



1 November 2010

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Equinox Offshore Accommodation Limited (**Company**) is pleased to provide the following update and its quarterly results for the period ending 30 September 2010.

The ARV1 currently remains in warm stack condition at Sembawang Shipyard with all certificates issued.

The main activity of the Company is business development. A general improvement in the general offshore service market has resulted in an increasing number of requests for tenders within the accommodation and repair field over the last six months. The Company is actively pursuing these requests. The requests relate to both long term and short term contracts in various parts of the world.

Several changes have been made to the Company's organisation structure with planning underway to ensure that we are able to mobilise the vessel quickly. The Company is also planning for the optimal execution of subsequent contracts once a contract for ARV1 has been secured.

Mr Kjell Almskog has been appointed by the Board as a non-executive Director subject to approval by shareholders at the next general meeting. Mr Almskog has held a number of senior executive positions including 13 years at the international ABB group, during which he served as deputy group CEO and head of its oil, gas and petrochemicals division. He was the chief executive of Kvaerner from 1998 until its merger with Aker in 2001. He was appointed non-executive chairman of Intex Resources ASA, a Norwegian listed mining and exploration company in November 2007. He has been a non-executive Director of Petrofac Limited since 2005 and currently serves as the Senior Independent Director. He also serves as the Deputy Chairman of the Kverneland Group and as senior adviser of the Taylor Group.

Finally, there have also been some changes among the largest shareholders in the Company. A list of the top thirty shareholders is attached.

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### Top 30 shareholders

#### EQUINOX OFFSHORE (SG9999005086)

##### Investor

1	EQUINOX OFFSHORE PTE.LTD.	31,958,053
2	SPACE AS	31,436,653
3	ODIN OFFSHORE	12,483,750
4	TRUMPY AS	10,526,316
5	WORLD ADVENTURER TE.LTD	10,015,789
6	VERDIPAPIRFONDET HANDELSBANKEN	6,939,000
7	BERGEN KOMMUNALE PENSJONSKASSE	6,500,000
8	MLPF&S NOREWGIAN CUSTODY ACCOUNT	5,595,500
9	KAGRA AS	5,263,158
10	WING SHIP MARINE SERVICES (PTE) LT	5,263,000
11	REGNI AS	5,090,000
12	KLP AKSJE NORGE VPF	5,000,000
13	JCE GROUP AB	4,950,000
14	HJELDE MARIT	4,540,000
15	NHO - P665AK	3,385,000
16	CARNEGIE ASA MEGLERKONTO INNLAND PARETO SECURITIES ASA MARKET-MAKING	3,289,803
17	INNLAND	3,289,803
18	CONVERTO CAPITAL FUND AS	3,150,000
19	SHB STOCKHOLM CLIENTS ACCOUNT	2,828,300
20	HOLBERG NORDEN	2,790,000
21	PUMPØS A/S	2,659,826
22	CITIBANK N.A. (LONDON BRANCH)	2,610,000
23	CONSAFE INVEST AB	2,550,000
24	DELPHI NORGE	2,375,180
25	HOLBERG NORGE	2,290,000
26	MP PENSJON	2,182,000
27	VICAMA AS	1,780,000
28	AJ OFFSHORE HOLDINGS PTE.LTD	1,545,001
29	PHO INVESTMENT CORP PTE.LTD	1,500,001
30	PARETO WORLD WIDE OFFSHORE AS	1,211,000

**EQUINOX OFFSHORE ACCOMMODATION LIMITED**  
**Financial results and commentary for the third quarter ended 30 September**  
**2010**

**Unaudited Financial Results For**  
**The 3rd Quarter Ended**  
**30 September 2010**

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**EQUINOX OFFSHORE ACCOMMODATION LIMITED**  
**Financial results and commentary for the third quarter ended 30 September 2010**

