



Media Release

10 March 2009

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## Investor Presentation

**Perth, Western Australia:** Neptune's Managing Director and CEO, Christian Lange, and Chief Financial Officer, Geoff Edwards, will present the attached to the investment community in the coming days.

**Further information:**

**Christian Lange**

**Managing Director & CEO**

**Neptune Marine Services Ltd**

**Phone: +61 8 9424 1111**

***About Neptune Marine Services Limited***

*Neptune Marine Services (ASX:NMS) is emerging as one of Australia's leading providers of integrated engineering solutions to the international oil and gas, marine and renewable energy industries. The company employs more than 500 people in Australia, the UK, USA and Asia and provides a full suite of innovative engineering services including subsea and pipeline engineering; commercial diving; specialist fabrication; inspection, repair and maintenance; pipeline stabilisation and protection; ROV and vessel supply; hydrographic surveying and geophysical services; project management; rope access and tension netting IRM; and dry underwater welding using the group's patented NEPSYS® technology. For more information visit [www.neptunems.com](http://www.neptunems.com)*



# Neptune Marine Services

Half Year Results to 31 December 2008

CHRISTIAN LANGE  
Managing Director & CEO

GEOFF EDWARDS  
Chief Financial Officer

# Summary

- Revenue: \$95m
  - 200% increase YOY
- Normalised NPAT: \$15.6m\*
  - 609% increase YOY
- Reported NPAT: \$12.9m
  - 1512% increase YOY
- EBITDA: \$24.1m
  - 653% increase YOY
- Normalised EPS: 5.2 cents
- Cash in bank: \$6.5m



\*ex IFRS adjustments

# Corporate Highlights

- ✚ Substantial Revenue Increase
  - \$95m (1H08: \$31.7m)
- ✚ Substantial Profit (normalised NPAT) Increase
  - \$15.6m (1H08: \$2.2m)
- ✚ Access Management (WA) Pty Ltd
  - acquisition completed 9 July, 2008
- ✚ MV Neptune Trident DP2 AHTS Vessel
  - delivered October, 2008
- ✚ Subsea Engineering Services (UK)
  - LOI signed July, 2008
  - completed 9 January, 2009



