methods to calculate the depreciation and amortisation of an item of property, plant and equipment and intangible are not appropriate. This is because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.
- The amendments to MFRS 138 also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption can be overcome only in the limited circumstances where the intangible asset is expressed as a measure of revenue or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

**PART A – EXPLANATORY NOTES PURSUANT TO
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

- Amendments to MFRS 10 and MFRS 128 regarding sale or contribution of assets between an investor and its associate or joint venture (effective from 1 January 2016) resolve a current inconsistency between MFRS 10 and MFRS 128. The accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business'. Full gain or loss shall be recognised by the investor where the non-monetary assets constitute a 'business'. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor to the extent of the other investors' interests. The amendments will only apply when an investor sells or contributes assets to its associate or joint venture. They are not intended to address accounting for the sale or contribution of assets by an investor in a joint operation.
- MFRS 9 'Financial Instruments' (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement". The complete version of MFRS 9 was issued in November 2014.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

There is now a new expected credit losses model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit losses model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

- MFRS 15 'Revenue from contracts with customers' (effective from 1 Jan 2017) deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces MFRS 118 'Revenue' and MFRS 111 'Construction contracts' and related interpretations.

2. SEASONAL/CYCLICAL FACTORS

The principal activities of the Group are vessel owning/leasing and provision of vessel chartering and ship management services to oil and gas related industries.

The Group services are generally dependent on the level of activity of oil and gas companies, which may be affected by volatile oil and natural gas prices as well as the cyclicity in the offshore drilling and oilfield services industries.

3. UNUSUAL ITEMS

The Group presents selected adjusted financial information or components of the Group unaudited condensed consolidated statements of comprehensive income for the quarter and period ended 31 March 2015 to take into account certain exceptional items in Part C - Adjustments to Selected Financial Information.

Save for matter highlighted above there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group in the quarter and period ended 31 March 2015.

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

**PART A – EXPLANATORY NOTES PURSUANT TO
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

4. MATERIAL CHANGES IN ESTIMATES

There was no material changes in estimates of amounts reported in the prior financial year that have a material effect in the quarter and period ended 31 March 2015.

5. DEBT AND EQUITY SECURITIES

There were no other issuance, repurchase and repayment of debt and equity securities by the Group during the quarter and period ended 31 March 2015.

6. DIVIDEND PAID

There was no dividend paid by the Group during the quarter and period ended 31 March 2015.

7. SEGMENT RESULTS AND REPORTING

7.1 Reportable Segment

No segmental analysis is prepared as the Group is organised as a single integrated business operations comprising the vessel owning/leasing activities and provision of vessel chartering and ship management services to oil and gas and related industries. These integrated activities are known as the offshore support vessel (“OSV”) operations. The Group as a whole is regarded as an operating segment. In making decisions about resource allocation and performance assessment, key management regularly reviews the financial results of the Group as a whole. Hence, the information that is regularly provided to the key management is consistent with that presented in the financial statements.

7.2 Geographical Information

The Group’s operations are carried out predominantly in Malaysia. Revenue earned by the Group analysed by the location of its external customers is as follows:

	INDIVIDUAL QUARTER				CUMULATIVE PERIOD			
	CURRENT QUARTER ENDED		CORRESPONDING QUARTER ENDED		CURRENT PERIOD ENDED		CORRESPONDING PERIOD ENDED	
	31.3.2015		31.3.2014		31.3.2015		31.3.2014	
	%	RM	%	RM	%	RM	%	RM
Revenue								
Malaysia	83%	52,689,371	93%	74,705,879	83%	52,689,371	93%	74,705,879
Others	17%	10,904,196	7%	5,361,281	17%	10,904,196	7%	5,361,281
Total	100%	63,593,567	100%	80,067,160	100%	63,593,567	100%	80,067,160

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

**PART A – EXPLANATORY NOTES PURSUANT TO
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

7.3 Services

The Group's revenue mainly comprise charter hire income from vessels where it is recognised upon rendering of services to customers over the term of the charter hire contract, which applies to both charter hire income from our own vessels and from vessels that the Group charter as forerunner.

