

NEWSLETTER # 58
30 October 2017
RESULTS FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2017

Gross profit at WINS reverts to positive at US\$1.56million for the 3rd Quarter 2017 on the back of higher quarterly revenue of US\$14.7million and fleet utilization of 58% for the quarter compared to 56% in Q32016.

A sustained rise in fleet utilization for the third quarter 2017 boosted revenue for 3Q2017, which grew 12% QOQ to US\$15.3million. Gross Profit returned to the black in 3Q2017, making YTD gross profit of US\$0.5million for the first 9 months of the year.

Revenue for the nine months ended 30 September 2017 was US\$44million. The upturn in 3Q 2017 was contributed by drilling projects in Indonesia and Papua New Guinea.

Activity has improved gradually over the course of the year, particularly in the mid and higher tier vessel segments which are involved in some deeper water development and production areas.

Owned Vessels and Chartering

The second and third quarter saw the commencement of a seismic project and other engineering work in Eastern Indonesia. Through intensified marketing efforts we signed on new clients supporting work in niche markets like seismic, cable laying diving and ROV (Remote operated Vehicle) services which led to a steady increase in utilization of our mid and high tier vessels.

We also started new projects in Papua New Guinea and Micronesia. Low tier vessel utilization fell in line with our aim to sell the lower tier vessels.

Laba kotor WINS kembali ke posisi positif sebesar US\$1,56juta Kuartal tiga 2017 didukung oleh pendapatan kuartalan yang lebih tinggi sebesar US\$14,7juta dan utilisasi armada sebesar 58% untuk kuartal tersebut dibandingkan dengan 56% di Q32016.

Kenaikan utilisasi armada yang terus berlanjut untuk kuartal ketiga 2017 meningkatkan pendapatan 3Q2017, tumbuh 12% QOQ menjadi US\$15,3 juta. Laba Kotor kembali positif di 3Q2017, membuat laba kotor YTD sebesar US\$0,5juta untuk 9 bulan pertama tahun ini.

Pendapatan untuk sembilan bulan yang berakhir pada 30 September 2017 sebesar US\$44juta. Perbaikan di 3Q 2017 disumbang oleh proyek pengeboran di Indonesia dan Papua Nugini.

Aktivitas meningkat secara bertahap sepanjang tahun, terutama di segmen kapal tingkat *mid* dan *high tier* dimana mereka terlibat dalam beberapa area pengembangan dan produksi di perairan yang lebih dalam.

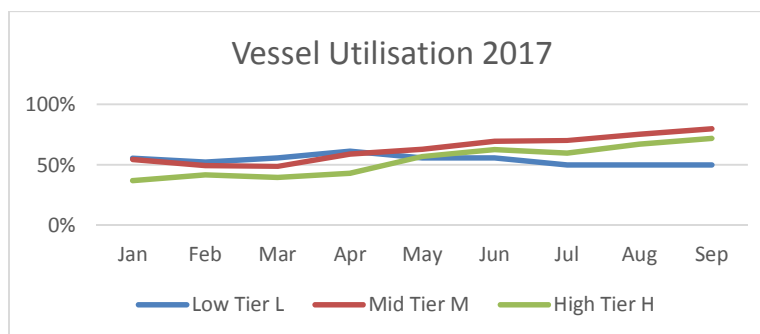
Kapal Milik dan Sewa

Kuartal kedua dan ketiga terlihat dimulainya proyek seismik dan pekerjaan teknik lainnya di Kawasan Timur Indonesia. Lewat upaya pemasaran yang intensif, kami memperoleh berapa klien baru untuk mendukung sejumlah pekerjaan dipasar yang khusus, seperti pekerjaan seismik, pemasangan kabel bawah laut dan layanan ROV (*Remote Operated Vehicle*) yang mendorong peningkatan yang konsisten atas utilisasi kapal-kapal *Mid Tier* dan *High Tier*. Kami juga memulai proyek baru di Papua Nugini dan Micronesia. Utilisasi kapal *Low Tier* turun sejalan dengan kebijakan kami untuk menjual kapal *Low Tier*.

