

MARCO POLO MARINE LTD.

(Company Registration Number: 200610073Z)

PLACEMENT OF 51,000,000 ORDINARY SHARES IN THE CAPITAL OF MARCO POLO MARINE LTD.

The Board of Directors of Marco Polo Marine Ltd. (the "Company") wishes to announce that the Company has on 4 October 2010 entered into a placement agreement (the "Placement Agreement") with HL Bank (the "Placement Agent"), Nautical International Holdings Ltd. ("Nautical"), Lee Wan Tang and Andrews Alianto. Pursuant to the Placement Agreement, Nautical and Lee Wan Tang (collectively, the "Vendors") have agreed to sell an aggregate of 16,000,000 existing ordinary shares in the capital of the Company (the "Vendor Shares") and for the sole purpose of expediting the delivery of the Placement Shares (as defined hereinafter) to the end-placees procured by the Placement Agent, a share lending arrangement was agreed upon between the Placement Agent, the Company, Nautical and Andrews Alianto (the "Share Lending Arrangement").

Pursuant to the Share Lending Arrangement, Nautical and Andrews Alianto (collectively, the "Scrip Lenders") at the request of the Company, have agreed to transfer 35,000,000 existing ordinary shares in the capital of the Company (the "Borrowed Shares"), for delivery to the end-placees by the Placement Agent, in the following proportion:

- 33,000,000 existing ordinary shares in the capital of the Company (the "Shares") in respect of Nautical; and
- 2,000,000 existing Shares in respect of Andrews Alianto.

In addition, the Vendors have pursuant to the Placement Agreement, proposed to make available 16,000,000 Vendor Shares legally and beneficially owned by them to the Placement Agent for sale to purchasers procured by the Placement Agent on an underwritten basis, in the following proportion:

- 14,500,000 existing Shares in respect of Nautical; and
- 1,500,000 existing Shares in respect of Lee Wan Tang.

At the same time, the Company has on 4 October 2010 entered into a subscription agreement (the "Subscription Agreement") with the Scrip Lenders, pursuant to which the Company will allot and issue to the Scrip Lenders 35,000,000 new Shares in the capital of the Company (the "New Shares"), equivalent to the number of Borrowed Shares purchased by the purchasers procured by the Placement Agent, at the Placement Price (as defined hereinafter) for each New Share, on the terms and subject to the conditions of the Subscription Agreement. The obligations of the Company to issue the New Shares to the Scrip Lenders are conditional upon, *inter alia*, receipt of the in-principle approval of the Singapore Exchange Securities Trading Limited ("SGX-ST") for the listing of and quotation for the New Shares on the SGX-ST.

Pursuant to the Placement Agreement, the Placement Agent has agreed to procure the purchase of the Borrowed Shares and the Vendor Shares (collectively, the "Placement Shares") at a price of S\$0.43 per Placement Share (the "Placement Price") on an underwritten basis, amounting to an aggregate consideration of S\$21.93 million, and on the terms and conditions of the Placement Agreement (the "Placement").

A placement commission of 3% of the Placement Price for each Placement Share purchased by the purchasers procured by the Placement Agent, is payable by the Company in respect of the Borrowed Shares and the Vendors in respect of the Vendor Shares to the Placement Agent pursuant to the Placement Agreement. The Placement is underwritten by HL Bank.

Placement of Shares

The Placement Shares will be placed by the Placement Agent to institutional investors pursuant to Section 274 of the Securities and Futures Act (Cap 289) of Singapore and/or accredited investors pursuant to Section 275 of the Securities and Futures Act (Cap 289) of Singapore.

The Company will be making an application to the SGX-ST for the listing of and quotation for the New Shares on the Official List of the SGX-ST. The Placement is conditional upon, *inter alia*, the approval of the SGX-ST for the listing of and quotation for the New Shares on the Official List of the SGX-ST.