Breakdown of revenue is as follows:

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT QUARTER ENDED <u>31.3.2015</u> RM	CORRESPONDING QUARTER ENDED <u>31.3.2014</u> RM	CURRENT PERIOD ENDED <u>31.3.2015</u> RM	CORRESPONDING PERIOD ENDED <u>31.3.2014</u> RM
Analysis of revenue by category:				
- Charter hire own vessel	61,488,997	72,868,023	61,488,997	72,868,023
- Charter hire of forerunner vessels	-	3,093,500	-	3,093,500
	61,488,997	75,961,523	61,488,997	75,961,523
- Others ⁽¹⁾	2,104,570	4,105,637	2,104,570	4,105,637
	63,593,567	80,067,160	63,593,567	80,067,160

Note

⁽¹⁾ Others comprise income from the hire of third party vessels which are recognised net of charter-in cost, i.e. third party arrangement, ship management fees, revenue from costs chargeable to clients during the charter hire and income from technical services.

8. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group as at 31 March 2015.

9. CAPITAL COMMITMENTS

The Group's capital commitments not provided for in the interim financial statements as at the end of the quarter are as follows:

	<u>AS AT 31.3.2015</u> RM	<u>AS AT 31.12.2014</u> RM
Approved and contracted capital expenditure commitments	231,445,000	278,243,175
Total	231,445,000	278,243,175

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

**PART A – EXPLANATORY NOTES PURSUANT TO
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

10. SIGNIFICANT RELATED PARTY DISCLOSURES

Parties are considered related if the party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The related parties of, and their relationships with the Company, are as follows:

<u>Related parties</u>	<u>Relationship</u>
Yayasan Ekuiti Nasional	Ultimate holding foundation
E-Cap (Internal) One Sdn. Bhd.	Intermediate holding company
Hallmark Odyssey Sdn. Bhd.	Immediate holding company
Icon Ship Management Sdn. Bhd. ("ICON Ship")	Subsidiary
Icon Fleet Sdn. Bhd. ("ICON Fleet")	Subsidiary
Icon Offshore Group Sdn. Bhd.	Subsidiary

10.1 Significant related party balances

There are no significant related party balances arising from normal business transactions.

10.2 Significant related party transactions

The related party transaction described below was carried out based on terms and conditions agreed with the related party.

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE PERIOD</u>	
	<u>QUARTER ENDED</u>	<u>CORRESPONDING QUARTER ENDED</u>	<u>CURRENT PERIOD ENDED</u>	<u>CORRESPONDING PERIOD ENDED</u>
	<u>31.03.2015</u>	<u>31.03.2014</u>	<u>31.03.2015</u>	<u>31.03.2014</u>
	RM	RM	RM	RM
Interest expense to immediate holding company	-	639,616	-	639,616

The transactions have been entered into in the normal course of business at terms mutually agreed between the parties.

Apart from the transaction disclosed above, the Group have entered into transactions that are collectively, but not individually significant with other government-related entities. These transactions include vessel chartering, drydocking expenditure and repairs and maintenance. They are conducted in the ordinary course of the Group's on terms consistently applied in accordance with the Group's internal policies and processes.

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

**PART A – EXPLANATORY NOTES PURSUANT TO
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

11. FAIR VALUE MEASUREMENTS

The table below shows the carrying amounts and fair value of the borrowings, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the borrowings are estimated using the income approach, by discounting the cash flows based on the market interest rates of a comparable instrument. This is a Level 2 fair value measurement.

	Carrying amount		Fair Value	
	AS AT 31.3.2015 RM	AS AT 31.12.2014 RM	AS AT 31.3.2015 RM	AS AT 31.12.2014 RM
Fixed rate term loans	<u>177,822,858</u>	<u>189,721,045</u>	<u>179,801,316</u>	<u>191,261,072</u>

12. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment during the quarter and period ended 31 March 2015. As at 31 March 2015, all property, plant and equipment were stated at cost less accumulated depreciation and impairment losses.

13. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE QUARTER

There were no material events subsequent to the end of the quarter up to the date of this report.

