ICON OFFSHORE

Analysts' Briefing
1Q 2017

1 June 2017

ICON OFFSHORE BERHAD
Level 12A, East Wing, The Icon
No. 1, Jalan 1/86F, Off Jalan Tun Razak
55000 Kuala Lumpur, Malaysia

www.iconoffshore.com.my

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Contents

Overview of ICON (1/2)

Who we are

- Diversified fleet of **34 vessels** as at 31 May 2017 and one of the largest OSV provider in S.E. Asia.
- We provide a wide range of logistical support services throughout the entire offshore oil and gas life cycle. Our vessels operate primarily in shallow waters.
- Led by highly qualified management team with combined experience of more than 120 years in the marine and oil and gas sector.
- Established relationships and experience with oil majors and international clients.

Our fleet

AHT, AHTS and Utility

25

SSV and PSV

6

AWB

3

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Overview of ICON (2/2)

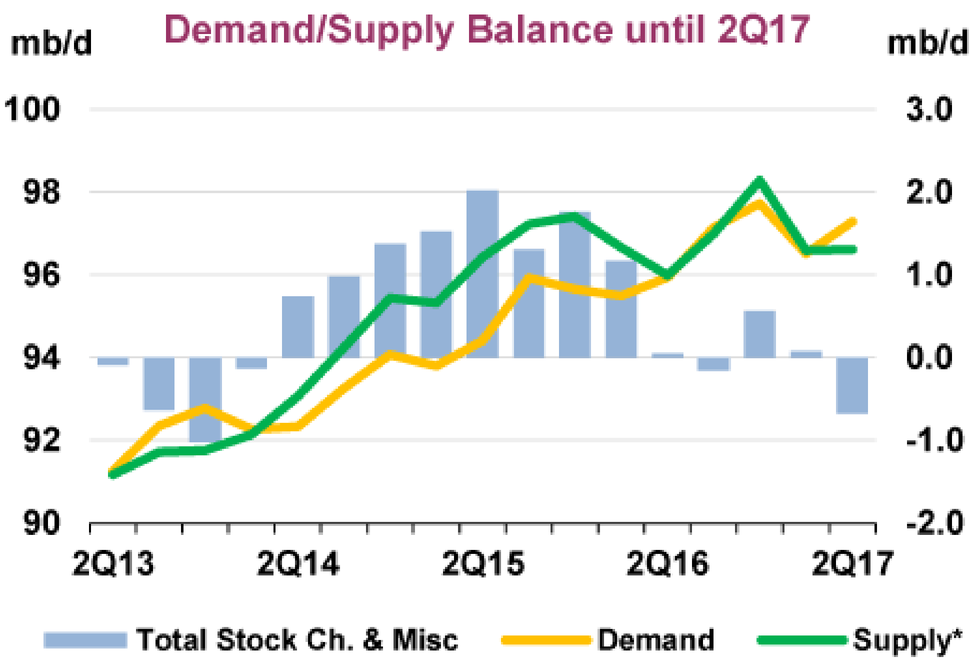
ICON is an oilfield service provider in the Oil and Gas life cycle

	Identification of potential	Exploration & appraisal	Field development	Operation & maintenance	Abandonment
	■ Geological & geophysical mapping & modeling via seismic surveys ■ Analysis & interpretation of geological data to identify the potential of hydrocarbon bearing formations	■ Wildcat wells drilled to assess potential of basin ■ Appraisal wells across the potential of any discovery made during the exploration phase ■ Flow rates assessed	■ Development scenario screening ■ Pre-FEED & FEED studies ■ Detailed engineering ■ Fabrication & procurement ■ Offshore construction, installation, hookup & commissioning	■ Inspection, repair & maintenance ■ Enhanced oil recovery ■ Brownfield development & injection wells ■ Work over of existing wells	■ The decommissioning of end-of-field infrastructure ■ Re-use / recycle / dispose
Type of OSVs deployed		■ AHT ■ AHTS ■ AWB ■ PSV ■ SSV	■ AHT ■ AHTS ■ AWB / Barges ■ PSV ■ SSV ■ Tugs	■ AHT ■ AHTS ■ AWB / Barges ■ PSV ■ SSV ■ Tugs	■ AHT ■ AHTS ■ AWB / Barges

(Source: Infield)

Industry Outlook (1/5)

Conformity in oil output cuts have accelerated market rebalancing, stabilising oil prices



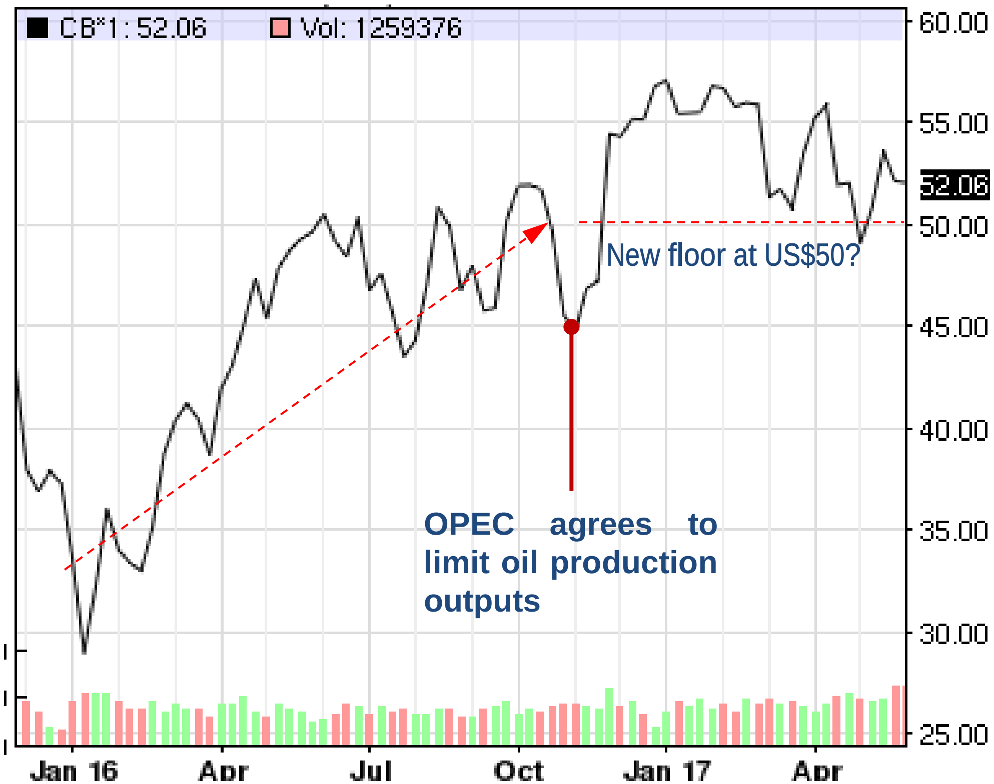
Note: For scenario purposes only, IEA assumes OPEC/non-OPEC ouput cuts implemented as announced.