PT WINTERMAR OFFSHORE MARINE Tbk

Jl. Kebayoran Lama No 155
Jakarta 11560 Indonesia
Tel : 62 21 530 5201 / 2
Fax : 62 21 530 5203
www.wintermar.com





Revenue has risen steadily each quarter so far for 2017, indicating the worst may be over. However, total Owned Vessel revenue for the first 9 months of 2017 was still down by 28% to US\$ 33.8million compared to US\$47.2million in the same period in 2016.

Direct expenses for Owned Vessels was down by 7% for 9M2017 compared to 9M2016, as higher maintenance and operations costs related to preparing vessels for new contracts offset the lower crew and fuel costs.

As our vessels start to take on more work, we expect to be incurring higher direct expenses as vessels which were idle are now working with a full crew, and various certifications of equipment and sea trials have to be undertaken to fulfill our clients' pre-operations requirements.

On a Quarter on Quarter basis however, Direct Expenses for 3Q2017 were still slightly lower than the previous quarter which incorporated Ramadan bonuses that were paid in June.

The Owned Vessels Division recorded a Gross Loss of US\$ 0.8million for 9M2017 compared to a Gross Profit of US\$10.2million in 9M2016, but it was an improvement compared to a gross loss of US\$2.2million recorded for the first half of 2017.

Chartering revenue continued to fall, with only US\$7.3million revenue and US\$765,000 profit from this division for 9M2017, compared to a gross profit of US\$2.4million in 9M2016, although margins remained steady. We are hopeful that a continued recovery in utilization will eventually also benefit our chartering business.

Total Gross Profit

For the 9 months of 2017, the total gross profit was US\$0.51million compared to US\$13.5million in 9M2016. However, the quarterly trend has shown steady improvement in profitability in 3Q2017.

PT WINTERMAR OFFSHORE MARINE Tbk

Jl. Kebayoran Lama No 155
Jakarta 11560 Indonesia
Tel : 62 21 530 5201 / 2
Fax : 62 21 530 5203
www.wintermar.com

Pendapatan meningkat dengan mantap setiap kuartal selama 2017, yang mengindikasikan bahwa masa terburuk telah berakhir. Namun, total pendapatan Kapal Milik untuk 9 bulan pertama 2017 masih turun 28% menjadi US\$33,8juta dibandingkan dengan US\$47,2juta pada periode yang sama tahun 2016.

Biaya langsung untuk Kapal Milik turun sebesar 7% untuk 9M2017 dibandingkan 9M2016, dimana biaya pemeliharaan dan operasi lebih tinggi terkait persiapan kapal untuk kontrak baru mengkompensasi biaya awak dan bahan bakar yang lebih rendah. Sejalan dengan kapal kami yang mulai mengerjakan lebih banyak pekerjaan, kami perkirakan akan muncul biaya langsung yang lebih tinggi karena kapal yang menganggur sekarang akan bekerja dengan awak kapal yang lengkap, dan berbagai sertifikasi peralatan dan uji coba laut harus dilakukan untuk memenuhi persyaratan pra-operasi klien kami.

Namun dengan dasar pendekatan per kuartal, Beban Langsung untuk 3Q2017 masih sedikit lebih rendah dari kuartal sebelumnya yang disebabkan juga oleh Tunjangan Hari Raya yang telah dibayarkan pada bulan Juni.

Divisi Kapal Milik mencatat Rugi Kotor sebesar US\$0.8juta untuk 9M2017 dibandingkan dengan Laba Kotor sebesar US\$10,2juta pada 9M2016, namun hal tersebut merupakan perbaikan dibandingkan dengan kerugian kotor sebesar US\$2,2juta yang tercatat untuk paruh pertama tahun 2017.