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 31 March 2015, the Group did not have any contingent liabilities or assets.

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS**

15. ANALYSIS OF PERFORMANCE

15.1 Review of performance for the current quarter (Quarter ended 31 March 2015) against the corresponding quarter (Quarter ended 31 March 2014):

(i) Revenue

Revenue decreased by RM16.5 million or 20.5%, from RM80.1 million for the quarter ended 31 March 2014 to RM63.6 million for the quarter ended 31 March 2015. The decreased was primarily due to lower fleet utilisation rate of 64% for the quarter ended 31 March 2015 as compared to 79% for the quarter ended 31 March 2014, arising from lower demand and slower activities in oil and gas industry. However, this was partly offset by contribution from a new Accommodation Work Boat ("AWB") vessel in the current quarter under review.

(ii) Gross profit

The cost of sales increased by RM4.1 million or 11.2%, from RM36.5 million for the quarter ended 31 March 2014 to RM40.5 million for the quarter ended 31 March 2015, primarily due to the fuel consumption incurred for vessels that are available for charter as well as vessels on drydock.

Consequently, the Group's gross profit decreased by RM20.5 million or 47.1%, from RM43.6 million for the quarter ended 31 March 2014 to RM23.0 million for the quarter ended 31 March 2015.

(iii) Administrative expenses

The administrative expenses increased by RM3.9 million or 51.3%, from RM7.8 million for the quarter ended 31 March 2014 to RM11.7 million for the quarter ended 31 March 2015 primarily due to higher payroll cost due to higher headcount to support fleet expansion and foreign exchange loss incurred during the current quarter under review.

(iv) Other expenses

Other expenses decreased by RM1.6 million or 67.5%, from RM2.4 million for the quarter ended 31 March 2014 to RM0.8 million for the quarter ended 31 March 2015, due to lower amortisation of intangibles assets for the current quarter under review.

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

15. ANALYSIS OF PERFORMANCE (continued)

15.1. Review of performance for the current quarter (Quarter ended 31 March 2015) against the corresponding quarter (Quarter ended 31 March 2014) (continued):

(v) Taxation

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT QUARTER ENDED 31.3.2015 RM	CORRESPONDING QUARTER ENDED 31.3.2014 RM	CURRENT PERIOD ENDED 31.3.2015 RM	CORRESPONDING PERIOD ENDED 31.3.2014 RM
Current tax	231,271	348,720	231,271	348,720
Deferred tax	(196,000)	(151,747)	(196,000)	(151,747)
Tax expense for the financial period	<u>35,271</u>	<u>196,973</u>	<u>35,271</u>	<u>196,973</u>
Effective tax rate	1%	1%	1%	1%

The effective tax rate for the current quarter and period ended 31 March 2015 is lower than the statutory tax rate of 25% mainly due to the lower tax rate applicable to income from our vessel leasing subsidiaries being Malaysian tax residents incorporated in Labuan.

(vi) Profit after taxation

As a result of the foregoing, profit after taxation decreased by RM16.8 million or 86.1%, from RM19.5 million for the quarter ended 31 March 2014 to RM2.7 million for the quarter ended 31 March 2015.

15.2. Review of performance for the current quarter (Quarter ended 31 March 2015) against the preceding quarter (Quarter ended 31 December 2014):

The Group's revenue decreased from RM77.1 million for the quarter ended 31 December 2014 to RM63.6 million for the quarter ended 31 March 2015, mainly due to lower utilisation during the quarter ended 31 March 2015. The utilisation during the quarter ended 31 March 2015 was 64.0% as compared 76.1% in the quarter ended 31 December 2014 due to completion of contracts as well as certain vessels were on scheduled drydocking exercise during current quarter.

Profit after tax decreased by RM10.1 million or 79.0% from RM12.9 million for the quarter ended 31 December 2014 to RM2.7 million for the quarter ended 31 March 2015 mainly due to lower revenue and higher foreign exchange loss during the current quarter, and in quarter ended 31 December 2014, the Company recognised tax credit arising from recognition of deferred tax asset amounting to RM4.5 million.