- OPEC's year-to-date compliance with production cuts remained robust at 96%.
- On 25 May 2017, both OPEC and 10 non-OPEC producers agreed to extend their production adjustments for a further period of nine months, until end March 2018.
- **"The goal of accelerating rebalancing has been partially achieved and the market in my opinion is on its way to full recovery. The drawdown of inventories has clearly begun and I expect this trend to accelerate as we enter the high demand season and continue our high conformity levels"** (HE Khalid A. Al-Falih, Saudi Arabia's Minister of Energy, Industry and Mineral Resources, and President of the OPEC Conference, at the 2nd OPEC and non-OPEC Ministerial Meeting, 25 May 2017, Vienna, Austria)

<u>Sources</u>:
- *International Energy Agency, Oil Market Report, 16 May 2017*
- *OPEC conference speech, May 2017*

Industry Outlook (2/5)

Further extension to oil production quotas likely to set a new floor to oil price. However, non-OPEC supply will continue to threaten any potential short term increase in oil prices.



Short Term Outlook

- Global demand for oil projected to grow by 1.3 mb/d for 2017, with demand at 97.9 mb/d.
- Global oil supply fell by 140 kb/d in April as non-OPEC, and especially Canada, pumped less. At 96.17 mb/d, output stood 90 kb/d below a year ago, even as non-OPEC returned to growth.
- The IEA expects total non-OPEC output to increase 600 kb/d in 2017. In May, the EIA forecasts US crude oil production to avg. 9.3 mb/d in 2017 (2016: 8.9 mb/d) and may reach 10 mb/d in 2018.
- The World Bank forecasts crude oil prices to average $55/bbl in 2017, an increase of 26 percent over 2016. This increase reflects rising oil demand and falling stocks, and assumes an extension of the OPEC/non-OPEC agreement. Prices are projected to increase to $60/bbl in 2018, assuming inventories returning to more typical levels.
- The EIA revised its forecast for Brent crude oil prices to average **$53/b in 2017** and **$57/b in 2018**.

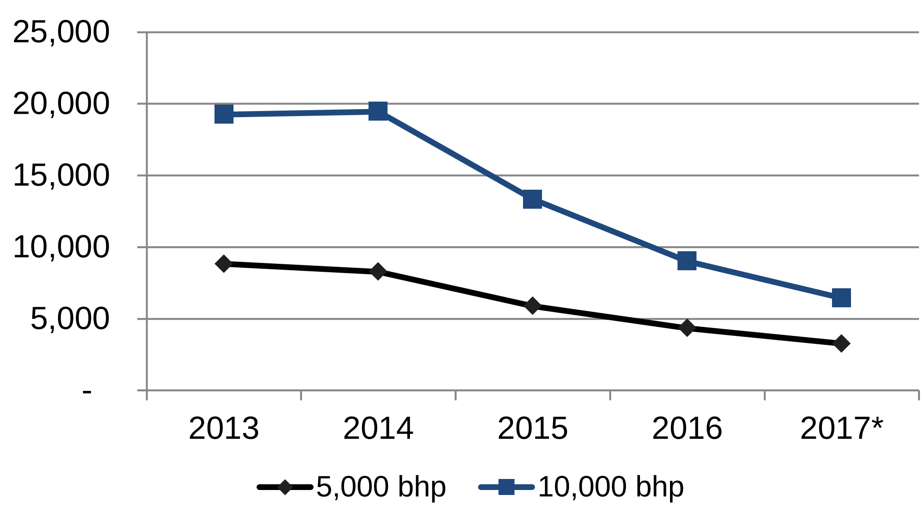
Sources:

- *http://www.nasdaq.com*
- *International Energy Agency, Oil Market Report, May 2017*
- *World Bank Commodities Market Outlook, April 2017*
- *U.S. Energy Information Administration, Short-Term Energy Outlook , May 2017*