*Access Management*



*MV Neptune Trident*

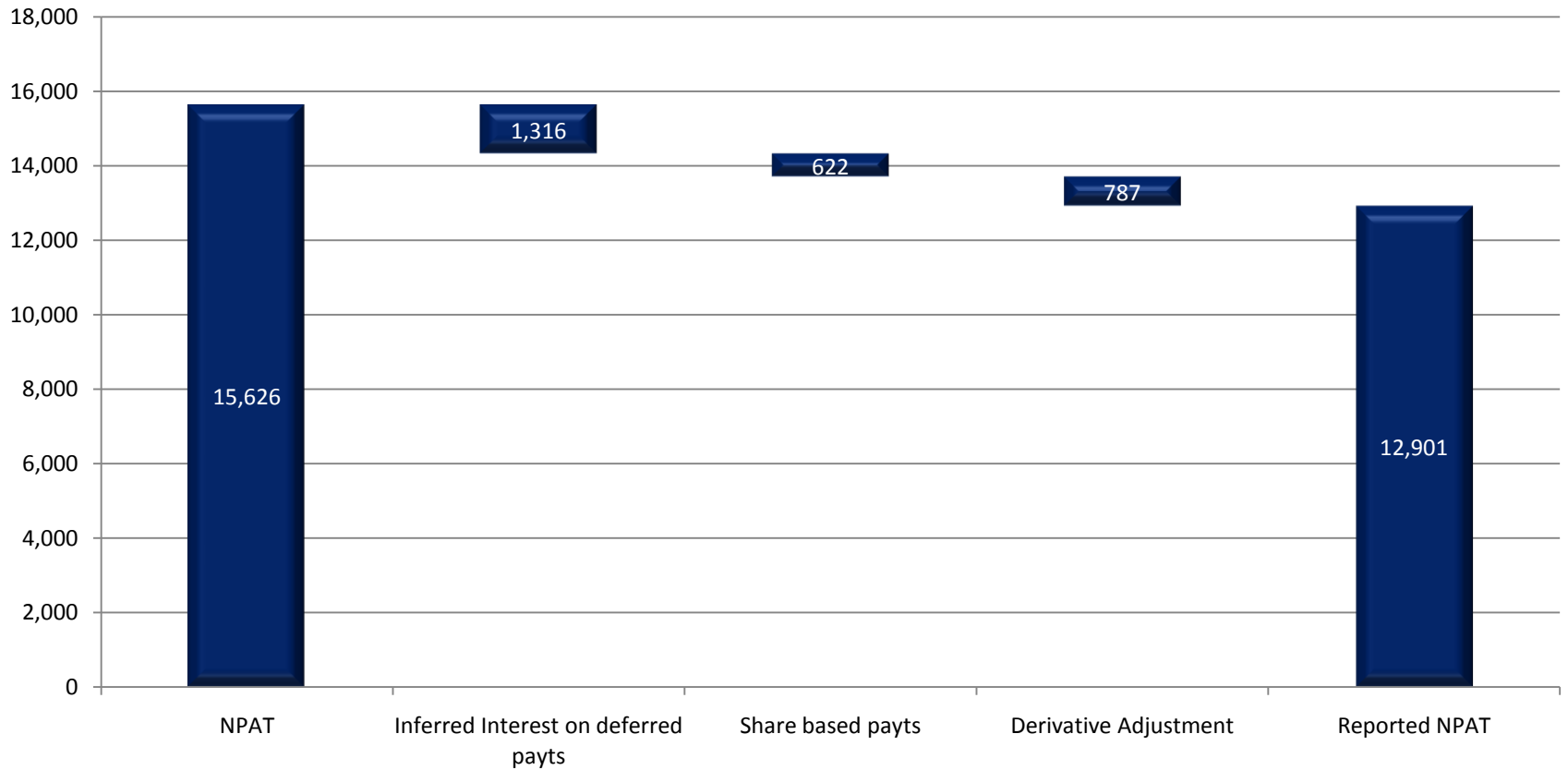
# Financial Performance

	1H09	2H08	Sequential Increase	1H08	YOY Increase
Revenue	\$95m	\$55m	72%	\$31.7m	200%
EBITDA	\$24.1m	\$10.5m	133%	\$3.7m	653%
Normalised Net Profit	\$20.2m	\$10.1m	100%	\$3.1m	552%
Normalised NPAT	\$15.6m	\$8.7m	79%	\$2.2m	609%
NPAT	\$12.9m	\$6.6m	95%	\$0.8m	1512%
Normalised EPS	5.2 cents	3.4 cents	52%	1 cent	420%
Normalised EPS (diluted)	5.1 cents	3.3 cents	55%	1 cent	410%