Pendapatan Kapal Sewa terus turun, dengan pendapatan hanya US\$7,3juta dan laba US\$765,000 dari divisi ini untuk 9M2017, dibandingkan dengan laba kotor sebesar US\$2,4juta pada 9M2016, meskipun margin tetap stabil. Kami berharap bahwa pemulihan utilisasi yang terus berlanjut ini pada akhirnya akan menguntungkan bisnis penyewaan kami.

Total Laba Kotor

Selama 9 bulan di tahun 2017, total laba kotor adalah US\$0,51juta dibandingkan dengan US\$13,5juta pada 9M2016. Namun, tren kuartalan menunjukkan peningkatan profitabilitas yang stabil di 3Q2017.



Indirect Expenses and Operating Loss

Total indirect expenses fell by 14% YOY to US\$5.4million for 9M2017, with the largest reduction in recorded in staff costs which fell 23% YOY to US\$3.2million for 9M2017, contributed by a selective hiring policy and management reduction in the number of senior and expatriate personnel. Marketing expenses also fell by 40% to US\$246,000.

Other income and expense

Total other expenses for 9M2017 fell to US\$7.5million compared to US\$21.2million in expenses for the same period last year, largely owing to the absence of any large asset impairment in 2017 compared to impairment of US\$13.2million undertaken last year in 3Q2016. Earnings from associates remained negative with a loss of US\$0.7million for 9M2017 compared to a gain of US\$0.6million in 9M2016 as our associate companies were also affected by the poor industry fundamentals.

EBITDA, Interest expenses and Debt

EBITDA jumped by 64% in 3Q2017 to US\$ 6.6million compared to US\$4.4million in 2Q2017. For the nine months ended 30th September 2017, EBITDA totaled US\$15.5million.

Interest costs fell 11% to US\$5.8million for the first nine months of 2017 compared to the same period last year, as we continued to pay down our debt. Our net gearing remains conservative at 49%.

Net Loss Attributable to Shareholders

There was a sharp improvement in the quarterly trend as Net loss attributable to Shareholders for 3Q2017 narrowed to US\$1million compared to US\$4.7million for 2Q2016.

For 9M2017, total net loss attributable to shareholders was US\$9.7million, a YOY drop of 29% compared to the net loss of US\$7.5million attributable to shareholders in 9M2016.

Industry Outlook

OPEC's high rate of compliance to the planned production cuts in oil so far this year has provided strong underlying support for oil prices, and world oil inventories have been coming down. The EIA forecasts growth in world petroleum demand by 30% up to 2040. Despite the threat of shale oil production, the significant cuts in upstream spending that have characterized the oil and gas industry in the past three years will limit the extent of supply increases in the coming years. Therefore there is a growing consensus that oil prices are likely to trend upwards again in the not too distant future.

PT WINTERMAR OFFSHORE MARINE Tbk

Jl. Kebayoran Lama No 155
Jakarta 11560 Indonesia
Tel : 62 21 530 5201 / 2
Fax : 62 21 530 5203
www.wintermar.com



Biaya Tidak Langsung dan Kerugian Operasi

Total biaya tidak langsung turun sebesar 14% menjadi US\$5,4 juta untuk 9M2017, dengan penurunan terbesar tercatat pada biaya staf yang turun 23% menjadi US\$3,2juta untuk 9M2017, disumbangkan oleh kebijakan perekrutan yang selektif dan pengurangan jumlah personel manajemen di level senior dan ekspatriat. Biaya pemasaran juga turun 40% ke US\$246,000

Pendapatan dan beban Lainnya

Total biaya lainnya untuk 9M2017 turun menjadi US\$7.5juta dibandingkan dengan biaya US\$21.2juta untuk periode yang sama tahun lalu, terutama karena tidak adanya penurunan nilai aset yang besar di tahun 2017 dibandingkan dengan penurunan nilai sebesar US\$13,2juta yang dilakukan tahun lalu di 3Q2016. Penghasilan dari perusahaan asosiasi tetap negatif dengan kerugian sebesar US\$0,7juta untuk 9M2017 dibandingkan dengan keuntungan sebesar US\$0,6juta pada 9M2016 karena perusahaan asosiasi kami juga terpengaruh oleh fundamental industri yang kurang baik.

