

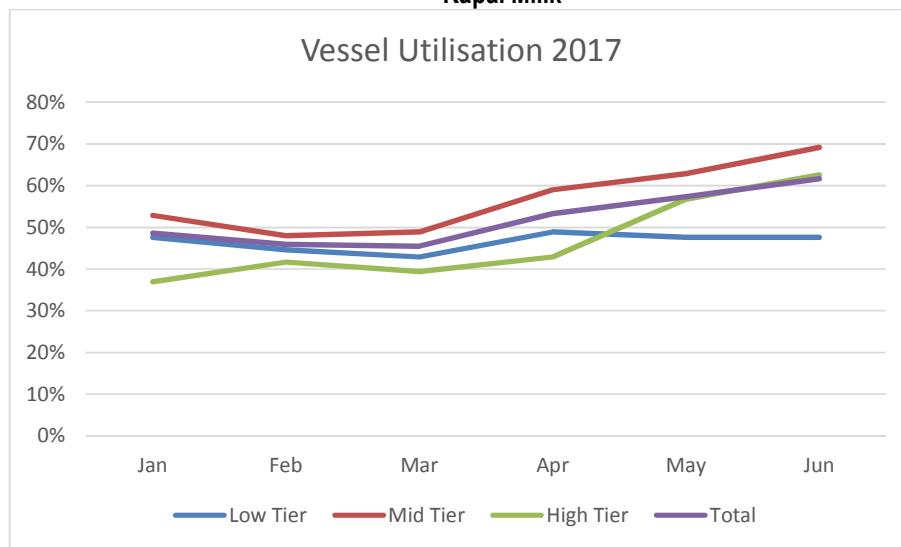
NEWSLETTER # 56
31 July 2017
RESULTS FOR THE FIRST HALF YEAR ENDED 30 JUNE 2017

WINS 2Q2017 fleet utilization recovers to 56% compared to 49% in 1Q2017 while total revenue picks up by 11% on a quarter on quarter(QOQ) basis.

The second quarter 2017 saw improvements in total revenue and utilization of vessels compared to the previous quarter as total revenue picked up to US\$14.6million compared to US\$13million in 1Q2017, reflecting a gradual return of offshore activity as we had anticipated. However, for the first half 2017, cumulative total revenue of US\$27.7million was still 43% lower year on year compared to 1H2016. This was the result of the severe decline in demand for Offshore Support Vessels (OSVs) causing more intense price competition in the same period.

As we had anticipated, as the oil price improved, there has been more demand from drilling activity accompanied by lower charter rates, resulting in higher revenues but lower gross margins.

Owned Vessels



Utilisasi armada WINS 2Q2017 kembali ke level 56% dibandingkan 49% pada 1Q2017 sedangkan total pendapatan meningkat 11% dari kuartal ke kuartal(QOQ).

Terlihat peningkatan total pendapatan dan utilisasi kapal pada kuartal kedua 2017 dibandingkan kuartal sebelumnya, dimana total pendapatan meningkat menjadi US\$14,6juta dibandingkan dengan US\$13juta di 1Q2017, yang mencerminkan perbaikan secara bertahap aktivitas lepas pantai seperti yang telah kami antisipasi sebelumnya. Namun, untuk semester pertama 2017, total pendapatan kumulatif sebesar US\$27,7juta masih 43% lebih rendah dibandingkan dengan 1H2016. Hal ini adalah hasil dari penurunan permintaan yang tajam untuk kapal pendukung lepas pantai (OSV) yang menyebabkan persaingan harga yang semakin ketat pada periode yang sama.

Seperti yang telah kami antisipasi, ketika harga minyak membaik, masih banyak permintaan dari aktivitas pengeboran disertai tingkat harga yang lebih rendah, menghasilkan pendapatan yang lebih tinggi namun menurunkan laba kotor.

Kapal Milik

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Owned Vessels utilization picked up in the second quarter with the commencement of some projects in Indonesia. Vessel utilization for 2Q2017 reached 56%, compared to 49% in 1Q2017.

Owned Vessel revenue of US\$10.9million for 2Q2017 was 15.6% higher than 1Q2017. Although there was a quarter on quarter improvement, the total revenue for the first 6 months of 2017 of US\$20.4million was still 38% lower than the first half of 2016.

Direct expenses for Owned Vessels for 1H2017 fell by 10% to US\$22.6million, mainly from an 18% fall in crew costs, while Operations, Maintenance and Fuel costs were also lower by 13%-22% on a year on year basis against 1H2016, resulting from the continued cost control measures taken.