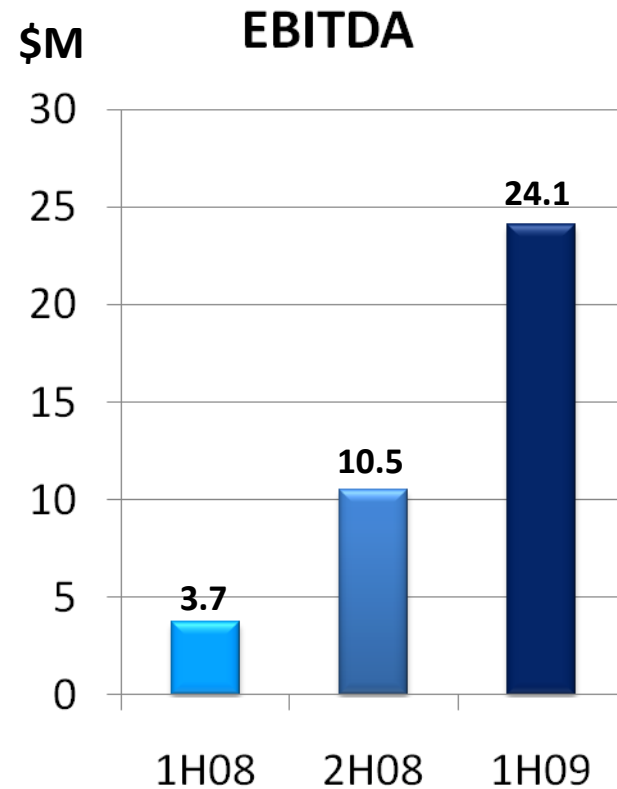
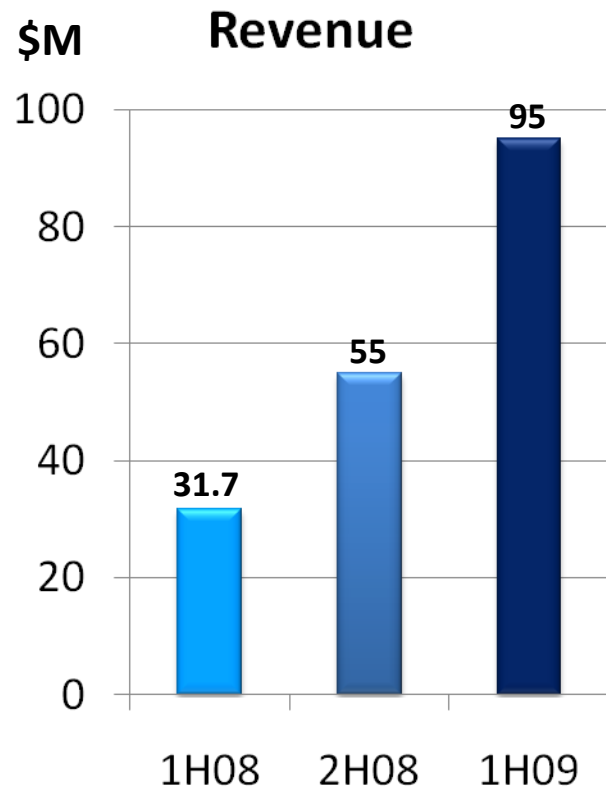
# Financial Performance

Gearing (Net Debt / Equity)	17.2%
Interest Cover (EBIT / Interest Expense)	13x
Interest Bearing Debt	\$36.5m
Capital Expenditure	\$44.2m
Cash at Bank	\$6.5m
Facility Available	\$9.0m

# NPAT IFRS Adjustments



# Revenue/EBITDA





# Revenue Stream



# NMS Divisions

DIVISION	REVENUE		EBIT*		1H09 EBIT/Sales
	1H09	1H08	1H09	1H08	
Offshore Services	\$71m (75%)*	\$16.8m (53%)*	\$24.8m	\$4.8m	417%
Project Management & Engineering Services	\$23.9m (25%)*	\$14.9m (47%)*	\$3.9m	\$2.0m	95%

\*percentage of total revenue



# Divisional Highlights

- ⇒ Strong revenue performance
  - 200+% increase YOY
- ⇒ Extended capabilities
  - Access Management – Perth and Singapore
- ⇒ International project awards
  - NEPSYS®: Gulf of Mexico (2); North Sea (maiden)
  - Sea-Struct: \$7m pipeline stabilisation and grouting
- ⇒ MV Neptune Trident
  - Purchased with existing \$7m charter; high level of future interest
- ⇒ \$8 million offshore survey – Neptune Geomatics
  - Longest planned subsea pipeline survey undertaken in Australia



