



الخليج للملاحة القابضة (ش.م.ع)
Gulf Navigation Holding PJSC

Press Release:

With its progressive success and constant expansion

“Gulf Navigation Holding” enhances its growth with a potential strategic cooperation with Ali & Sons Marine Engineering Factory in Abu Dhabi

The marine industry is a significant supporter to the economy in the UAE. Therefore, “Gulf Navigation Holding PJSC” is expanding through signing a Memorandum of Interest & Cooperation with “Ali & Sons Marine Engineering Factory (ASMEF)”. This potential cooperation indicates that the maritime services inaugurates a promising significant investment opportunity.

Dubai – United Arab Emirates, 25 October 2017: The Dubai-based Gulf Navigation Holding PJSC, listed on the Dubai Financial Market under “GULFNAV”, continues its rapid commercial and performance success. Gulf Navigation has announced a potential strategic cooperation with “ASMEF” in Abu Dhabi with the intention to establish a joint venture company in rendering services in the Oil & Gas, Offshore, Ship Building/Repairs and Marine Services. This cooperation seeks to expand and develop business and strengthen the national maritime economy.

This potential cooperation is considered as reinforcement towards exploring the future of energy, production and export services, and the positive and attentive transformation taking place in the most important and largest economies in the Gulf region, specifically the UAE and Saudi Arabia. The countries in the Gulf region are planning to invest at least 140 billion dollars in oil and gas and petrochemicals projects in the next 10 years. This investment will be utilized towards the new oil and gas and transportation projects and to support the maritime operations, in order to meet the future growing demand for energy and oil derivatives and to increase the petrochemical production. It is clear that the national transformation programs and initiatives encourages the involvement of the national private sector in the maritime industrial and services sectors.

There are numbers of new and enormous projects in Abu Dhabi that aims at increasing the oil and gas production capacity supported by ADNOC’s innovative and advanced strategy to develop new and high-quality petrochemical products to meet with the increasing demand worldwide, and to increase refinery capacity to create new income resources. Moreover, ADNOC is planning to produce approximately triple the quantity of petrochemicals and high-quality products. This will be achieved by increasing the current oil production capacity of 4.5 million tons per year to 11.4 million tons per year by 2025. Furthermore, Saudi Arabia is planning to increase oil refining capacity from 2.9 million to 3.3 million barrels per day by 2020, as well as, developing and producing high-quality and efficient clean fuel, in addition to maintain the oil production level at 12.5 million barrel per day.



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H. E. Khamis Juma Buamim, Board Member, Managing Director and Group CEO of Gulf Navigation Holding emphasized, “Our new strategy targets collaborating with the leading national companies in the UAE, in line with our wise leadership’s vision to establish a national maritime industrial cluster that will position the UAE amongst the world’s most important maritime centers. We look forward to our potential strategic partnership with “Ali & Sons Marine Engineering”, that is considered as one of the leading oil and gas, and maritime service provider in this region. The entity has an excellent ship building and repair facilities, in addition to its advanced marine platform. We aim to jointly expand our current business activities in the maritime sector in order to secure maximum returns on our investments.”

Buamim further added, “Gulf Navigation Holding is an icon of success and determination. We are now taking a new step to enhance our expansion by exploring this potential partnership in oil and gas and maritime services with Ali & Sons Marine Engineering. This potential partnership will enable us to benefit from the promising opportunities ahead, especially that the volume of investments allocated by the Gulf regional countries to develop its offshore fields exceeds 40 billion dollars over the next ten years. We aim at having a share of these investments.”

Potential strategic partnership and a promising collaboration

Shamis Al Dhaheri, Board Member of Ali & Sons Holding highlighted the importance of this potential strategic partnership. He said, “After we have witnessed the outstanding financial performance of Gulf Navigation Holding over the past years, we have taken into consideration of their international network and expertise in the oil and gas, as well as, the maritime sectors, and taken a decision to inaugurate a potential partnership with them.”

Al Dhaheri added, “We, at Ali & Sons, always looking out for opportunities such as this where an entity such as Gulf Navigation could add value to our existing business to and enhance success. We believe that gathering the national companies’ capabilities is our guarantee to expand globally and to strengthen the UAE’s position as a key player in the oil and gas industry and the international maritime services.”

Gulf Navigation Holding is announcing this potential partnership with Ali & Sons Marine Engineering concurrently with the issuance of Sukuk according to the Islamic Law with a total value of 250 million dollars in order to finance its expansion plans, diversify its investments portfolio and upsurge profits. This step will position the maritime sector as one of the prime investments sectors that surpasses the traditional investment sectors such as, real estates and other services.

Significant Financial Results

According to the company’s latest financial reports, Gulf Navigation Holding has continued its steady financial performance improvement, with net profit reaching AED 12.4 million (US \$ 3.4 million) in Q3 of 2017 compared to AED 10.2 million (US \$ 2.8 million) in Q2 2017, at a growth rate of 21%.



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Buamim clarified, "Gulf Navigation continues to maintain its robust position despite regional economic challenges. Our financial results reflect the strong growth of the maritime sector, which is one of the most important future sectors with a significant role in the sustainable development of the future and post-oil economy of Dubai and the UAE. We continue to focus on our strategic direction while monitoring and anticipating market variables. I want to emphasize that we always put our customers, partners and shareholders at the top of our priorities, supported by our knowledge of the market. We develop a portfolio of competitive services that maintain the company's current and future readiness and leadership."

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About Gulf Navigation Holding:

Gulf Navigation Holding PJSC (GNH) is a fully integrated and synergized organization with a multi-functional business. It is the only maritime and shipping company listed in the Dubai Financial Market since February 2007 under the symbol "GULFNAV". The company is headquartered in Dubai, with own branch offices inside port of Fujairah, Khorfakkan, Abu Dhabi and overseas office in the Kingdom of Saudi Arabia in addition to other offices in more than 9 countries worldwide. GNH owns and operates a fleet of Chemical Tankers and Offshore Vessels. The company's fleet is expected to double (20 ships) by Q2, 2020.

As an ISO 9001:2008 certified company accredited by Bureau Veritas, GHN is committed to adhering to the requirements of the international management code for the safe operations of vessels, pollution prevention and environmental control including compliance with all the applicable international laws, regulations and requirements. GNH constantly works to upgrade its operations and provide high-quality services to local and international markets. This opens new opportunities to improve GHN's services to existing customers while attracting new customers.

About Ali & Sons Marine Engineering Factory:

Ali & Sons Marine Engineering Factory (ASMEF) is an interdisciplinary company offering complete services within the shipbuilding, ship repair, oil & gas, rigs/jack up repair and upgrades, marine maintenance, and structural steel fabrication, located in ICAD II Mussafah, Abu Dhabi.

ASMEF has one of the largest facilities in the UAE and since its inauguration in 2009, the facility has gone through various infrastructure upgrades to efficiently cater for its diversified businesses. The facility's unique location provides a direct access to the offshore fields as it enjoys 545 meters open waterfront that is considered as the closest to Abu Dhabi fields. It is also located at a close proximity to the onshore fields with no road restrictions, making it a prime choice for Abu Dhabi onshore customers.

ASMEF has Quality Management System to the requirements of ISO 9001: 2008; API SPEC-Q1; Quality Control System for product specification API Monogram for SPEC-2B; ASME A, S, U, PP & U2; NB R; HSE Management System Certification requirements such as ISO 14001: 2004; OHSAS 18001: 2007 & OSHAD.



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