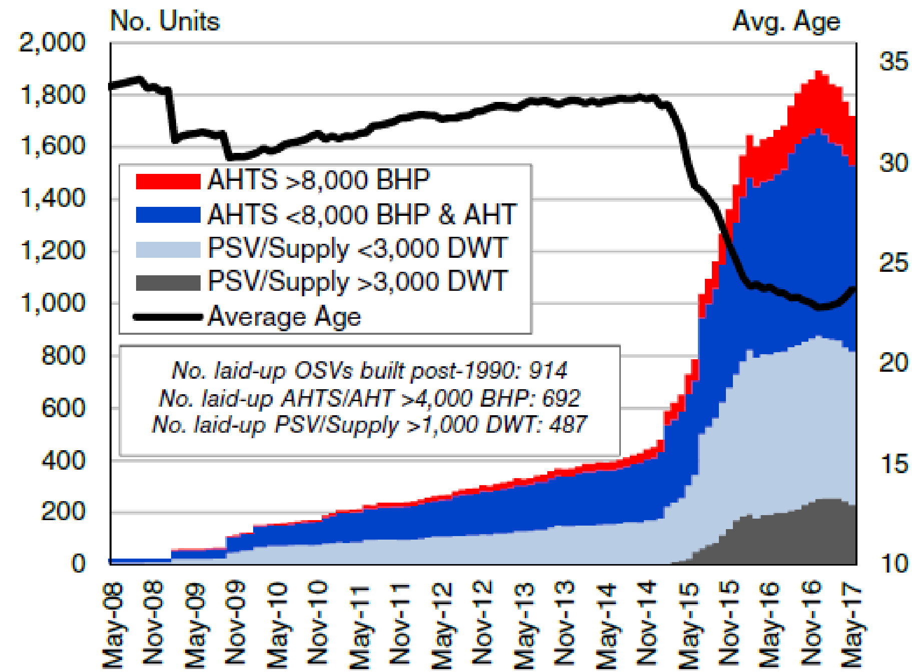
Industry Outlook (3/5)

Vessel overcapacity still an issue and DCRs are nearer to opex levels.
Layup vessels may never come back to market and help remove overcapacity.

SE Asia AHTS avg. day rates (term) (USD/day)



Reported OSV Cold Layup



Rates may remain low due to overcapacity and/or low offshore activities

(Source: Clarksons Research, Offshore Support Vessel Monthly, Volume 4 No. 5 / May 2017)

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Industry Outlook (4/5)

The industry is still reshaping itself as evidenced by consolidation moves and injection of fresh capital to repair the balance sheet. Some may not survive.

Some are poised for survival and/or growth…

- Norwegian trio of Solstad, Farstad and Deep Sea Supply approves plan for mega-merger, consists of private placements and conversion of shareholder loans to equity
- Atwood Oceanics raised total proceeds of approximately USD 181m from its public offering of 15.5 m common shares in 1Q 2017.
- S.D. Standard Drilling Plc. completed a private placement of approximately USD24 million to prepare for future growth.
- Wintermar completed its loan rescheduling agreements with key lenders for USD71.4m outstanding bank debt.
- Seadrill extends its negotiations to end July 2017 with its secured lenders and investors for a comprehensive recapitalisation plan

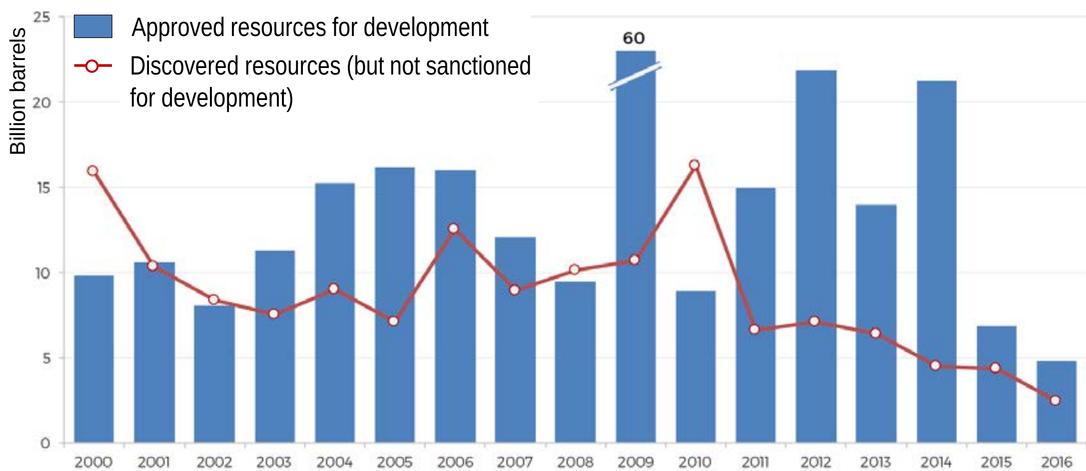
…whilst the fate of others are still uncertain.

- Alam Maritim seeks assistance from the Corporate Debt Restructuring Committee (CDRC) to restructure its debts with respective financiers and Sukuk-holders.
- Ezra Holdings files for Chapter 11 bankruptcy protection. In previous months, its Singaporean counterparts Swiber Holdings and Swissco Holdings had been placed under judicial management.
- Singapore based Marco Polo Marine Ltd have filed an application to the Singapore High Court for a scheme moratorium to restrain all legal proceedings against the company to allow them to finalise a scheme of arrangement with their creditors as part of their proposed refinancing and debt restructuring.
- Nigeria based Sea Trucks Group has entered into liquidation
- In the US, both Tidewater and Gulfmark Offshore have filed for bankruptcy protection under Chapter 11.
- Bourbon also reported <50% vessel utilisation as no. of vessels under lay-up increases.

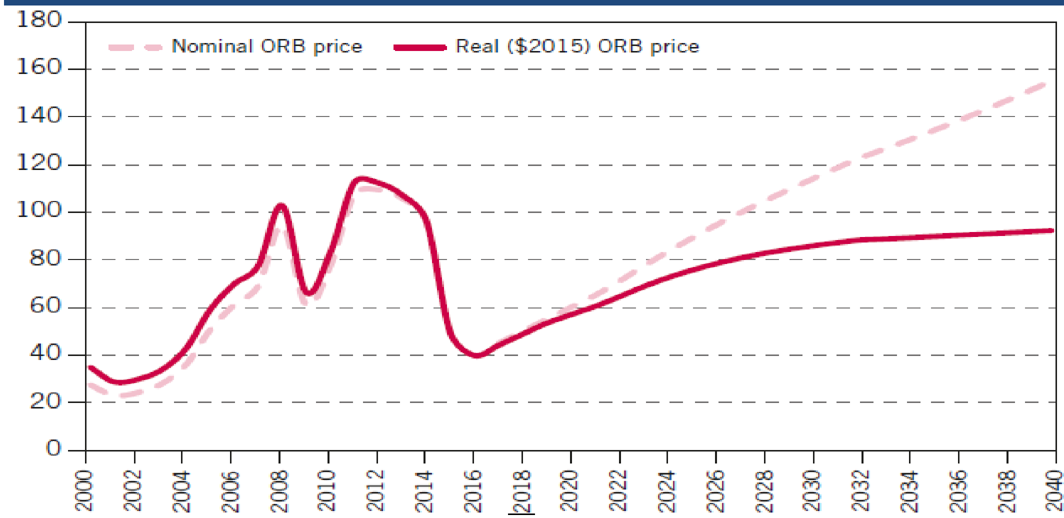
Industry Outlook (5/5)

Approved developments over the last couple of years is not enough to meet future demand growth and compensate for depletion. Recovery forecasted to replenish reserves.