On a Quarter on Quarter basis however, Direct expenses for Owned vessels rose by 15.5% from the first to the second quarter of 2017 because of the payment of annual Ramadan bonuses and fuel and maintenance costs in mobilizing the vessels for commencement of new projects.

Owned Vessels recorded a Gross Loss of US\$ 2.2million for 1H2017 compared to a Gross Profit of US\$7.9million in 1H2016.

Chartering and Other Revenues

In line with the downturn in demand for OSVs, the Chartering Division saw a reduction of Revenue. Gross Profit fell 66% on a YOY basis to US\$0.6million as compared to 1H2016.

Revenues from Other Services declined marginally by 6% YOY, while Gross Profit from this Division fell 14% to US\$0.5million.

The Company recorded a total Gross Loss of US\$1.05million for 1H2017 compared to a Gross Profit of US\$10.5million in 1H2016.

Indirect Expenses and Operating Loss

As Management continued to implement cost control measures, total indirect expenses fell by 13% YOY to US\$3.8million for 1H2017. The largest savings came from salary costs, which fell by 20%YOY to US\$2.3million for the first half of 2017.

A reduction of US\$0.14million in marketing expenses was offset by higher Professional fees of US\$ 0.18million

Utilisasi Kapal Milik meningkat pada kuartal kedua dengan dimulainya beberapa proyek di Indonesia. Utilisasi kapal untuk 2Q2017 mencapai 56% dibandingkan 49% pada 1Q2017.

Pendapatan Kapal Milik US\$10,9juta untuk 2Q2017 15,6% lebih tinggi dari 1Q2017. Meskipun ada peningkatan dari kuartal ke kuartal, total pendapatan untuk 6 bulan pertama 2017 sebesar US\$20.4juta masih 38% lebih rendah dibanding paruh pertama tahun 2016.

Biaya langsung Kapal Milik untuk 1H2017 turun 10% menjadi US\$22,6juta, terutama dari 18% penurunan biaya awak kapal, selain itu biaya Operasi, Pemeliharaan dan Bahan Bakar juga turun 13%-22% basis tahun ke tahun dibandingkan 1H2016, keberhasilan dari kebijakan pengendalian biaya berkelanjutan yang dilakukan.

Dibandingkan kuartal per kuartal, biaya langsung untuk Kapal Milik meningkat sebesar 15,5% dari kuartal pertama ke kuartal kedua 2017 dikarenakan adanya pembayaran bonus THR tahunan dan biaya bahan bakar dan perawatan untuk memobilisasi kapal yang akan mulai proyek baru.

Divisi kapal Milik pada 1H2017 mencatat Kerugian Kotor sebesar US\$2,2juta dibandingkan dengan Keuntungan Kotor sebesar US\$7,9juta pada 1H2016.

Chartering dan Pendapatan Lain-lain

Sejalan dengan turunnya permintaan akan OSV, Divisi Chartering mengalami penurunan Pendapatan. Laba Kotor turun 66% YOY basis menjadi US\$0.6juta dibandingkan dengan 1H2016.

Pendapatan dari Jasa Lainnya turun sedikit sebesar 6% YOY, sementara Laba Kotor dari Divisi ini turun 14% menjadi US\$0.5juta.

Perusahaan mencatat Kerugian Kotor sebesar US\$1,05juta untuk 1H2017 dibandingkan dengan Laba Kotor sebesar US\$10,5juta di 1H2016.

Biaya Tidak Langsung dan Kerugian Operasi

Seiring Manajemen terus menerapkan kebijakan pengendalian biaya, total biaya tidak langsung turun 13% menjadi US\$3,8juta untuk 1H2017. Penghematan terbesar berasal dari biaya gaji, yang turun 20% YOY menjadi US\$2,3juta untuk paruh pertama 2017.

Penghematan biaya pemasaran sebesar US\$0.14juta menutup kenaikan biaya Profesional sebesar US\$0,18juta yang terkait

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associated with our debt rescheduling exercise which concluded in 2Q2017.

For 1H2017, the Company recorded an Operating Loss of US\$4.8million compared to an Operating Profit of US\$6.1million in 1H2016.

Other income and expense

Interest expenses of US\$3.9million were 14% lower YOY due to lower overall debt compared to the previous year.

Two low tier vessels were sold during the second quarter at a total loss of US\$96,851. An impairment charge of US\$0.46million was recorded for two vessels revalued pending sale.