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

16. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2015

The upstream exploration and production activities in Malaysia is expected to continue to underpin the demand for OSV. Given the current weak oil prices, the market condition for OSV remains challenging from second half of previous year which has largely impacted the OSV operators including the Company.

Whilst the industry outlook is expected to remain soft, significant portion of the Group's orderbook are long term (more than one year) in nature, and the Group remains focused to ensure its utilisation rate is maintained through competitive tendering for domestic and regional work.

In view of this, the Board of Directors remain cautions on the Group financial results for the financial year 2015.

17. PROFIT FORECAST

Not applicable as the Group did not publish any profit forecast.

18. QUALIFICATION OF PRECEDING AUDITED ANNUAL FINANCIAL STATEMENTS

There was no qualification to the preceding audited annual financial statements for the financial year ended 31 December 2014.

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

19. PROFIT BEFORE TAX

Profit before taxation is stated after charging/(crediting):

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT QUARTER ENDED 31.3.2015 RM	CORRESPONDIN G QUARTER ENDED 31.3.2014 RM	CURRENT PERIOD ENDED 31.3.2015 RM	CORRESPONDING PERIOD ENDED 31.3.2014 RM
Amortisation of intangible assets	783,000	2,412,333	783,000	2,412,333
Auditor's remuneration	210,315	178,153	210,315	178,153
Consumable costs	1,765,099	2,462,816	1,765,099	2,462,816
Depreciation of property, plant and equipment	15,138,546	14,364,683	15,138,546	14,364,683
Employee benefits expense	17,830,015	15,163,846	17,830,015	15,163,846
Gain on disposal of OSV	-	(174,870)	-	(174,870)
Professional fees	245,241	281,380	245,241	281,380
Rental of premises	404,945	347,622	404,945	347,622
Ship operation & charter hire costs	7,328,832	6,735,241	7,328,832	6,735,241
Unrealised loss on foreign exchange	34,521	172,075	34,521	172,075
Interest income	(305,780)	(179,006)	(305,780)	(179,006)
Interest expense	8,338,793	14,091,970	8,338,793	14,091,970
Realised loss/ (gain) on foreign exchange	1,200,068	(119,525)	1,200,068	(119,525)

Other than as presented in the condensed consolidated statements of comprehensive income and as disclosed above, there were no impairment of assets or any other exceptional items for the current quarter under review.

20. STATUS OF CORPORATE PROPOSALS ANNOUNCED

i. Initial Public Offering

The Company was listed on the Main Market of Bursa Malaysia Securities Berhad on 25 June 2014 after an Offer for Sale of approximately 289.02 million Offer Shares and the Public Issue of approximately 221.75 million Issue Shares ("IPO"). Total gross proceeds of approximately RM410.23 million were raised from the IPO.

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

ii. Utilisation of IPO proceeds

Details of utilisation	As per Prospectus		Utilisation up to the reporting date RM' million	Balance unutilised RM' million	Balance unutilised %
	Allocation RM' million	%			
Expansion of vessel fleet	166.20	40.5%	(166.20)	-	0%
Repayment of bank borrowings	124.00	30.2%	(124.00)	-	0%
Repayment of Advances from Hallmark	54.45	13.3%	(54.43)	0.02	0%
Working capital	42.58	10.4%	(42.58)	-	0%
Listing expenses	23.00	5.6%	(23.00)	-	0%
	410.23	100%	(410.21)	0.02	

Reference to announcement dated 8 August 2014, the temporary utilisation of IPO proceeds for the acquisition of a vessel amounted to RM85.8 million is included in the utilisation of expansion of vessel fleet in the above summary.

21. BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds from drawdown (net of transaction costs) amount and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

	AS AT 31.3.2015 RM	AS AT 31.12.2014 RM
Short term:		
<u>Secured</u>		
Bank borrowings		
- term loans	128,853,533	129,400,093
Finance lease liabilities	30,864	77,506
	<u>128,884,397</u>	<u>129,477,599</u>
Long-term:		
<u>Secured</u>		
Bank borrowings - term loans	535,475,735	538,939,626
Finance lease liabilities	22,444	66,149
	<u>535,498,179</u>	<u>539,005,775</u>
Total borrowings	<u>664,382,576</u>	<u>668,483,374</u>

Note:

Total term loan denominated in USD is USD2.8 million (equivalent to RM10.6 million), with USD0.8 million (equivalent to RM3.0 million) being secured short-term portion and USD2.0 million (equivalent to RM7.6 million) as secured long-term portion.

As at 31 March 2015, the Group have provided bank guarantees, tender bonds and bid bonds amounting to RM17.7 million primarily due to the tendering of new contracts and as financial guarantee for the performance of our charter contracts by our subsidiaries and corporate guarantees for loan obtained by our subsidiaries.

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

22. DERIVATIVE FINANCIAL INSTRUMENTS

The Group does not have any derivative financial instruments for the quarter ended 31 March 2015.

23. DISCLOSURE OF REALISED AND UNREALISED RETAINED PROFITS

The following analysis is prepared in accordance with Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the context of disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants (“MIA Guidance”) and the directive of Bursa Malaysia Securities Berhad.

The breakdown of retained profits of the Group as at the balance sheet date, into realised and unrealised profits, pursuant to the directive, is as follows:

	AS AT 31.3.2015	AS AT 31.12.2014
	RM	RM
Total retained profits of the Company and its subsidiaries:		
- Realised	398,738,044	398,947,127
- Unrealised	45,353,122	43,067,876
	444,091,166	442,015,003
Total share accumulated profit from jointly controlled entity:		
- Realised	8,516	36,119
	444,099,682	442,051,122
Less: Consolidation adjustments	(260,392,735)	(261,053,056)
Total retained profits as per consolidated accounts	183,706,947	180,998,066

The unrealised retained profits comprise mainly the deferred tax provision.

24. CHANGES IN MATERIAL LITIGATION

There are no material litigations pending as at the date of this report.

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

25. EARNINGS PER SHARE

25.1 Basic EPS

The basic EPS has been calculated based on the consolidated profit attributable to equity holders of the Company and divided by the weighted number of ordinary shares in issue.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT QUARTER ENDED 31.03.2015	CORRESPONDING QUARTER ENDED 31.03.2014	CURRENT PERIOD ENDED 31.03.2015	CORRESPONDING PERIOD ENDED 31.03.2014
Profit attributable to equity holders (RM)	2,708,826	19,500,295	2,708,826	19,500,295
Weighted average number of ordinary shares in issue	<u>1,177,185,100</u>	<u>257,720,050</u>	<u>1,177,185,100</u>	<u>257,720,050</u>
Basic EPS (Sen)	<u>0.2</u>	<u>7.6</u>	<u>0.2</u>	<u>7.6</u>

25.2 Diluted EPS

The diluted EPS has been calculated based on the consolidated profit for the financial quarter attributable to equity holders of the Company and divided by the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has one category of dilutive potential ordinary shares, which is the RCPS-i for the quarter ended 31 March 2014. The convertible preference shares are assumed to have been converted into ordinary shares and the net profit is adjusted to eliminate the interest expense less tax effect. The conversion of the RCPS-i into ordinary shares was completed on 23 May 2014.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT QUARTER ENDED 31.3.2015	CORRESPONDING QUARTER ENDED 31.3.2014	CURRENT PERIOD ENDED 31.3.2015	CORRESPONDING PERIOD ENDED 31.3.2014
Profit attributable to equity holders (RM)	n/a	19,500,295	n/a	19,500,295
Profit rate on RCPS-i (RM, net of tax)	<u>n/a</u>	<u>2,750,000</u>	<u>n/a</u>	<u>2,750,000</u>
Profit used to determine diluted EPS (RM)	<u>n/a</u>	<u>22,250,295</u>	<u>n/a</u>	<u>22,250,295</u>
Weighted average number of ordinary shares in issue	n/a	257,720,050	n/a	257,720,050
Adjustment for : Assumed conversion of RCPS-i	<u>n/a</u>	<u>220,000,000</u>	<u>n/a</u>	<u>220,000,000</u>
Weighted average number of ordinary shares for diluted EPS	<u>n/a</u>	<u>477,720,050</u>	<u>n/a</u>	<u>477,720,050</u>
Diluted EPS (Sen)	<u>n/a⁽¹⁾</u>	<u>4.7</u>	<u>n/a⁽¹⁾</u>	<u>4.7</u>

⁽²⁾ n/a denotes "not applicable" as there were no dilutive ordinary shares.