EBITDA, Biaya bunga dan Pinjaman

EBITDA melonjak 64% menjadi US\$6,6juta pada 3Q2017 dibandingkan dengan US\$4,4juta di 2Q2017. Untuk sembilan bulan yang berakhir pada 30 September 2017, EBITDA mencapai US\$15,5juta.

Biaya bunga turun 11% menjadi US \$ 5,8 juta untuk sembilan bulan pertama tahun 2017 dibandingkan periode yang sama tahun lalu, karena kami terus melunasi hutang kami.

Net gearing kami masih konservatif di level 49%.

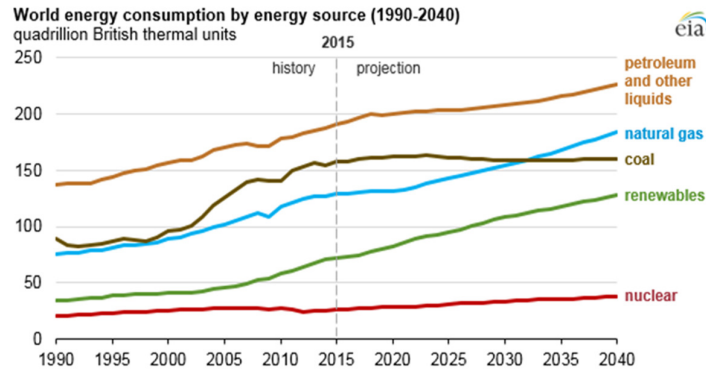
Laba Bersih yang Diatribusikan kepada Pemegang Saham

Terjadi peningkatan tajam pada tren kuartalan karena Rugi bersih yang dapat diatribusikan kepada Pemegang Saham 3Q2017 berkurang jadi US\$1 juta dibandingkan US\$4,7juta untuk 2Q2016.

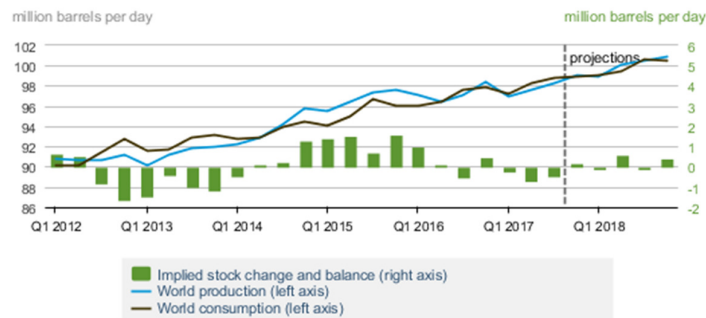
Untuk 9M2017, total rugi bersih yang dapat diatribusikan kepada pemegang saham adalah US\$9,7juta, turun 29% dibandingkan dengan rugi bersih sebesar US\$7,5juta yang diatribusikan kepada pemegang saham pada 9M2016.

Prospek Industri

Komitmen OPEC yang tinggi terhadap pengurangan produksi minyak, sejauh ini telah memberikan dukungan mendasar yang kuat pada harga minyak, dan persediaan minyak di dunia telah turun. EIA memperkirakan pertumbuhan permintaan minyak bumi dunia sebesar 30% hingga 2040. Terlepas dari ancaman produksi *shale oil*, pemotongan pengeluaran yang signifikan di industri hulu yang telah mewarnai industri minyak dan gas dalam tiga tahun terakhir akan membatasi tingkat kenaikan pasokan di tahun-tahun mendatang. Oleh karena itu ada konsensus yang berkembang bahwa harga minyak cenderung naik lagi dalam waktu dekat.



