

FOR IMMEDIATE RELEASE

TTA announces second quarter results: strong turnaround progress

- Reports net loss of THB 205 million, a 63% improvement over first quarter amidst record low global freight rates
 - Losses before extraordinary items narrow by 16% year-on-year
- Negative cash flow trend reversed with a six-month positive position of THB 964 million
- Continuing signs of a gradual turnaround at Thoresen Shipping, improving performance at Mermaid, and strong growth from Petrolift

Bangkok, Thailand, 16 May 2012 -- Thoresen Thai Agencies Plc ("TTA") announced a net loss of THB 205 million on revenues of THB 3,529 million for the second quarter of fiscal year 2012, compared to a net loss of THB 560 million on revenues of THB 3,393 million in the previous quarter. The 63% and 4% quarter-on-quarter improvements in net earnings and revenues, respectively were driven by higher efficiencies at Thoresen Shipping, a continuing turnaround at Mermaid Maritime Public Company Limited ("Mermaid") and a decrease in one-off extraordinary non-cash impairments. UMS reported negative earnings contributions this quarter after realising higher than normal sales of its 0-5 mm coal inventory, which were offset by extraordinary SG&A costs as part of a strategic initiative to pave the way for the re-opening of its Samut Sakorn plant.

| Income statement | | | | | |
|-----------------------------|--------------|--------------|--------------|------|-------|
| Baht millions | 2QFY11 | 1QFY12 | 2QFY12 | %yoy | %qoq |
| Revenues | 4,131 | 3,393 | 3,529 | -15% | 4% |
| Freight charges | 1,503 | 826 | 753 | -50% | -9% |
| Offshore services | 1,144 | 1,151 | 996 | -13% | -14% |
| Sales | 1,384 | 1,345 | 1,705 | 23% | 27% |
| Costs | 3,427 | 2,635 | 2,819 | -18% | 7% |
| Gross profits | 704 | 758 | 710 | 1% | -6% |
| SG&A | 451 | 445 | 480 | 6% | 8% |
| EBITDA | 253 | 313 | 230 | -9% | -27% |
| Depreciation & Amortization | 542 | 434 | 424 | | |
| Other income | 182 | 60 | 46 | | |
| Equity income | 40 | 34 | 38 | | |
| EBIT | (68) | (27) | (109) | 62% | -303% |
| Finance costs | (152) | (154) | (155) | | |
| Income taxes | (106) | (41) | (9) | | |
| Profits before EI | (326) | (223) | (274) | 16% | -23% |
| Extraordinary items | 102 | (425) | (26) | | |
| Minority interests | 93 | 32 | 51 | | |
| Forex impacts | 12 | 56 | 43 | | |
| Net profit | (119) | (560) | (205) | -73% | 63% |

Compared to the same period last year, consolidated net losses before extraordinary items narrowed by 16% to THB 274 million, compared with THB 326 million a year ago. The year-on-year improvement came largely as a result of tighter cost controls at both Thoresen Shipping and Mermaid. Net cash flows from operations during the first six months of TTA's fiscal year were THB 964 million, compared with negative cash flows of THB 149 million during the same period last year.

"While some of our businesses continue to operate in very difficult macro environments, there is a clear turnaround trend that vindicates our efforts to restructure and cut costs across our portfolio," commented **M.L. Chandchutha Chandratat, TTA's President & CEO**. "Our earnings and revenues have improved from the previous quarter, despite the lowest BDI in 25 years, as well as Mermaid's traditional low season. Our concerted efforts remain on returning TTA to profitability in the near-term, something I am confident we can achieve now that the operating environments for both dry bulk and offshore services are showing signs of improvement."

Group Transport

Losses from the Transport Group narrowed from THB 403 million in the first quarter to THB 7 million in the second quarter, despite the Baltic Dry Index (“BDI”) recording a 25-year low of 647 in February. Normalised EBIT losses also narrowed year-on-year, from THB 59 million last year to just THB 6 million this quarter.