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS (continued)**

26. MATERIAL EVENTS SUBSEQUENT TO THE QUARTER ENDED 31 MARCH 2015

There is no material events subsequent to the quarter ended 31 March 2015.

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

PART C – ADJUSTMENTS TO SELECTED FINANCIAL INFORMATION

27. The Group **presents** selected adjusted financial information or components of the Group unaudited condensed consolidated statements of comprehensive income for the quarter ended 31 March 2015 and 31 March 2014, adjusting for certain exceptional items in line with the Group's Prospectus dated 30 May 2014 ("Prospectus"), as described below ("Adjustments") which arose as a result of the following events:

1. the acquisition of ICON Ship which was completed on 20 July 2012 and the acquisition of ICON Fleet which was completed on 28 September 2012; and
2. the strategic consolidation and review of our business plan in consequence of the strategic consolidation.

27.1 This section is to provide a better and fairer understanding of our financial performance as well as the trends relating thereto, and should be read in conjunction with the Prospectus.

(i) Adjustments relating to the acquisition of ICON Ship and acquisition of ICON Fleet

(a) Amortisation of intangible assets relating to acquired charter contracts

ICON is required to recognise all the identifiable assets and liabilities of ICON Fleet and ICON Ship, based on a purchase price allocation exercise as at the acquisition date of the acquisition of ICON Ship and acquisition of ICON Fleet. The purchase price allocation exercise includes measurement of the assets and liabilities that were not previously recognised by ICON Ship and ICON Fleet such as intangible assets and also to measure the identifiable assets and liabilities at their respective fair values.

Based on the purchase price allocation exercise for the acquisition of ICON Ship and acquisition of ICON Fleet, the charter contracts of ICON Ship and ICON Fleet have been separately identified and measured at fair value, and have also been recognised as intangible assets on the respective acquisition dates. The fair value of the charter contracts is the present value of the net cash flows from the remaining contract period of the respective charter contracts as at the acquisition date after deducting the corresponding estimated operation costs. The acquired charter contracts have a finite useful life and the recognised fair value of these contracts is required to be amortised using a straight-line method over the remaining contract periods which range from one year to four years from acquisition date.

The Group do not expect to recognise additional intangible assets pursuant to these acquisitions. Also, given that the acquired charter contracts have a finite useful life, the carrying amount of the intangible assets relating to the acquired charter contracts of RM2.3 million as at 31 March 2015 is expected to be fully amortised by the fourth quarter of financial year ending 31 December 2015.

(b) RCPS-i profit rate

The RCPS-i were issued after the completion of the acquisition of ICON Ship and according to the terms of the RCPS-i, the RCPS-i will only be redeemed at 110% of its issue price if our Listing does not happen within two years from the date of issuance. In other words, the actual RCPS-i profit rate will only be payable in the event the RCPS-i are redeemed. Since all the RCPS-i were mandatorily converted into our Shares on 23 May 2014 following the receipt of all relevant authorities' approvals for our IPO, the profit rate on the RCPS-i was not payable in cash.

The accrued amount of the RCPS-i profit rate recognised in our financial statements has been reversed and reclassified to equity following the conversion of all the RCPS-i into Ordinary Shares on 23 May 2014.

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

PART C – ADJUSTMENTS TO SELECTED FINANCIAL INFORMATION (continued)

27.1 This section is to provide a better and fairer understanding of our financial performance as well as the trends relating thereto, and should be read in conjunction with the Prospectus. (continued)

(ii) Adjustments relating to the strategic consolidation and subsequent review of the Group business plan.