World liquid fuels production and consumption balance



Source: Short-Term Energy Outlook, October 2017

The International Energy Agency has predicted that South East Asia alone will see a 40% jump in oil demand from 4.7million bpd now to 6.6million bpd in 2040 as a result of rising vehicle and petrochemical demand. Oil production from the region however, is declining as a result of mature fields in Indonesia and Malaysia and the low replacement rate of reserves owing to capex cuts in the past few years.

With global oil demand and supply looking to be more balanced in the EIA's global projections for oil as seen in the chart above, added to the reduction of inventories over the past three years, there is reason to be more optimistic on the industry prospects.

In the offshore support vessel (OSV) industry, there has been an increase in vessel transactions as a result of forced mortgagee sales and increased scrapping of vessels. This has caused a temporary dislocation in vessel values. The upside is that there have also been new investors willing to buy into restructured companies and pick up assets at bargain values as weaker companies go into liquidation. This will remove some of the oversupply in the OSV market and pave the way for a gradual recovery.

PT WINTERMAR OFFSHORE MARINE Tbk

Jl. Kebayoran Lama No 155
Jakarta 11560 Indonesia
Tel : 62 21 530 5201 / 2
Fax : 62 21 530 5203
www.wintermar.com



Badan Energi Internasional memperkirakan bahwa Asia Tenggara sendiri akan melihat lonjakan permintaan minyak sebesar 40% dari 4,7juta bpd menjadi 6,6juta bpd pada 2040 akibat meningkatnya permintaan kendaraan dan petrokimia. Namun produksi minyak di area ini turun sebagai dampak telah tuanya ladang minyak di Indonesia dan Malaysia selain tingkat penggantian cadangan yang rendah berdampak pada pemotongan belanja modal beberapa tahun terakhir.

Dengan permintaan dan penawaran minyak global yang terlihat lebih seimbang dalam proyeksi minyak global EIA seperti yang terlihat pada tabel di atas, ditambah dengan semakin menurunkan persediaan selama tiga tahun terakhir, dapat alasan untuk menjadi lebih optimis terhadap prospek industri.

Di industri kapal penunjang lepas pantai (OSV), terjadi peningkatan transaksi kapal sebagai akibat penjualan paksa dan peningkatan scrapping kapal menjadi besi tua. Hal ini menyebabkan ketidaksesuaian sementara pada nilai kapal. Sisi positifnya adalah bahwa ada investor baru yang bersedia menginvestasi di perusahaan yang direstrukturisasi dan mengambil asetnya karena perusahaan yang menuju likuidasi memiliki posisi tawar menawan yang lemah. Hal ini akan menghilangkan beberapa kelebihan

Offshore Oil activity is returning

In Indonesia, the news has been more positive in recent months. Pertamina announced their plan to drill 70 development wells and 14 exploration wells in 2018 representing a huge improvement over the 40 wells drilled so far in 2017.

Government regulations have also been conducive to the oil industry, with certain tax incentives and investment credits for upstream operations aimed at attracting new investment into developing future oil production.

The Indonesian Government's proposal to ink a new agreement with Inpex granting an extension of 20 years from 2028 plus an additional 7 years as compensation for changing the original planned offshore facility to an onshore one demonstrates the government's commitment to attract more foreign investment into the sector.

Although it is too early to see the impact of these measures this year, they will certainly underpin the domestic oil industry for several years to come.

Strategy

With more vessels in active operation, the focus is now to ensure smooth delivery of services to clients and smooth mobilization of vessels. We will maximize utilization through more intensive domestic and international marketing efforts. While we streamline our fleet, we will continue to emphasize on safety and quality through the implementation of our internal integrated safety program and regular management visits.

The coming months will likely bring more visibility to the market as more drilling programs are expected to be announced for commencement in 2018.

Total contracts on hand as at September 2017 were US\$89million.

For further information, please contact:

pasokan di pasar OSV dan membuka jalan pemulihan secara bertahap.