*Offshore Services*

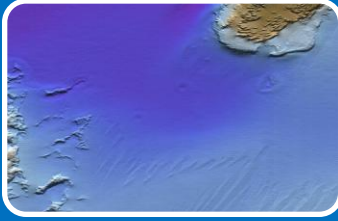
# Divisional Highlights

- ⇒ Strong revenue performance
  - 60+% increase year-on-year
- ⇒ Integrated project
  - Support services – Blacktip gas field development
- ⇒ Sustainable energies
  - Neptune Deeptech (UK) wave power generation
- ⇒ International expansion
  - LOI – Subsea Engineering Services (UK)
- ⇒ Organic growth
  - Consistently high levels across both divisions



*Project Management &  
Engineering Services*

# Major Contracts



## Ichthys Gas Field Hydrographic Survey

- Australia's longest planned subsea pipeline survey
- Combined geophysical and geotechnical survey works



## NEPSYS® Repair Projects – Gulf of Mexico

- Oil platform repairs for major international clients
- Growing recognition and acceptance of technology globally



## SEAMAT Pipeline Stabilisation Matresses

- 600 units for Santos VICP/44 Henry Project
- Batch contracts across 8 Australasian countries

# Major Contracts



## Specialist Fabrication – Australia

- Van Gogh oilfield development project (Apache Energy)
- Riser bases and Pipeline End Terminal (PLET)



## Specialist Engineering and Fabrication – UK

- Client: leading UK supplier to the oil and gas
- Tree frame assemblies, protection structures, debris covers



## Integrated Project

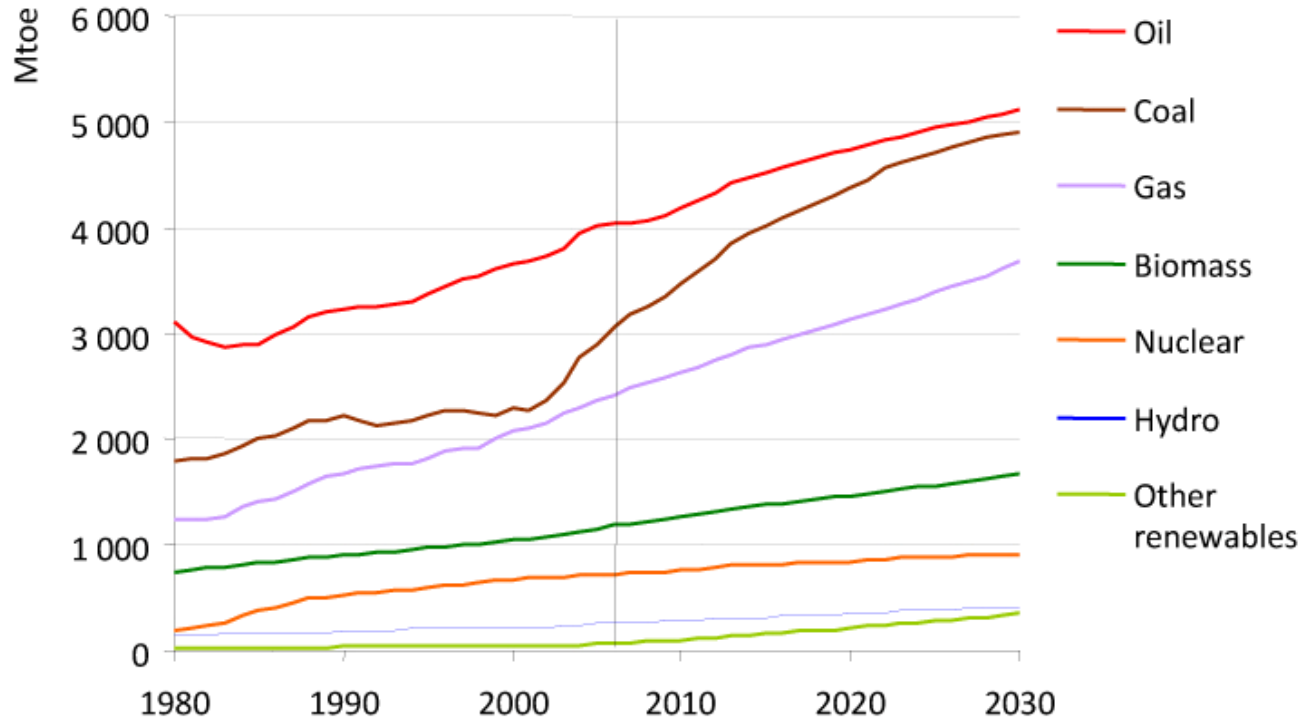
- Blacktip gas field development – Timor Sea
- Barge & dive support services for pipeline shore approach