**Financial Results For The 3<sup>rd</sup> Quarter Ending 30 September 2010**

**1) Unaudited Consolidated Income Statement**

	Group			Group		
	3rd Quarter			Year-To-Date		
	FY2010	FY2009	Inc/(Dec)	FY2010	FY2009	Inc/(Dec)
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
EEH Management Costs	1,285	737	548	4,398	2,364	2,034
Other Admin Expenses	3,306	528	2,778	4,269	1,241	3,028
Marketing Expenses	172	-	172	181	-	181
<b>Total Operating Expenses</b>	<b>4,763</b>	<b>1,265</b>	<b>3,498</b>	<b>8,849</b>	<b>3,605</b>	<b>5,243</b>
<b>Operating loss</b>	<b>(4,763)</b>	<b>(1,265)</b>	<b>(3,498)</b>	<b>(8,849)</b>	<b>(3,605)</b>	<b>(5,243)</b>
Interest Expenses	(2,164)	(226)	(1,938)	(5,902)	(306)	(5,596)
<b>Loss Before Tax</b>	<b>(6,927)</b>	<b>(1,491)</b>	<b>(5,436)</b>	<b>(14,751)</b>	<b>(3,911)</b>	<b>(10,839)</b>
Tax	-	-	-	-	-	-
<b>Loss After Tax</b>	<b>(6,927)</b>	<b>(1,491)</b>	<b>(5,436)</b>	<b>(14,751)</b>	<b>(3,911)</b>	<b>(10,839)</b>

**Commentary on Income Statement for the 3<sup>rd</sup> quarter ended 30 September 2010**

No charter revenue or gross profit was recorded for the quarter periods ended 30 September 2010 ("3Q10") and 30 September 2009 ("3Q09").

Operating expenses for 3Q10 and 3Q09 amounted to USD4.8 million and USD1.3 million respectively. The USD3.5 million increase in operating expenses was mainly attributable to:

- EEH management cost in 3Q10 expensed to P&L was higher by USD0.5 million compared to 3Q09, as such costs were capitalized into vessel conversion costs during 2009.
- An increase in administration expenses by USD2.8 million in 3Q10 compared to 3Q09 which was mainly attributed by:
  - USD1.9 million depreciation expenses for the 3 months for the vessel ARV 1 which was completed in July 2010;
  - USD0.8 million foreign exchange losses in 3Q10 arising from our SGD liabilities when USD weakened against Singapore Dollar (SGD); and
  - USD0.1 million higher ship insurance and maintenance during 3Q10.
- An increase in marketing activities in 3Q10 by USD0.2 million as the Group commenced its marketing blitz for prospective charters following the successful sea trial in July 2010.

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Interest expenses incurred for 3Q10 was USD2.2 million incurred mainly for the 20% interest on our bond issued in October 2009 which resulted in higher interest expenses by USD1.9 million.

Net loss for 3Q10 registered USD6.9 million compared with USD1.5 million in 3Q09. The increase in net loss of USD5.4 million was a result of higher interest expenses USD1.9 million and higher operating expenses by USD3.5 million.

**2) Unaudited Consolidated Balance Sheet**

	Group	
	As at 30.9.2010	As at 31.12.2009
	USD'000	USD'000
<b>CURRENT ASSETS</b>		
Cash at Bank	6,354	7,554
Other Debtors & Prepayment	3,480	4,481
<b>Total Current Assets</b>	<b>9,834</b>	<b>12,035</b>
<b>FIXED ASSETS</b>		
Plant and Equipment	138,516	108,620
Accumulated Depreciation	(2,845)	(936)
<b>Net Fixed Assets</b>	<b>135,670</b>	<b>107,684</b>
<b>TOTAL ASSETS</b>	<b>145,504</b>	<b>119,719</b>
<b>CURRENT LIABILITIES</b>		
Bond payable	34,400	34,400
Trade and other creditors	18,704	4,993
<b>Total Current Liabilities</b>	<b>53,104</b>	<b>39,393</b>
<b>SHAREHOLDERS' EQUITY</b>		
Ordinary Shares	121,229	94,404
Reserves	(28,829)	(14,078)
<b>Total Shareholders' Equity</b>	<b>92,400</b>	<b>80,326</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>145,504</b>	<b>119,719</b>

**Commentary on Balance Sheets**

**Equity**

As at 30 September 2010, shareholders' equity was USD92.4 million compared to USD80.3 million at the end of the previous financial year. The increase of USD12.1million in our equity was the result of our new shares issued in July 2010 for USD26.8 million offset by the nine months net loss of USD14.7 million.

**Liabilities**

Current liabilities increased from USD39.4 million as at 31 December 2009 to USD53.1 million as at 30 September 2010. The increase of USD13.7 million in current liabilities was mainly due to the increase in interest expenses accrual USD4.9 million and net increase in creditors for USD8.8 million mainly for the Yard bill which was finalized during 3Q10.