Equity Earnings from an associate company declined in 2017 compared to 1H2016 due to the impact of global reduction in demand for OSVs.

In June 2017, a subsidiary cancelled a shipbuilding contract at a reduced penalty of US\$1.3million which has been deducted from the down payment made on this contract.

EBITDA and Debt

EBITDA for the first half of 2017 amounted to US\$8.8 million, a fall of 56% compared to the first half of 2016.

With the conclusion of our debt rescheduling with our major lenders, we have been able to better match our cash flow profile with the amended debt repayment schedule. Net Gearing remains conservative at 50%.

Net Loss Attributable to Shareholders

Total Net Loss Attributable to Shareholders for the period 1H2017 was US\$8,7million, compared to a net loss of US\$0.6million in 1H2016.

Offshore Oil activity is returning

As we had updated in the first quarter newsletter, activity in the Indonesian offshore industry has been picking up in the second quarter, as evidenced by the rise in utilization rate for the second quarter. However, charter rates have been under pressure as ship owners compete for longer term contracts of over 12 months to 3 years as some upstream projects have commenced again.

dengan penjadwalan hutang kami yang telah rampung pada 2Q2017.

Untuk 1H2017, Perusahaan membukukan Rugi Usaha sebesar US\$ 4,8juta dibandingkan dengan Laba Usaha sebesar US\$6,1juta pada 1H2016.

Pendapatan dan beban Lainnya

Biaya bunga menjadi US\$3,9juta,14% lebih rendah YOY dikarenakan berkurangnya hutang keseluruhan dibanding tahun lalu.

Dua kapal "low tier" terjual selama kuartal kedua, dengan jumlah kerugian sebesar US\$96,851. Penurunan sebesar US\$0,46juta telah dicatatkan untuk dua kapal yang dinilai kembali sebelum dijual.

Laba Ekuitas dari perusahaan asosiasi menurun pada tahun 2017 dibandingkan dengan 1H2016 karena dampak penurunan permintaan akan OSV secara global.

Pada Juni 2017, salah satu anak perusahaan membatalkan kontrak pembuatan kapal dengan denda sebesar US \$ 1,3 juta yang dikurangkan dari uang muka yang telah dilakukan untuk kontrak tersebut.

EBITDA dan Pinjaman

EBITDA untuk semester pertama 2017 sebesar US\$8,8juta, turun 56% dibandingkan paruh pertama 2016.

Dengan rampungnya penjadwalan ulang hutang dengan kreditur utama kami, memungkinkan kami lebih bisa menyesuaikan profil arus kas dengan jadwal pembayaran hutang yang baru. *Net Gearing* tetap konservatif sebesar 50%.

Laba Bersih yang Diatribusikan kepada Pemegang Saham

Rugi Bersih Total yang Diatribusikan kepada Pemegang Saham untuk 1H2017 adalah sebesar US\$8,7juta, dibandingkan dengan rugi bersih sebesar US\$0,6juta 1H2016.

Kembalinya aktivitas Minyak Lepas Pantai

Seperti yang telah kami sampaikan pada newsletter kuartal pertama, aktivitas di industri lepas pantai Indonesia meningkat di kuartal kedua, hal ini dibuktikan dengan peningkatan utilisasi untuk kuartal kedua. Namun demikian harga sewa tertekan dikarenakan para pemilik kapal bersaing untuk mendapatkan kontrak dengan jangka lebih panjang dengan periode antara 12 bulan sampai 3 tahun karena beberapa proyek hulu telah dimulai kembali.

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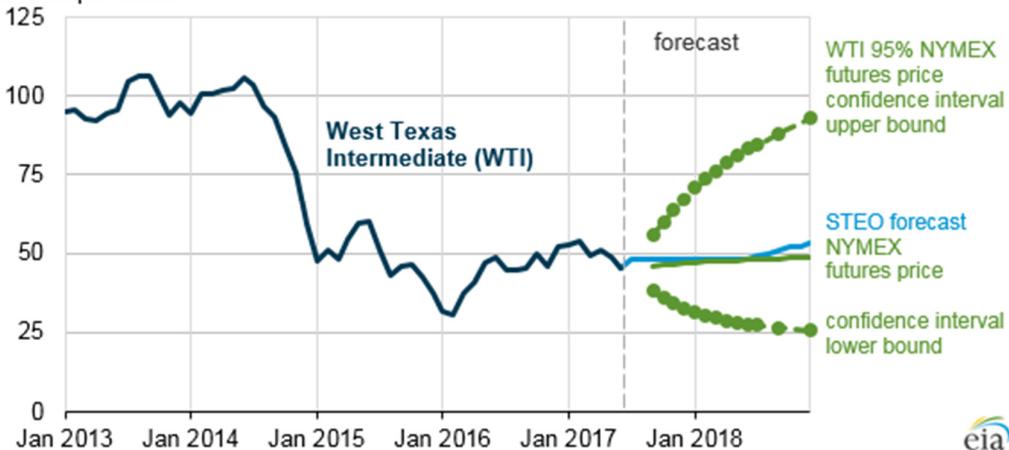
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As the outlook for oil prices seems to be returning to stability, we expect a gradual recovery in revenue at lower margins. Therefore cost control and productivity will remain priorities for our management team.