# Industry Analysis

# Energy Demand

## Global Primary Energy Demand



Source: OECD/IEA - 2008



# Energy Demand

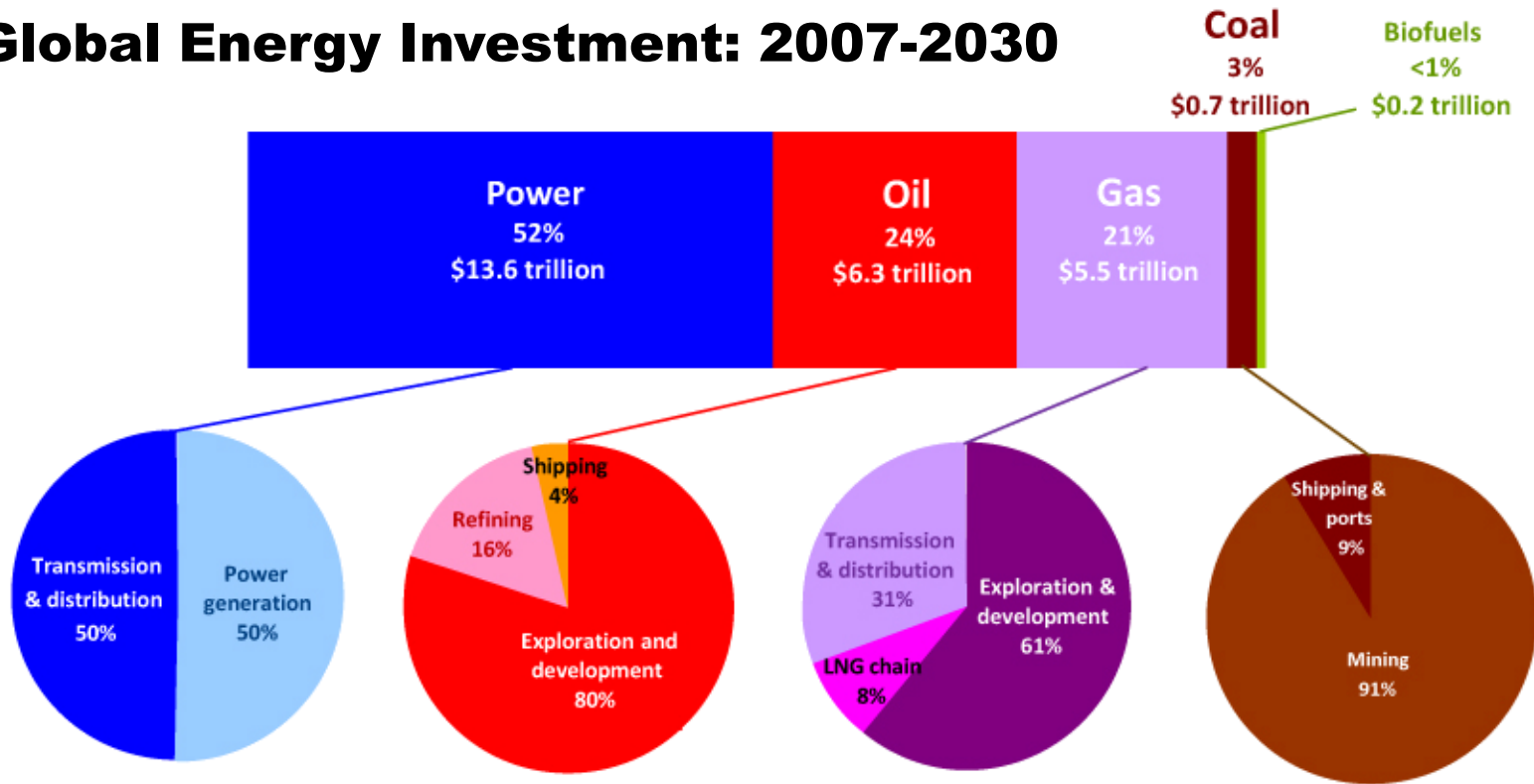
oil, gas and coal will remain predominant at approximately 80% of energy mix, even with significant growth in alternatives