In consequent of the strategic consolidation, the Group undertook an overall review of our fleet whereupon the Group decided to focus on newer and higher specification OSV (being vessels with at least 5,000 BHP and above, and/or equipped with at least a DP2 system) which led to the divestment of our non-OSV, lower specification and older OSVs as well as an impairment assessment of these vessels and their related assets where an analysis was performed to assess whether the carrying amounts of these vessels and their related assets are higher or lower than their recoverable amount as follows:

a. Gain on disposal of OSV

For the quarter and period ended 31 March 2014, the Group had disposed one (1) AHT vessel which gave rise to a net gain on disposal of RM0.2 million.

b. Impairment of assets

No impairment of assets were recognised in quarter ended 31 March 2015 and 31 March 2014.

27.2 The table below sets out our Group's PAT after excluding the abovementioned adjustments:

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE PERIOD</u>	
	<u>CURRENT QUARTER ENDED 31.3.2015</u>	<u>CORRESPONDING QUARTER ENDED 31.3.2014</u>	<u>CURRENT PERIOD TODATE 31.3.2015</u>	<u>CORRESPONDING PERIOD TODATE 31.3.2014</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
PAT	2,708,826	19,500,295	2,708,826	19,500,295
Gain on disposal of OSV	-	(174,870)	-	(174,870)
Other expenses:				
- Amortisation of intangibles assets	783,000	2,412,333	783,000	2,412,333
RCPS-i profit rate	-	2,750,000	-	2,750,000
Tax effect relating to:				
- Amortisation of intangibles assets	(195,750)	(603,083)	(195,750)	(603,083)
Adjusted PAT	<u>3,296,076</u>	<u>23,884,675</u>	<u>3,296,076</u>	<u>23,884,675</u>

a. Review of performance for the current quarter/period (Quarter/Period ended 31 March 2015) against the corresponding quarter/period (Quarter/Period ended 31 March 2014):

Adjusted PAT decreased by RM20.6 million or 86.2%, from RM23.9 million for the quarter ended 31 March 2014 to RM3.3 million for the quarter ended 31 March 2015 mainly due to lower revenue as a result from lower oil and gas activities during the current quarter.

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

PART C – ADJUSTMENTS TO SELECTED FINANCIAL INFORMATION (continued)

27.3 The table below sets out a reconciliation of our Group's PAT to EBITDA and Adjusted EBITDA:

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT QUARTER ENDED 31.3.2015 RM	CORRESPONDING QUARTER ENDED 31.3.2014 RM	CURRENT PERIOD TO DATE 31.3.2015	CORRESPONDING PERIOD TODATE 31.3.2014
PAT	2,708,826	19,500,295	2,708,826	19,500,295
Taxation	35,271	196,973	35,271	196,973
Profit before taxation	2,744,097	19,697,268	2,744,097	19,697,268
Finance costs	8,338,793	14,091,970	8,338,793	14,091,970
Depreciation	15,138,546	14,364,683	15,138,546	14,364,683
Amortisation of intangibles assets	783,000	2,412,333	783,000	2,412,333
Share of profit from JV	(8,516)	-	(8,516)	-
EBITDA	26,995,920	50,566,254	26,995,920	50,566,254
Gain on disposal of OSV	-	(174,870)	-	(174,870)
Adjusted EBITDA	26,995,920	50,391,384	26,995,920	50,391,384

a. Review of performance for the current quarter/period (Quarter/Period ended 31 March 2015) against the corresponding quarter/period (Quarter/Period ended 31 March 2014):

EBITDA decreased by RM23.6 million or 46.6%, from RM50.6 million for the quarter ended 31 March 2014 to RM27.0 million for the quarter ended 31 March 2015. Adjusted EBITDA decreased by RM23.3 million or 46.4%, from RM50.4 million for the quarter ended 31 March 2014 to RM27.0 million for the quarter ended 31 March 2015 mainly due to lower revenue as a result from lower oil and gas activities during the current quarter.

ICON OFFSHORE BERHAD (984830-D)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

BY ORDER OF THE BOARD

Captain Hassan Bin Ali
Deputy Chief Executive Officer
27 May 2015