Kembalinya aktivitas Minyak Lepas Pantai

Di Indonesia, kabar tersebut semakin positif dalam beberapa bulan terakhir. Pertamina telah mengumumkan rencana mereka untuk mengebor 70 sumur pengembangan dan 14 sumur eksplorasi pada 2018 yang merupakan peningkatan besar dari 40 sumur yang sejauh ini telah dibor di 2017.

Kebijakan pemerintah juga semakin kondusif terhadap industri minyak, dengan insentif pajak dan kredit investasi bagi operasional hulu migas yang baru-baru ini diumumkan ditujukan untuk menarik investasi baru dalam pengembangan produksi minyak masa depan. Proposal pemerintah Indonesia untuk menandatangani kesepakatan baru dengan Inpex memberikan perpanjangan 20 tahun kontrak sejak 2028 dan 7 tahun tambahan sebagai kompensasi perubahan rencana dari fasilitas lepas pantai ke darat juga telah menunjukkan komitmen pemerintah untuk meningkatkan produksi minyak dan gas negara.

Walaupun masih terlalu dini untuk melihat dampaknya di tahun ini, Hal-hal tersebut akan mendukung industri minyak dalam negeri untuk beberapa tahun ke depan.

Strategi

Dengan lebih banyak kapal beroperasi aktif, fokus sekarang adalah untuk memastikan kelancaran pengiriman layanan kepada klien dan kelancaran mobilisasi kapal. Kami akan memaksimalkan utilisasi melalui upaya pemasaran domestik dan internasional yang lebih intensif. Sementara kami merampingkan armada kami, kami akan terus menekankan pada keselamatan dan kualitas melalui penerapan program keselamatan terpadu internal dan kunjungan manajemen secara rutin.

Bulan-bulan mendatang mungkin akan membawa lebih banyak kejelasan pada pasar karena lebih banyak program pengeboran yang diperkirakan akan diumumkan mulainya pada 2018.

Total kontrak yang dimiliki pada September 2017 sebesar US\$89juta.

Untuk informasi lebih lanjut, silahkan hubungi :