Conventional crude oil resources discovered and sanctioned



OPEC Reference Basket (ORB*) price



<u>Production needs to be maintained</u>

- Oil majors will have to invest to ensure long term replenishment of reserves.
- BP also noted that global proved oil reserves in 2015 fell by 2.4 bil barrels (-0.1%) to 1697.6 billion barrels. The last annual decline was in 1998.
- Clarksons had identified at least 486 potential field developments offshore for S.E. Asia alone.

<u>Medium to Long Term forecast</u>

- OPEC's medium term outlook is for ORB price to reach the level of **$65/b by 2021 (nominal)**, slightly above **$60/b in real 2015** prices.
- The World Bank forecasts crude oil (avg) to be **$63/b** by 2020 and **$71/b** by 2025, both in nominal terms.
- OPEC's longer term outlook assumes price increases to reach the level of around **$92/b by 2040 in real (2015) prices**, equivalent to **$155/b in nominal terms**.

Sources:

- *International Energy Agency, news dated 27 April 2017*
- *Clarksons Offshore Intelligence Monthly, May 2017*
- *World Bank Commodities Market Outlook, April 2017*
- *OPEC World Oil Outlook 2016*
- *Reuters*

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Our Strategic Roadmap

ICON developed its Strategic Roadmap to ride out the current storm and re-shape its future for 2020. Company will continue to implement its key strategies.

Strategic Roadmap

Weather the Storm

- Implement key short term strategies to ride out the downturn

Invest in best-in-class assets

- Fleet Renewal / Rejuvenation
- Invest in modern and best in class OSVs to meet future needs

Strategic Expansion

- Diversify into other regional markets
- Growth through JVs and/or M&As

Reduce costs by focusing on quick wins

Conserve cash flow

Drive utilisation through competitive bidding

Our Strategic Roadmap

We've set a new operating base line in 2016 for the long term

A quick recap of 2016 action plans executed:

Reduce costs by focusing on quick wins

- Lay-up of vessels and implementation of domestic safe manning
- Robust monitoring of fuel consumption.
- Implementation of manpower rationalisation exercise.

Conserve cash flow

- Deferred deliveries of 3 vessels under construction
- Completed loan rescheduling with 3 group lenders

+

Transformations Within

PEOPLE

- Up-skill through review of organisation experience and capabilities. 3 key positions filled.
- New Chief Financial Officer. 17 years experience with 2 national oil companies.
- New Chief Commercial Officer. 27 years experience with a national oil company and various EPCC contractors.
- New Head of Crewing. Over 20 years experience in crew management with an oil major, shipping and OSV companies.
- Crewing – retaining the best through Performance Management assessment, rejoining bonuses for select crew and training.

ASSETS

- Leverage on technology through implementation of electronic fuel monitoring system on several vessels.
- En bloc discounts for dry docking with an established yard.
- Established a dedicated dry docking team as a focal point to oversee all matters with ship yards, to ensure consistency in work scope, cost and yard deliverables.

Our Strategic Roadmap

Transforming our commercial approach for closer engagement with O&G community

Drive utilisation through competitive bidding

New CCO role

- Representation at senior levels, for direct discussions and negotiations with existing and potential clients.
- Developing new business models (e.g. bundling of services) to adapt to changing client needs and evolve our business offerings.

Sector leader in the Malaysian OSV community

- MD is currently the President of the Malaysian OSV Association (MOSVA); CCO is currently an EXCO member of Malaysian Oil & Gas Services Council (MOGSC)

Improved dialogues with clients

- Through MOSVA and MOGSC, more frequent dialogues held with PETRONAS to discuss and resolve industry issues
- Higher confidence levels with a wider array of clients, i.e. not just oil majors, but also with foreign EPCC players (e.g. Baker Hughes, Technip, AMEC, Worley Parsons, Petrofac and McDermott).

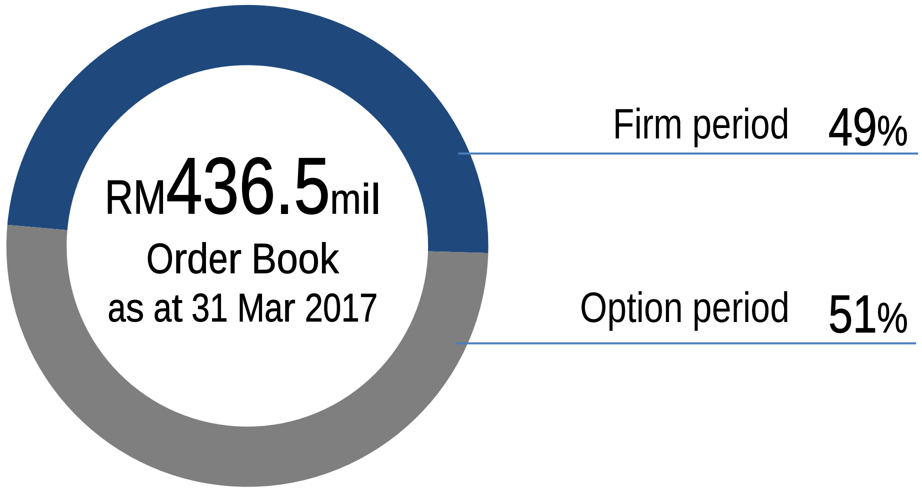
Utilisation rates at par or above industry range

- Secured contract with a new client Baker Hughes, albeit a short term contract. Seeds planted, now to nurture.