Continued vessel oversupply resulted in the Baltic Time-Charter (“TC”) average for Supramax vessels falling 41% to USD 8,679 per day from the preceding quarter, while the Baltic TC average for Handymax ships plunged 31% to USD 6,925 per day.

Through intensified cost control efforts and a heightened customer-focused marketing approach, Thoresen Shipping outperformed the market, reporting an average TC rate of USD 9,515 per day for its fleet of Supramax and Handymax vessels in the second quarter. Vessel operating expenses were reduced by 17% quarter-on-quarter as a result of key cost cutting initiatives, such as improved inventory management of spares, implementation of pool purchasing and reduction in lube oil consumption.

Petrolift's performance remained strong in the second quarter with an 8% year-on-year growth in gross profit due to improvements in vessel cost management. Petrolift's strong cash flows enabled it to repay some of its debt, resulting in 14% lower finance costs compared to the same period last year. In Philippine Peso (“PHP”) terms, Petrolift recorded 19% growth in net profits, contributing 23% more to TTA's consolidated earnings than the previous year.

“The laser-like focus that Thoresen Shipping has maintained on its daily operations has resulted in greater cost efficiencies, which have shown clearly demonstrable results even as we operated in the most difficult quarter the shipping industry has experienced since 1986,” said **Mr. David Ames, Executive Vice President, Group Transport**. “The first six weeks of the April-June quarter are already showing signs of improvement, with global TC rates spiking by 23% compared to the previous three months. As the global industry begins to recover, there is little doubt that Thoresen Shipping will be better positioned than many of its peers to return to operating profitability. Meanwhile, we continue to be impressed by Petrolift, which remains one of TTA's best diversified investments, contributing more to the Group's equity income than any other entity in our portfolio.”

Group Energy

Group Energy contributed THB 68 million in losses this quarter, 43% less than the same period a year ago, with cost savings across Mermaid's subsea and drilling groups helping to narrow the negative contribution.

Mermaid reported revenues of THB 996 million in the second quarter, 13% lower than the same period last year. The fall was primarily due to Mermaid's offshore drilling unit, whose MTR-2 tender rig underwent technical maintenance for approximately three weeks. MTR-2 resumed full work in March.

Mermaid's margins improved significantly, with gross profits rising 71% and normalised EBITDA growing by THB 100 million year-on-year. The improvements come as a result of adjustments in crew contracts along with the effective implementation of TTA's Group Shared Services, which has helped TTA entities including Mermaid significantly cut procurement costs. At the same time, despite the January-March quarter being affected by monsoons, Mermaid's subsea vessel utilisation rose to 59% from 55.3% in the previous quarter, primarily due to vessel time charters.

“After a significant restructure which saw Mermaid cut costs, increase its geographic diversity and enhance synergies between operating units, a turnaround continues with margins climbing significantly,” commented **M.L. Chandchutha Chandratat, TTA’s President & CEO**. “The outlook for subsea services looks positive, particularly in the Middle East, where we have recently been awarded three contracts with existing and new oil and gas exploration clients. Meanwhile, Mermaid’s drilling rig, MTR-2, and accommodation barge, MTR-1, have confirmed contracts that guarantee utilisation into the second half of the year. In light of Mermaid’s concerted efforts to streamline operations, coupled with improving macro operating conditions, we project a return to profitability in the next quarter.”

A significant development in TTA’s coal mining interests this quarter was the identification of reserves in Qing Mei’s coal concessions in Central Kalimantan, Indonesia. Exploration continues to Joint Ore Reserves Committee (“JORC”) standards, with a drilling programme already extended to two of the concession’s four blocks. Reserves in excess of 100 million tonnes of sub-bituminous thermal coal have been identified to date, and on-going exploration work will be extended to the remaining blocks in the third quarter.

Group Infrastructure

Group Infrastructure contributed THB 3 million in profits this quarter, down 96% year-on-year. The decline came as a result of UMS’ aggressive sales of lower-priced 0-5 mm coal in order to resume operations at its Samut Sakorn plant as well as relatively weaker fertiliser sales at Baconco Co., Ltd. (“Baconco”), as farmers delayed fertiliser purchases into the following quarter.