Ms. Pek Swan Layanto, CFA

Investor Relations

PT Wintermar Offshore Marine Tbk

Tel (62-21) 530 5201 Ext 401

Email: investor_relations@wintermar.com

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

PT WINTERMAR OFFSHORE MARINE Tbk

Jl. Kebayoran Lama No 155

Jakarta 11560 Indonesia

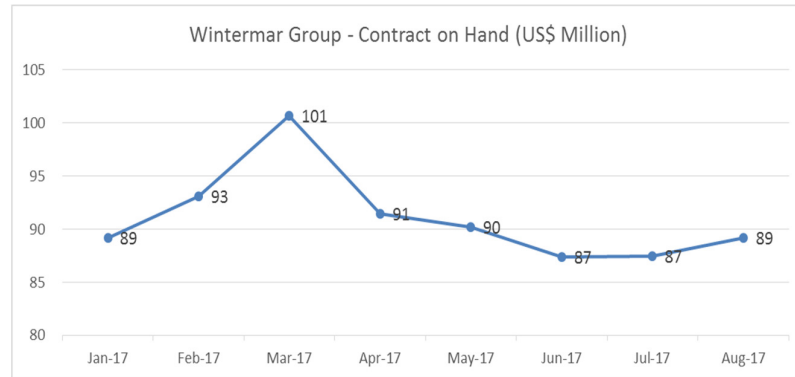
Tel : 62 21 530 5201 / 2

Fax : 62 21 530 5203

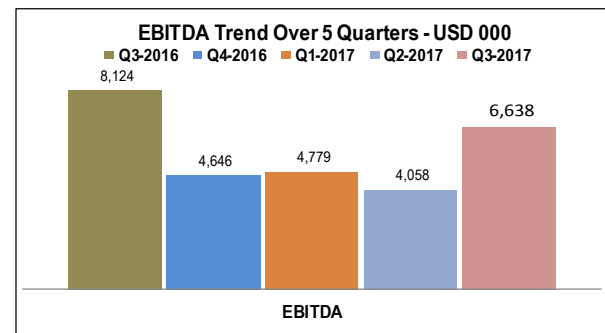
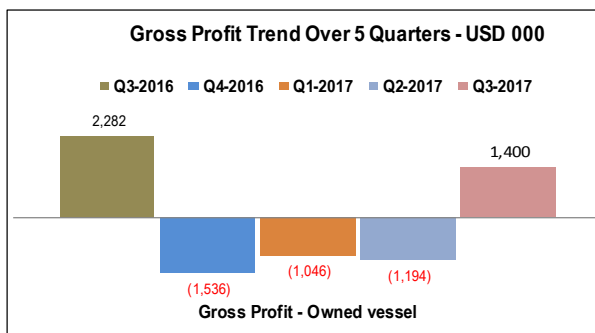
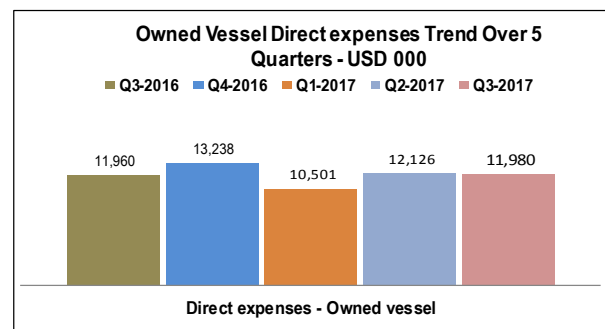
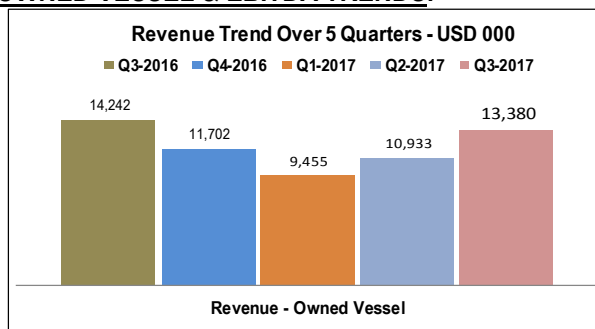
www.wintermar.com



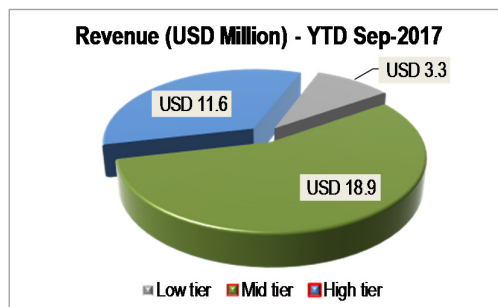
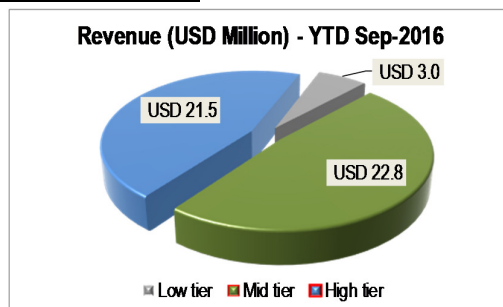
or amend information disclosed under corporate and securities legislation of any jurisdiction applicable to the Company and should not be relied upon for the purpose of making investment decisions concerning any securities of the Company.



OWNED VESSEL & EBITDA TRENDS:



REVENUE BY VESSEL TIER



PT WINTERMAR OFFSHORE MARINE Tbk

Jl. Kebayoran Lama No 155
 Jakarta 11560 Indonesia
 Tel : 62 21 530 5201 / 2
 Fax : 62 21 530 5203
 www.wintermar.com



SUMMARY PROFIT AND LOSS (YTD Sep-2017 vs YTD Sep-2016)