Our Strategic Roadmap

Significant contract wins replenishing our order book since last briefing

Drive utilisation through competitive bidding



► **March 2017**. Secured 3 years + 1 year + 1 year contract in Brunei from SPHI Marine for one (1) AWB.	RM 72 mil
► **March 2017**. Secured 9 months contract from Halliburton Energy Services for one (1) PSV.	RM 8 mil
► **March 2017**. Secured 3 years + 2 years Umbrella contract from PETRONAS Carigali for spot charter marine vessels.	Call-out basis
► **May 2017**. Secured 10 months contract from Shell for one (1) AHTS	RM 5 mil

Our Strategic Roadmap

ICON in a good position to secure other on-going major tenders to rebuild order book

Drive utilisation through competitive bidding

PETRONAS MCM tender

- RM6 billion contracts for maintenance, construction and modification ('MCM') to be split into 4 packages.
- Strategic partnership with Deleum Bhd.
- Shortlisted among 5 other companies. Tender currently in the techno-commercial discussion phase (i.e. final phase).

PETRONAS integrated logistics tender

- The integrated logistic tender will support production operations for all Petroleum Arrangement Contractors ('PACs'). PACs' requirements managed by PETRONAS instead of direct sourcing.
- Require 30 AHTS/SSV/PSV 'Base Fleet' vessels. Divided into seven (7) packages comprising combinations of AHTS (non-DP), AHTS (DP), SSVs and PSVs.
- Contracts worth up to RM4 billion for Malaysian OSV owners that can provide a wide range of vessel complements.
- Variation of contracts on call out, 3 years and/or 5 years contracts, commencing in year 2018.
- ICON is incumbent to a number of existing requirements.

Positive contracting strategy by PETRONAS to eliminate agents and foreign vessels.

Our Strategic Roadmap

Merger to create one of the largest integrated offshore service providers did not materialise. Regional diversification continues to grow.

2

Strategic expansion

- In January 2017, Hallmark Odyssey Sdn. Bhd., a wholly owned subsidiary of Ekuiti Nasional Berhad ('Ekuinas') entered into a conditional share sale and purchase agreement with UMW Oil & Gas Corporation Berhad ('UMWOG') ('ICON SPA')
- In May 2017, the ICON SPA was terminated by Ekuinas after considering the significant capital requirements of UMWOG and upon taking into account the need to have greater clarity on the industry consolidation framework and certainty of the industry environment.
- Continued to score wins in Brunei. Secured new long term charter for the provision of an accommodation work boat.

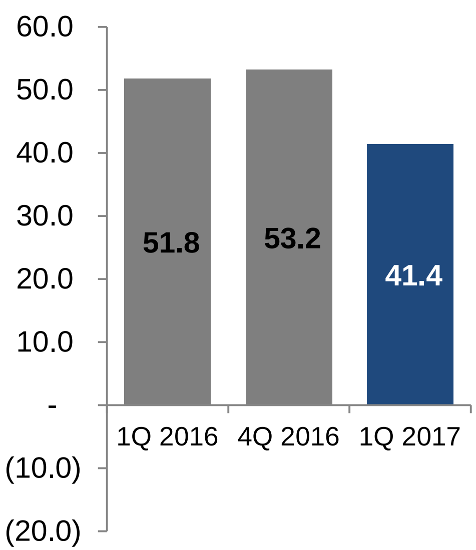
Management will continue to consider other corporate activities to increase stakeholder value, taking into consideration the size and strength of its balance sheet

Performance Review

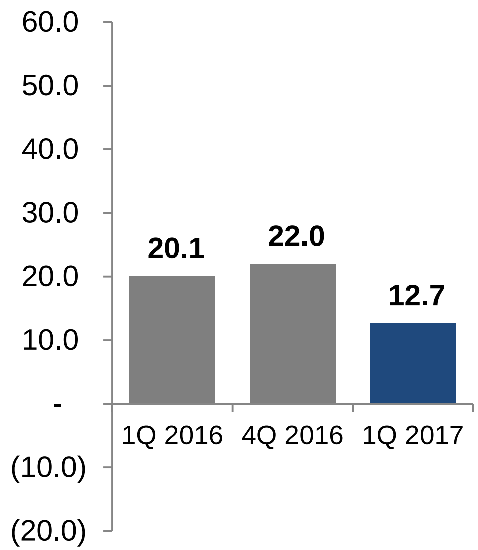
Overview

Financials Overview (Adjusted*)

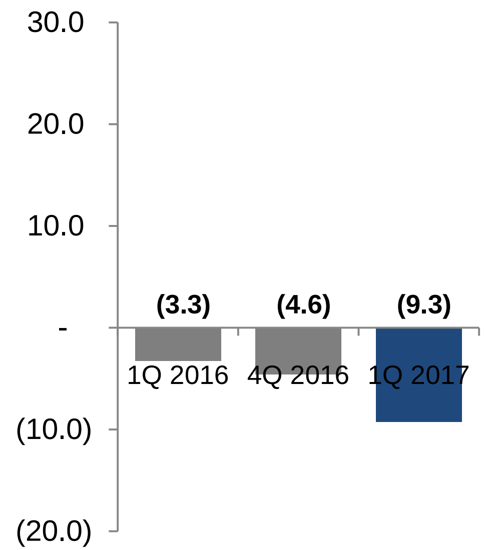
Revenue (RM' mil)