Seiring dengan prospek harga minyak yang tampaknya kembali stabil, kami mengharapkan pemuliharaan bertahap pada pendapatan dengan tingkat margin yang lebih rendah. Untuk itu pengendalian biaya dan produktivitas akan menjadi prioritas tim manajemen kami.

West Texas Intermediate crude oil price and NYMEX futures price (2013-2018)
dollars per barrel



eia

Industry Outlook

Oil Prices continue to fluctuate in a range between US\$45 to US\$55 per barrel. OPEC commitment to the production cuts has been high, but news of higher shale production and inventories have put a ceiling on oil prices. The US Energy Information Administration (EIA) now forecasts that oil prices will remain flat at around US\$50 per barrel for most of 2018, owing to higher expected US Shale production.

However, lower costs of drilling stemming from reduced costs of support services has significantly lowered the breakeven costs of most projects, therefore more projects are being commissioned even at these lower oil prices.

The market will favour low cost and efficient support services.

Strategy

The new paradigm for the Offshore Support Industry is to seek cost efficiencies while maintaining high standards of safety and quality. Therefore we continue to focus on training and streamlining our shore team, to deliver cost effective solutions for our clients.

The new Gross Split Scheme in Indonesia will favour contractors who can offer high quality at low cost, and we will continue to work towards productivity gains through more dynamic fleet monitoring and active management of

Prospek Industri

Harga minyak terus berfluktuasi di kisaran US\$45 hingga US\$55 per barel. Komitmen OPEC terhadap penurunan produksi telah tinggi, namun berita tentang produksi Shale yang lebih tinggi dan persediaannya telah membentuk plafon harga minyak. Badan Energy Information Administration AS (EIA) saat ini memperkirakan bahwa harga minyak akan tetap datar sekitar US\$50 per barel untuk sebagian besar tahun 2018, karena produksi Shale AS yang diperkirakan lebih tinggi.

Namun, biaya pengeboran yang lebih rendah yang berasal dari pengurangan biaya jasa pendukung secara signifikan telah menurunkan biaya breakeven sebagian besar proyek, oleh karena itu lebih banyak proyek yang dikerjakan bahkan dengan harga minyak yang lebih rendah ini.

Pasar akan menyukai biaya jasa pendukung yang lebih rendah dan efisien.

Strategi

Paradigma baru untuk Industri Pendukung Lepas Pantai adalah untuk mencari efisiensi biaya sambil mempertahankan standar keamanan dan kualitas yang tinggi. Oleh karena itu kami terus fokus pada pelatihan dan perampingan tim darat kami, untuk memberikan solusi biaya yang efektif bagi klien kami.

Skema baru "Gross Split" di Indonesia akan menguntungkan kontraktor yang bisa memberikan kualitas tinggi dengan biaya rendah, dan kami akan terus berupaya mencapai peningkatan produktivitas melalui pemantauan armada dan pengelolaan aktif awak kapal dan armada yang lebih dinamis. Untuk itu, kami

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crew and fleet. To that end, we are looking into improving our IT systems to achieve better efficiencies.

There are several longer term projects still in the process of tendering and we are actively involved in marketing for these. The Indonesian government has also simplified and shortened approval processes for oil and gas investment to incentivize more activity and investment in upstream oil and gas in Indonesia.

Plan for Issuance of New shares

Wintermar's shareholders approved the issuance of up to 400million new shares at the May 2017 Meeting of Shareholders. This will provide the company with the agility to raise capital where necessary to improve working capital needs and take advantage of any new opportunities that may arise during this turbulent period for the OSV sector.