- the outlook for energy: a view to 2030: ExxonMobil



# Energy Investment

## Global Energy Investment: 2007-2030



**Oil & Gas: ~\$12 trillion**

Source: OECD/IEA - 2008

# Subsea Investment

...global subsea sector expenditures will exceed US\$80 billion (AUD\$125 billion) through 2013...

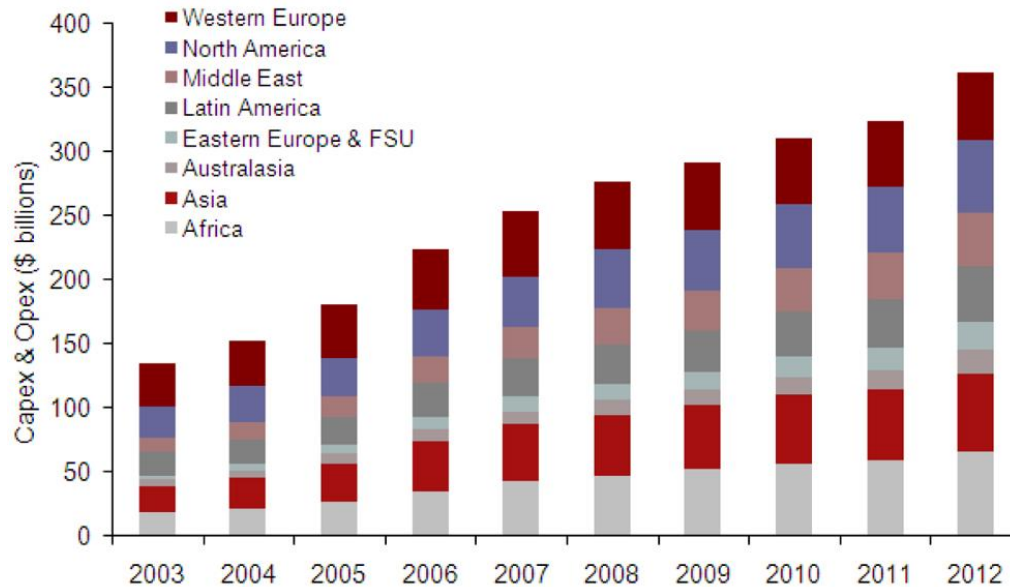
...an increase over the US\$46 billion (AUD\$72 billion) spent on subsea equipment, drilling and completion over the previous five years...