While UMS’ Ayudhya plant resumed full operations in January following flooding in the latter part of 2011, its Samut Sakorn plant remains closed until certain conditions imposed by the provincial authorities are met. The most significant of these is for UMS to remove its 400,000 tonne stockpile of 0-5 mm coal, which has a lower selling price than other kinds of coal that UMS markets. UMS embarked on an aggressive sales campaign during the second quarter and until the Samut Sakorn plant is reopened, larger volume coal sales will result in higher than normal SG&A costs and lower margins due to heightened transportation and logistics costs since coal from Samut Sakorn needs to be trucked to clients in Saraburi, while classified coal from Ayudhya is driven to customers in Samut Sakorn.

UMS reported a negative normalised EBIT of THB 35 million and over the next two quarters, continued pressure on earnings is expected as the Company pushes through with its strategic sales efforts in order to restart operations in Samut Sakorn as quickly as possible.

Baconco’s sales in the second quarter declined by 6% to THB 667 million compared to THB 708 million a year ago due to seasonal changes. Last year, the traditional March – April season started earlier than usual in Vietnam, causing farmers to stockpile fertiliser as early as February. This year, the season started normally and in fact was delayed slightly due to flooding in some areas. As a result, the sales spike seen in February last year was delayed until April 2012.

Pressures related to raw material prices eased slightly compared to the previous quarter, allowing gross margins to improve marginally from 9% to 10%. Compared to the same period last year however, lower sales and relatively higher raw material costs triggered normalised EBIT to drop from THB 76 million to THB 39 million.

"While the situation with UMS is far from ideal, we have implemented a solution which we feel will bring us back to where we need to be in the shortest possible time – namely to resume optimal operations at both of our plants and return once again to profitability. In the meantime, we are considering several measures to ease short term pressures on margins." said **Mr. Vichai Chuensuksawadi, Executive Vice President, Group Infrastructure**. "Looking at Vietnam, Baconco continues to report solid earnings and going forward, we will look towards larger contributions from Baconco's warehousing operations, which recently benefited from an extended licence that now covers over 118,000 square meters of warehouse space."

Outlook

"Over the last year, our efforts have been concentrated on restructuring our core businesses amidst an industry downturn in both the dry bulk and offshore services sectors," concluded **M.L. Chandchutha Chandratat, TTA's President & CEO**. "These efforts were designed to not only ensure our survival during difficult operating conditions, but to equip us for maximum profitability when the market rebounds. Our second quarter results show improved margins in both of these businesses and I have little doubt that Mermaid and Thoresen Shipping will, on the back of the fundamental changes we have instituted, return to profitability in the short term.

"With UMS, we are doing everything we can to resume operations at our Samut Sakorn plant as quickly as possible. We feel strongly that our strategy will get us there in the shortest possible time frame. The implementation has already begun, with an eye towards reopening the plant and returning to profitability by the first quarter of fiscal 2013."

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About TTA

Thoresen Thai Agencies Public Company Limited ("TTA") is a strategic investment holding company listed on the Stock Exchange of Thailand (TTA:TB). Its investment strategy is to grow through a balanced and diversified business portfolio of transport, energy, and infrastructure assets, both domestically and internationally. TTA's evolution from a dry bulk shipping operator began in 2005 with an investment in subsea engineering firm Mermaid Maritime Public Company Limited, which has since been listed on the Singapore Stock Exchange (MMT:SP). Since then, TTA has acquired interests in fertiliser and logistics (Baconco Co., Ltd.) coal-related businesses (SKI Energy Resources Inc, Merton Group (Cyprus) Limited and Unique Mining Services Public Company Limited), petroleum tankers (Petrolift, Inc) and a port in Southern Vietnam (Baria Joint Stock Company of Service for Import Export of Agro Forestry Products and Fertilizers).

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