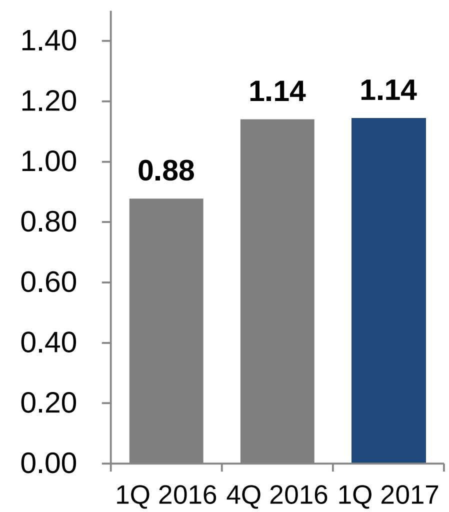
Adjusted EBITDA (RM' mil)



Adjusted LAT (RM' mil)



Net Gearing



Operations Overview

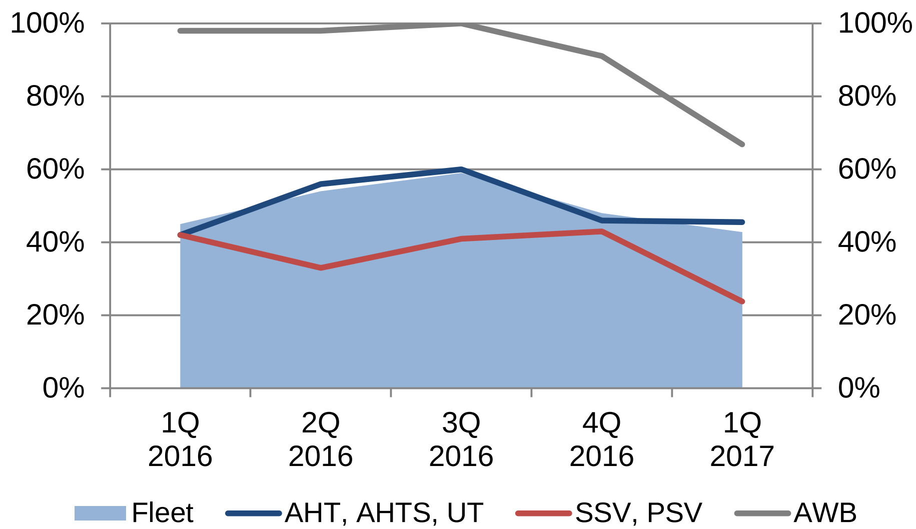
Order Book	Regional Expansion (by revenue)	Man hours without LTI	YTD Fleet Utilisation
RM 436.5 mil	**34%**	**956,880 hours**	**42.8%**
(1Q 2017)	(1Q 2016 : 40%)	(from 1 Dec 2016)	(1Q 2016 : 45%)

* *Adjusted EBITDA and PAT excludes exceptional items to arrive at normalised financials under normal operating conditions. The exceptional items include impairment of goodwill and vessels, amortisation of intangible assets, change in estimation for depreciation and a one-off underassessment of crew income tax for prior years,*

Operational Highlights

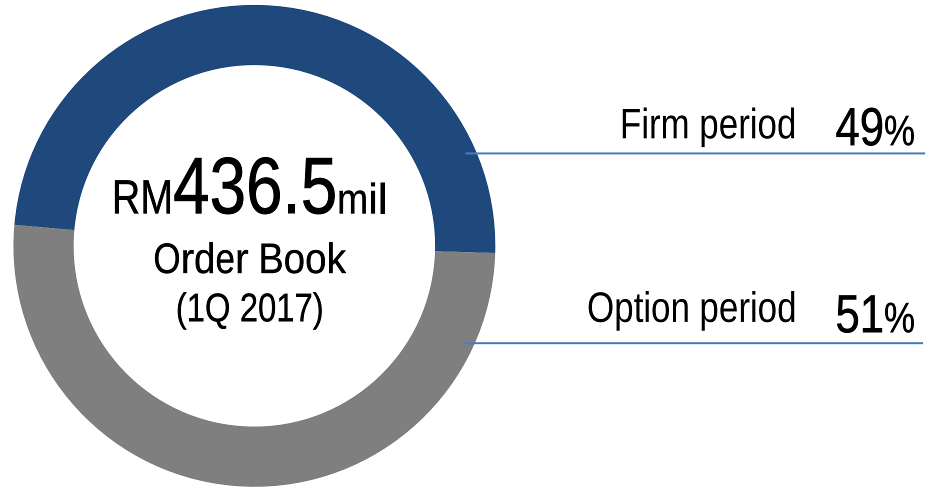
Lower fleet utilisation on the back of tail-ending monsoon period

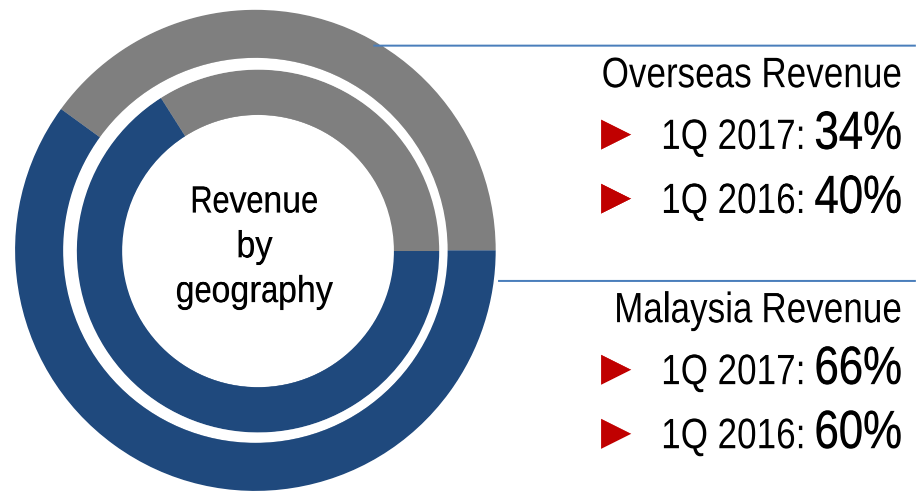
Fleet utilisation rate



AWB contract completed in 4Q 2016, but commences new long term 5 years contract in March 2017, operating in Brunei.