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**Fixed Assets**

As at 30 September 2010, our net fixed assets amounted to USD135.7 million which comprised mainly the 2 vessels namely, ARV 1 and ARV 2.

**Current Assets**

As at 30 September 2010, our current assets amounted to USD9.8 million, comprising mainly the prepayments and deposits made for purchase of vessel equipment. Current assets declined by USD2.2 million from the previous financial year end mainly due to the decrease in our cash balance by USD1.2 million and reduction in mainly prepayment by USD1.0 million.

**3) Unaudited Consolidated Cash Flow Statement**

	Group		Group	
	3rd Quarter		Year-To-Date	
	FY2010	FY2009	FY2010	FY2009
	USD'000	USD'000	USD'000	USD'000
<b>Cash Flows Used In Operating Activities</b>				
Loss Before Tax	(6,927)	(1,491)	(14,751)	(3,911)
Add / (Less):				
Interest Expense	2,164	226	5,902	306
Depreciation	1,880	23	1,909	65
<b>Net Loss After Adjustment</b>	<b>(2,882)</b>	<b>(1,242)</b>	<b>(6,940)</b>	<b>(3,540)</b>
(Increase)/Decrease In Working Capital				
Trade and Other Debtors	162	151	1,001	309
Trade And Other Creditors	(16,163)	1,197	7,810	7,260
<b>Cash Flows (Used In) / Generated from Operating Activities</b>	<b>(18,883)</b>	<b>106</b>	<b>1,872</b>	<b>4,029</b>
<b>Cash Flows Used In Investing Activities</b>				
Purchase Of Plant And Equipment	(1,620)	(1,795)	(29,896)	(11,516)
<b>Cash From Financing Activities</b>				
Interest paid	-	(226)	-	(226)
Term Loan	-	1,496	-	4,668
Net proceeds from issuance of equity	26,825	-	26,825	-
<b>Cash Flow Generated From Financing Activities</b>	<b>26,825</b>	<b>1,270</b>	<b>26,825</b>	<b>4,442</b>
<b>Net Cash Surplus/ (Deficit)</b>	<b>6,322</b>	<b>(419)</b>	<b>(1,199)</b>	<b>(3,045)</b>
Cash and cash equivalent at beginning of period	33	422	7,554	3,048
<b>Cash and cash equivalent at end of period</b>	<b>6,355</b>	<b>3</b>	<b>6,355</b>	<b>3</b>

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**Commentary on Cash Flow**

For the 3Q10, we recorded a net cash surplus of USD6.3 million mainly attributed by:

- Cash flow generated from net proceeds from the issuance of new equities amounting to USD26.8 million; offset by
- Cash flow used for our operations amounting to USD18.9 million comprising the losses after adjusting for non-cash items for 3Q10 USD2.9 million and payments to creditors USD16.0 million ; and
- Cash flow used mainly for investing in our vessel conversion amounting to USD1.6 million.

**4) Statement of changes in equity for the nine months ended 30.9.2010**

<u>Group</u>	<u>Share capital</u>	<u>Revenue reserve</u>	<u>Total</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Balance At 1 January 2010	94,404	(14,078)	80,326
Net Loss For The Period	-	(7,824)	(7,824)
<b>Balance at 1 July 2010</b>	<b>94,404</b>	<b>(21,902)</b>	<b>72,502</b>
Net Loss For The Period	-	(6,927)	(6,927)
Issue of shares	30,004	-	30,004
Share issuance expenses	(3,179)	-	(3,179)
<b>Balance at 30 September 2010</b>	<b>121,229</b>	<b>(28,829)</b>	<b>92,400</b>
Balance At 1 January 2009	94,404	(3,954)	90,450
Net Loss For The Period	-	(2,420)	(2,420)
<b>Balance at 1 July 2009</b>	<b>94,404</b>	<b>(6,375)</b>	<b>88,029</b>
Net Loss For The Period	-	(1,491)	(1,491)
<b>Balance at 30 September 2009</b>	<b>94,404</b>	<b>(7,866)</b>	<b>86,538</b>

The Group net equity increased from USD86.5 million as at 30 September 2009 to USD92.4 million as at 30 September 2010. The increased equity by USD5.9 million is mainly due to the net proceeds from issuance of shares for USD26.8 million, offset by the lower revenue reserve of USD20.9 million, being the net loss incurred since 30 September 2009.

*Submitted by:*  
*Equinox Offshore Accommodation Limited*