PT WINTERMAR OFFSHORE MARINE TBK AND SUBSIDIARIES

Description	YTD Sep 2017	YTD Sep 2016	YTD Sep-2017 vs YTD Sep-2016	
			Change	%
PROFIT AND LOSS				
Revenue				
Owned vessel	33,767,664	47,196,613	(13,428,949)	-28%
Chartering	7,336,611	19,897,614	(12,561,003)	-63%
Others	2,859,767	2,700,088	159,678	6%
Total Revenue	43,964,042	69,794,315	(25,830,273)	-37%
Direct expense				
Owned vessel	34,607,353	37,042,915	(2,435,562)	-7%
Depreciation	20,300,150	21,124,347	(824,197)	-4%
Crewing	7,420,969	8,603,261	(1,182,292)	-14%
Operations	2,894,681	3,323,556	(428,875)	-13%
Maintenance	3,359,896	2,885,123	474,773	16%
Fuel Bunker	631,658	1,106,629	(474,971)	-43%
Charter	6,570,988	17,450,763	(10,879,776)	-62%
Others	2,278,330	1,828,287	450,042	25%
Total Direct expense	43,456,671	56,321,965	(12,865,295)	-23%
Gross profit	507,371	13,472,350	(12,964,979)	-96%
Gross profit - owned vessel	(839,689)	10,153,698	(10,993,387)	-108%
Gross profit - chartering	765,623	2,446,850	(1,681,227)	-69%
Gross profit - others	581,437	871,801	(290,364)	-33%
Indirect expenses				
Administration	103,858	112,948	(9,090)	-8%
Depreciation office	114,436	146,760	(32,324)	-22%
Office utility	449,848	399,830	50,018	13%
Professional fee	603,100	323,557	279,543	86%
Staff salary	3,161,684	4,088,742	(927,058)	-23%
Staff training & recreation	100,019	97,678	2,341	2%
Telecommunication	39,756	45,900	(6,144)	-13%
Travelling	140,292	176,328	(36,036)	-20%
Marketing	246,424	412,649	(166,226)	-40%
Donation	9,600	13,328	(3,728)	-28%
Employee Benefit	478,563	543,714	(65,150)	-12%
Total Indirect expenses	5,447,580	6,361,435	(913,854)	-14%
Operating profit	(4,940,209)	7,110,915	(12,051,124)	-169%
Other income (expenses)				
Interest expenses	(5,809,081)	(6,536,164)	727,083	-11%
Interest income	45,909	64,917	(19,008)	-29%
Equity in net earning of associates	(657,009)	573,369	(1,230,378)	-215%
Net - Gain (loss) on sale of fixed assets	(96,851)	(1,987,651)	1,890,800	-95%
Forex gain (loss)	3,081	18,436	(15,355)	-83%
Impairment of assets	(457,838)	(13,154,296)	12,696,458	-97%
Others	(576,141)	(263,231)	(312,910)	119%
Total Other income (expenses)	(7,547,930)	(21,284,620)	13,736,690	-65%
Net income (loss) before tax	(12,488,139)	(14,173,706)	1,685,566	-12%
Tax expenses				
Final income tax	(629,571)	(1,093,536)	463,965	-42%
Non final income tax	(4,623)	-	(4,623)	n/a
Deferred tax	-	3,946,289	(3,946,289)	-100%
Total tax benefit (expenses)	(634,194)	2,852,753	(3,486,947)	
Income (loss) before non controlling interest	(13,122,335)	(11,320,952)	(1,801,382)	
Non controlling interest	(3,406,662)	(3,814,072)	407,410	
NET INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS	(9,715,671)	(7,506,880)	(2,208,791)	29%
EBITDA	15,474,377	28,382,022	(12,907,645)	-45%
Weighted Average EPS - USD Cents	(0.24)	(0.19)	(0.05)	29%
Weighted Average EPS - Equivalent to IDR	(32.46)	(24.70)	(7.76)	29%

PT WINTERMAR OFFSHORE MARINE Tbk

Jl. Kebayoran Lama No 155
Jakarta 11560 Indonesia
Tel : 62 21 530 5201 / 2
Fax : 62 21 530 5203
www.wintermar.com