Seasonal low utilisation due to monsoon impacted overall fleet utilisation.





Inner: 1Q 2017 RM41.4m	Outer: 1Q 2016 RM51.8m

Group Financial Overview

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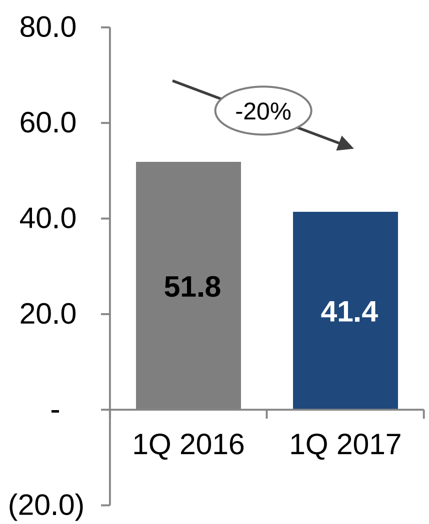
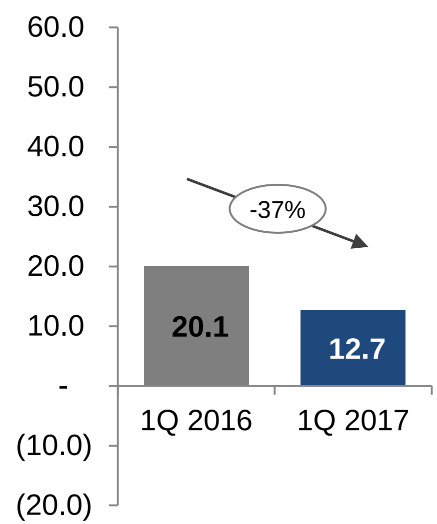
Quarter on Quarter (1Q 2016 vs 1Q 2017)

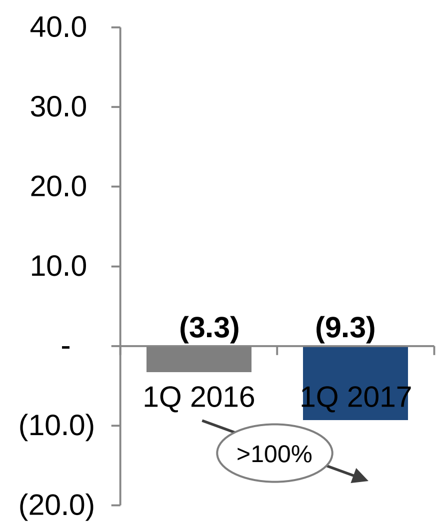
Revenue (RM' mil)



Adjusted EBITDA* (RM' mil)



Adjusted PAT* (RM' mil)



Revenue for 1Q 2017 stood at RM41.4 mil

The drop was largely attributable to lower fleet utilisation rate of 42.8% (1Q 2016: 45%) and lower daily charter rates. This is due to the continuous low demand and activities in oil and gas industry.

Adjusted EBITDA for 1Q 2017 stood at RM12.7 mil

The drop was largely attributable to lower revenue, coupled with increased spending relating to charterer's requirements and certification requirements.

This was partially offset against lower crew costs that were on domestic safe manning.

Adjusted LAT for 1Q 2017 stood at RM9.3 mil

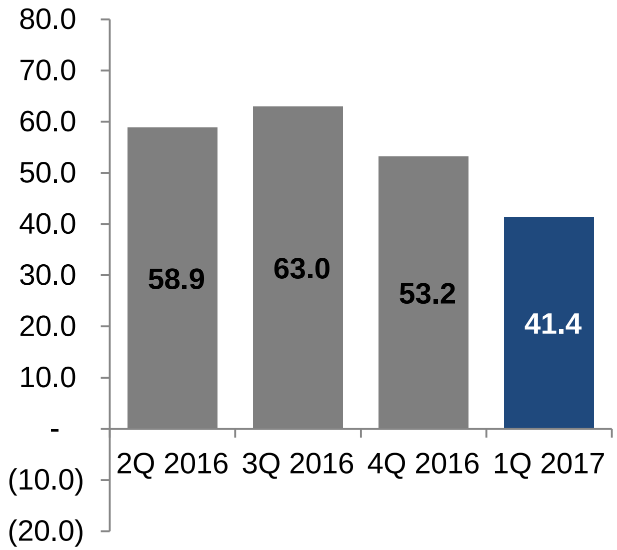
The drop was largely attributable to lower revenue for the quarter.

* *Adjusted EBITDA and PAT excludes exceptional items to arrive at normalised financials under normal operating conditions. The exceptional items include impairment of goodwill and vessels, amortisation of intangible assets, change in estimation for depreciation and a one-off underassessment of crew income tax for prior years,*

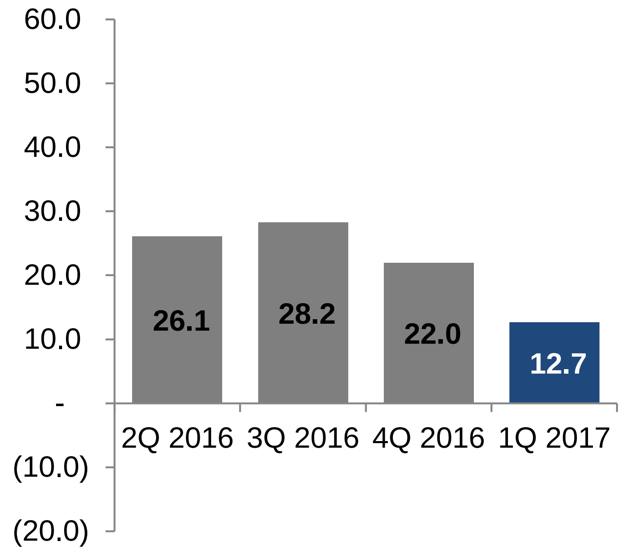
Group Financial Overview

Quarter by Quarter (Trailing quarters)