For further information, please contact:

berencana meningkatkan sistem IT kami dalam mencapai efisiensi yang lebih baik.

Ada beberapa proyek jangka panjang yang masih dalam proses tender dan kami secara aktif terlibat dalam pemasaran untuk ini. Pemerintah Indonesia juga telah menyederhanakan dan mempersingkat proses persetujuan untuk investasi minyak dan gas bumi untuk memperbanyak kegiatan dan investasi di hulu migas di Indonesia.

Rencana Penerbitan Saham Baru

Pemegang saham Wintermar telah menyetujui penerbitan hingga 400juta lembar saham baru pada RUPS May 2017 lalu. Hal ini akan memberi perusahaan kelincahan untuk meningkatkan modal bilamana diperlukan untuk memperbaiki kebutuhan modal kerja dan memanfaatkan setiap peluang baru yang mungkin muncul selama periode pergolakan untuk sektor OSV ini.

Untuk informasi lebih lanjut, silahkan hubungi :

Ms. Pek Swan Layanto

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DISCLAIMER

Certain statements made in this publication involve a number of risks and uncertainties that could cause actual results to differ materially from those projected. Certain statements relating to business and operations of PT Wintermar Offshore Marine Tbk and Subsidiaries (the Company) are based on management's expectations, estimates and projections. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Certain statements are based upon assumptions as to future events that may not prove to be accurate. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such statements. The Company makes no commitment, and disclaims any duty, to update or revise any of these statements. This publication is for informational purposes only and is not intended as a solicitation or offering of securities in any jurisdiction. The information contained in this publication is not intended to qualify, supplement or amend information disclosed under corporate and securities legislation of any jurisdiction applicable to the Company and should not be relied upon for the purpose of making investment decisions concerning any securities of the Company.

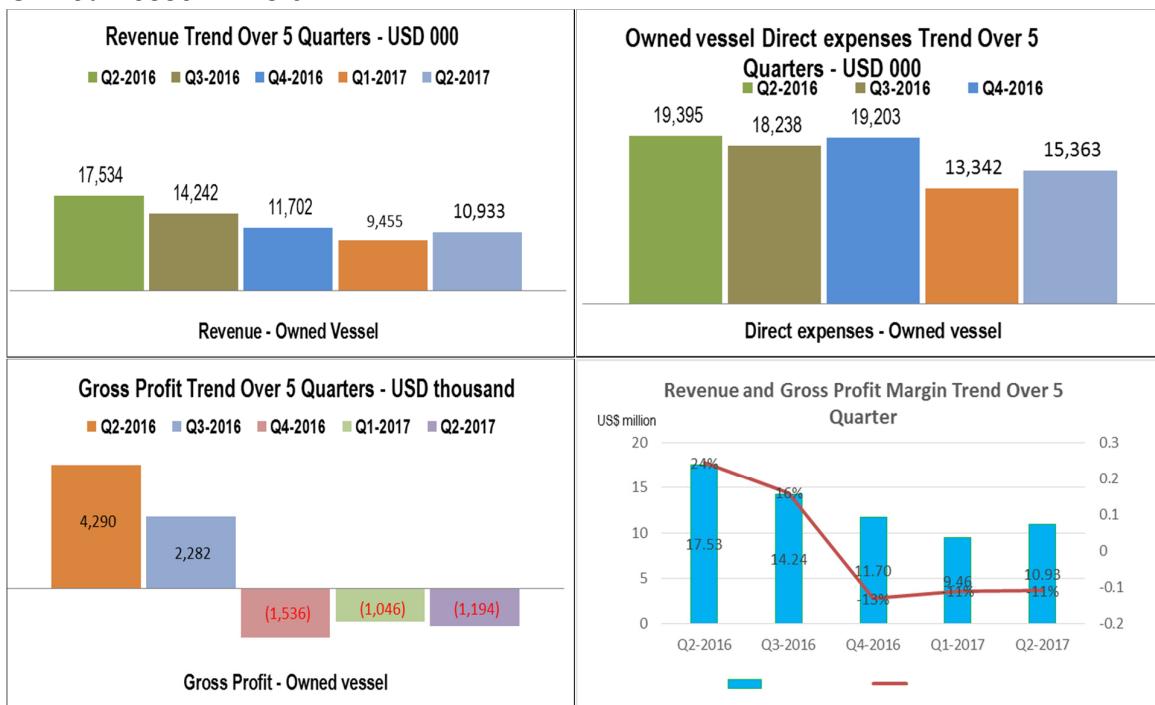
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Description	1H-2017 2017	1H-2016 2016	1H-2017 vs 1H-2016	
			Change	%
Direct expense				
Owned vessel	22,635,196	25,083,257	(2,448,061)	-10%
Depreciation	13,583,585	14,058,448	(474,863)	-3%
Crewing	4,917,285	6,009,443	(1,092,158)	-18%
Operations	1,737,091	2,030,543	(293,452)	-14%
Maintenance	1,723,698	2,214,279	(490,581)	-22%
Fuel Bunker	673,537	770,544	(97,007)	-13%
Charter	4,832,064	11,740,035	(6,907,971)	-59%
Others	1,237,127	1,260,393	(23,266)	-2%
Total Direct expense	28,704,387	38,083,684	(9,379,297)	-25%
Description	1H-2017 2017	1H-2016 2016	1H-2017 vs 1H-2016	
			Change	%
Indirect expenses				
Administration	65,874	73,658	(7,784)	-11%
Depreciation office	78,122	102,461	(24,339)	-24%
Office utility	267,980	266,272	1,708	1%
Profesional fee	364,581	184,934	179,648	97%
Staff salary	2,319,905	2,899,243	(579,339)	-20%
Staff training & recreation	60,605	67,212	(6,607)	-10%
Telecomunication	26,044	29,259	(3,214)	-11%
Travelling	91,707	112,864	(21,158)	-19%
Marketing	172,121	309,915	(137,794)	-44%
Donation	6,115	8,954	(2,839)	-32%
Employee Benefit	318,878	302,006	16,872	6%
Total Indirect expenses	3,771,931	4,356,777	(584,846)	-13%

