

Renaissance divests its Marine Engg subsidiary for \$18.5m

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Oct 4: Renaissance Services has entered into an agreement to divest Topaz Engineering Limited (TEL) and its subsidiaries which provide marine engineering and ship building services in the Middle East. Chalmers Holdings Limited has acquired the business for \$18.5 million.

"The divestment streamlines Renaissance's portfolio allowing absolute focus on growing its core businesses of offshore support vessels, through Dubai-based Topaz Energy and Marine, and developing its contract services business, based in Oman", said a spokesman for Renaissance Services.

TEL was previously held for divestment in the Renaissance Services accounts. The divestment will result in a loss of \$ 5.5 million.

"We have handed over TEL responsibly to a well-renowned operator who will be able to take the business forward with the requisite focus and enterprise, and positively impact our people and customers", added the

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spokesman. Renaissance Services is an Omani multinational firm listed firm on the Muscat Securities with a strong presence in oil servicing field.

"Despite a generally tough market and our tangential exposure to oil prices, our financial performance so far is on par with last year. Our business is growing in our home market of Oman, but this is offset by costs and losses in our developing markets", Samir J Fancy, Chairman of Renaissance said in the first half statement.

The company has successfully raised \$125 million from Perpetual Bonds at a coupon of 7.9 per cent. These bonds are listed on the Irish Stock Exchange. The bonds are part of the total equity in the balance sheet, and the coupon payment

on the bonds will also be routed through the balance sheet.

Topaz Offshore Support Vessel fleet works entirely in the oil and gas sector, while Renaissance Contract Services and Integrated Facilities Management business works across all sectors, including oil and gas.

Topaz Energy and Marine is a leading offshore support vessel company providing marine solutions to the global energy industry with primary focus on the Caspian, Middle East, West Africa and Subsea operations in the North Sea and Gulf of Mexico.

The subsidiary recently announced the acquisition of two modern subsea vessels from Vard Brattvaag in Norway at a purchase price of approximately \$115 million.

During the second quarter of the current year, Topaz Energy concluded a \$550 million financing initiative that involved refinancing of its senior secured bank debt. This initiative significantly improved Topaz's interest cost, pushes out its debt maturities and relaxes its covenants.