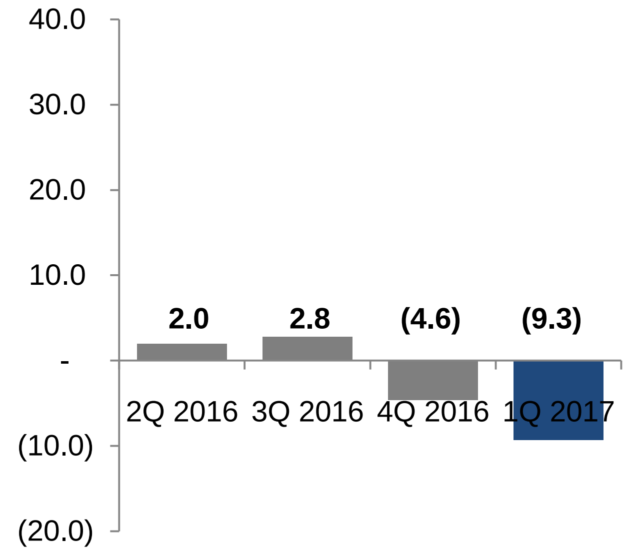
Revenue (RM' mil)



Adjusted EBITDA* (RM' mil)



Adjusted PAT/ LAT* (RM' mil)



Revenue for 1Q 2016 stood at RM41.4 mil

1Q 2017 vs 4Q 2016

The drop was largely attributable to lower utilisation and daily charter rates, suspension of charter contracts due to the cyclical monsoon weather and completion of charter contract for an AWB in 4Q2016.

Adjusted EBITDA for 1Q 2017 stood at RM12.7 mil

1Q 2017 vs 4Q 2016

The drop in Adjusted EBITDA was mainly due to lower revenue recognised.

Adjusted LAT for 1Q 2017 stood at RM9.3 mil

The drop in Adjusted PAT was mainly due to lower revenue recognised.

* *Adjusted EBITDA and PAT excludes exceptional items to arrive at normalised financials under normal operating conditions. The exceptional items include impairment of goodwill and vessels, amortisation of intangible assets, change in estimation for depreciation and a one-off underassessment of crew income tax for prior years,*

Group Financial Overview

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Leverage and Capitalisation

Capital Structure

RM'mil	1Q 2016	1Q 2017
Total Assets	1,443	1,336
Total Equity *	716	566
Total Debt (1)	665	698
Cash and cash equivalents	36	50

Key Financial Ratios

Debt(1)/EBITDA**	5.5	7.8
Net debt(2)/EBITDA**	5.2	7.3
Gross gearing ratio	0.93	1.23
Net gearing ratio	0.88	1.14

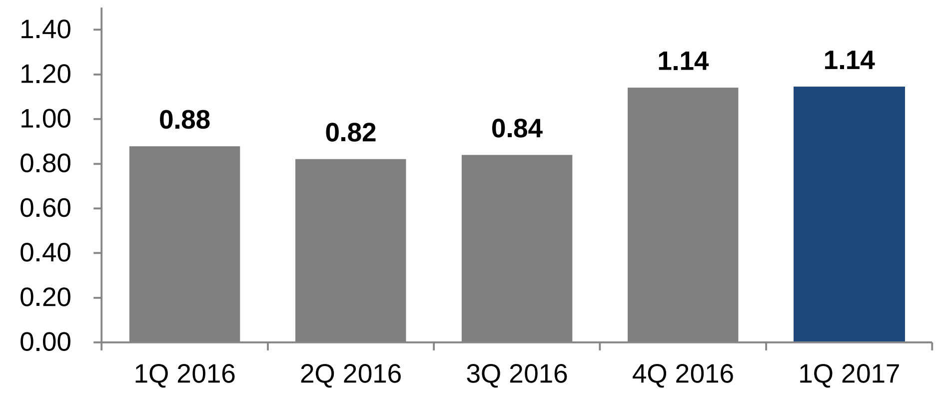
(1) *Total debt = Total short-term and long-term borrowings*

(2) *Net debt = Total debt – Cash and cash equivalents*

* *Including impairment of goodwill and assets*

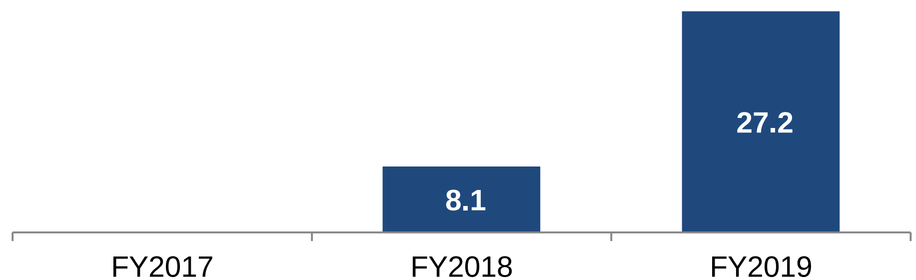
** *EBITDA excludes impairment of goodwill and assets*

Net Gearing Ratio



Year-end impairment made in 4Q 2016 lowering capital base and increasing gearing ratio

CAPEX Commitments - vessels (RM'mil)



Further deferment of vessel capex commitments into FY2018 and beyond

Key Takeaways

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Key Takeaways

1. ICON's initiatives have allowed the Company to be more resilient.
2. Board and Management remain committed to deliver better shareholder value over the long term through various transformational activities
3. Low cost environment continue to provide opportunities for transformation to add resources and emerge stronger
4. Improving market conditions and tenders outlook are pointing towards a better future
5. Strong and committed major shareholders.

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Thank you