The New Shares are intended to be issued pursuant to the general mandate obtained at the annual general meeting of the Company held on 28 January 2010 which authorises the Directors of the Company pursuant to Rule 806 of the SGX-ST Listing Manual, to allot and issue new Shares not exceeding 20% of the Company's issued share capital in the case where Shares are issued other than on a *pro rata* basis to existing shareholders of the Company. The New Shares represent approximately 11.4% of the Company's existing issued and paid up share capital of 305,750,000 Shares as at the date of this announcement.

The New Shares, when issued and delivered, shall be free from all claims, charges, liens, pledges, mortgages and other encumbrances and shall rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares except that they will not rank for any dividend, right, allotments or other distributions (if any), the record date for which falls on or before the completion of the Placement.

Use of Proceeds from the Placement

When the 51,000,000 Placement Shares are fully placed out, the estimated net proceeds from the placement of the Borrowed Shares (the "Borrowed Shares Net Proceeds") and the Vendor Shares (the "Vendor Shares Net Proceeds") will amount to approximately S\$14.53 million and S\$6.66 million, respectively (net of the estimated expenses of approximately S\$0.52 million and S\$0.22 million incurred in connection with the Placement to be borne by the Company and the Vendors, respectively). Approximately S\$10.06 million or 69.24% of the Borrowed Shares Net Proceeds will be used to fund the Group's capital expenditure for its offshore business while the balance S\$4.47 million or 30.76% will be used for general working capital purposes.

Pending the deployment of the Borrowed Shares Net Proceeds for the abovementioned purposes, the Company agrees that both the Borrowed Shares Net Proceeds and Vendor Shares Net Proceeds shall be deposited and kept in an account opened with HL Bank as per the Placement Agreement.

Financial Effects

The Placement Price represents a discount of approximately 8.74% to the volume weighted average price of S\$0.4712 for each Share, based on trades done on the Official List of the SGX-ST on 1 October 2010, being the last full market day on which the Shares were traded prior to the trading halt on 4 October 2010.

Based on the issued share capital of the Company of S\$46,879,973.2386 comprising 305,750,000 Shares as at the date of this announcement, the allotment and issuance of 35,000,000 New Shares on completion of the Placement will increase the issued share capital of the Company to S\$61,929,973.2386 comprising 340,750,000 Shares. Such number of New Shares represents approximately 11.4% of the existing issued share capital of the Company of 305,750,000 Shares and approximately 10.3% of the enlarged issued share capital of the Company immediately after the completion of the Placement.

Based on the unaudited financial statements of the Group for the third quarter ended 30 June 2010 ("FP2010"), the Group's net asset value per Share as at 30 June 2010 and the earnings per Share for FP2010 were approximately 29.27 cents and 5.34 cents, respectively. Assuming that the Placement had been effected on 30 June 2010 and that all the New Shares are issued on the same date, the Group's net asset value per Share, after adjusting for the New Shares, would be approximately 30.53

cents and assuming that the Placement had been effected on 1 October 2009 and that all the New Shares are issued on the same date, the Group's earnings per Share for FP2010, after adjusting for the New Shares, would be approximately 4.79 cents. The Group's earnings per Share as adjusted for the Placement does not take into account the effects of the use of the Borrowed Shares Net Proceeds on the earnings of the Group.

General

The Placement Shares will not be placed to any of the persons set out as restricted persons under Rule 812 of the Listing Manual of the SGX-ST.

The entire issued share capital of Nautical is owned by Lee Wan Tang, Sean Latip @ Sean Lee Yun Feng, Sally @ Lai Qin Zhi and Lie Ly @ Liely Lee, who are the Directors of the Company and their associate.

Save as disclosed above, none of the Directors or substantial shareholders of the Company or their associates has any interest, direct or indirect, in the Placement.

The Company will make the necessary announcement once the in-principle approval for the listing of and quotation for the New Shares on the Official List of the SGX-ST has been obtained from the SGX-ST.

In view of the Placement, the shareholders of the Company and potential investors should exercise caution when trading in the Shares, and where in doubt as to the action they should take, they should consult their financial, tax or other professional adviser immediately.

Responsibility Statement

The Directors and the Vendors (including any Director or Vendor who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

BY ORDER OF THE BOARD

Mr Sean Lee Yun Feng
Chief Executive Officer
4 October 2010