Owned Vessel Division



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SUMMARY PROFIT AND LOSS (1H-2017 vs 1H-2016)

PT WINTERMAR OFFSHORE MARINE TBK AND SUBSIDIARIES

Description	1H-2017 2017	1H-2016 2016	1H-2017 vs 1H-2016	
			Change	%
PROFIT AND LOSS				
Revenue				
Owned vessel	20,387,837	32,954,975	(12,567,137)	-38%
Chartering	5,511,232	13,721,236	(8,210,004)	-60%
Others	1,751,813	1,860,874	(109,061)	-6%
Total Revenue	27,650,882	48,537,084	(20,886,202)	-43%
Direct expense				
Owned vessel	22,635,196	25,083,257	(2,448,061)	-10%
Charter	4,832,064	11,740,035	(6,907,971)	-59%
Others	1,237,127	1,260,393	(23,266)	-2%
Total Direct expense	28,704,387	38,083,684	(9,379,297)	-25%
Gross profit	(1,053,505)	10,453,400	(11,506,905)	-110%
Gross profit - owned vessel	(2,247,359)	7,871,718	(10,119,076)	-129%
Gross profit - chartering	679,168	1,981,201	(1,302,033)	-66%
Gross profit - others	514,686	600,481	(85,795)	-14%
Total Indirect expenses	3,771,931	4,356,777	(584,846)	-13%
Operating profit	(4,825,436)	6,096,623	(10,922,059)	-179%
Other income (expenses)				
Interest expenses	(3,909,197)	(4,527,270)	618,073	-14%
Interest income	29,035	51,685	(22,650)	-44%
Equity in net earning of associates	(292,069)	569,612	(861,681)	-151%
Net - Gain (loss) on sale of fixed assets	(96,851)	(2,015,812)	1,918,961	-95%
Forex gain (loss)	28,790	32,629	(3,839)	-12%
Impairment of assets	(457,837)	-	(457,837)	
Others	(1,528,072)	(12,297)	(1,515,775)	12327%
Total Other income (expenses)	(6,226,201)	(5,901,453)	(324,747)	6%
Net income (loss) before tax	(11,051,637)	195,170	(11,246,806)	-5763%
Total tax benefit (expenses)	(391,987)	(670,902)	278,915	
Income (loss) before non controlling interest	(11,443,625)	(475,732)	(10,967,893)	
Non controlling interest	(2,786,373)	150,882	(2,937,255)	
NET INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS	(8,657,251)	(626,614)	(8,030,637)	1282%
EBITDA	8,836,271	20,257,532	(11,421,261)	-56%
Weighted Average EPS - USD Cents	(0.21)	(0.02)	(0.20)	1282%
Weighted Average EPS - Equivalent to IDR	(28.56)	(2.06)	(26.50)	1282%

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