- infield



# Oil & Gas Spending

## Offshore Oil & Gas Spending

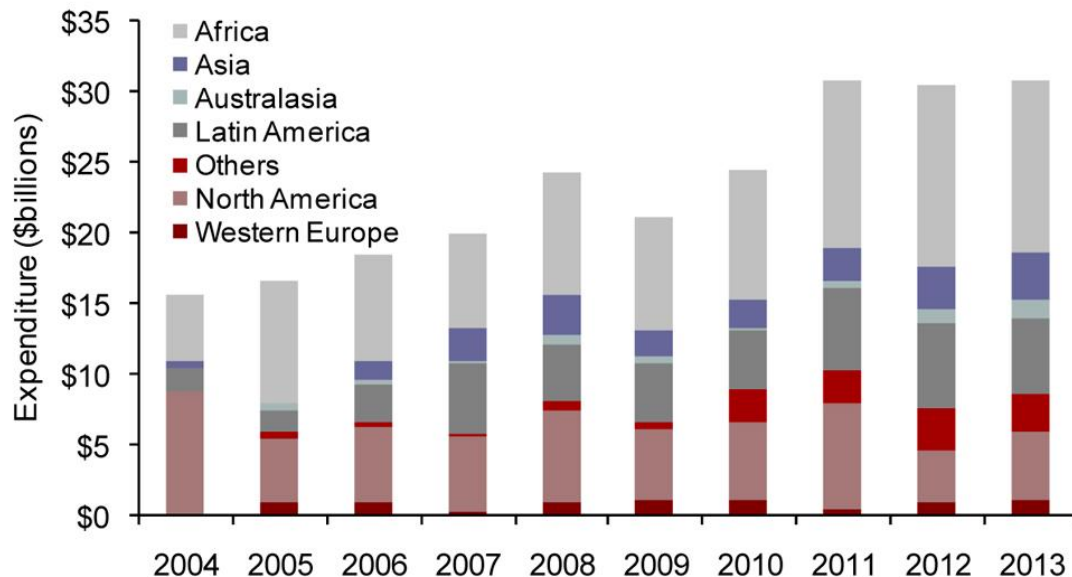


25% growth  
expected in  
Asia Pacific  
region

Source: Oil & Gas Production & Spend Forecast 2008-2012  
EnergyFiles & Douglas-Westwood

# Deepwater Spending

## The Future: Deepwater



Source: Oil & Gas Production & Spend Forecast 2008-2012  
EnergyFiles & Douglas-Westwood

- Deepwater production tipped to grow 99% (shallow water – 20%)
- \$137 billion in investment over the next 5 years

# Activity – Oil Services

Maintenance requirements (in the current climate) remain relatively unchanged as exploration and production companies seek to maintain cash flows from existing assets...

- Goldman Sachs Global Energy Conference 2009



# The 'Cancer' Theory

**RUST**  
BN21



# The 'Cancer' Theory

## "Rust" Is A More Serious Twin Disease

- "Rust" is code word for aging oil delivery system.
- It is all built of steel, which begins to rust on day one.
- "Rust never sleeps" is timeless maritime phrase.
- High percentage of "delivery system" from well bores, gathering system, tank farms, pipelines, tankers, refineries, rigs, other oil service assets and service stations tanks, etc., etc. beyond original design life.
- The era of band-aids is over.
- The era to rebuild the entire infrastructure has to begin **ASAP**.



SIMMONS & COMPANY  
INTERNATIONAL

## Conquering Rust Will Be World's Largest And Most Complex "Project"

- Replacing even 80% of global delivery system of oil will be more costly and complex than fighting WWII or Marshall Plan.
- Total cost might exceed \$100 trillion.
- Manpower needs could exceed 500,000 to 1 million engineers, construction workers, etc.
- Could the world run out iron ore and steel in getting the task done?



SIMMONS & COMPANY  
INTERNATIONAL

Source: Simmons & Company International



# The 'Cancer' Theory

NMS' capabilities means  
it is perfectly placed to...



Address the RUST issue (short term)

IRM

ROV

NEPSYS®

Commercial Diving

Asset Integrity Management

Difficult Area (Rope) Access



Contribute to the solution (long term)

Engineering Design

Fabrication

Construction Support Vessels

Positioning Services

Project Management

# Outlook

- ✚ \$50m+ International NEPSYS® Tenders
  - Increased industry recognition of services and track record
- ✚ Ongoing demand for vessels and ROVs
  - Australia and South East Asia
- ✚ Robust bidding activity for offshore brownfield IRM services
  - US and Asia – short, medium and long term
  - Industry trend away from greenfield CAPEX to brownfield investment
- ✚ High demand for offshore construction support
  - Australia and UK – new and recurring client base
- ✚ Additional expansion into UK
  - Subsea Engineering Services – complements Neptune Deeptech