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MEDIA RELEASE

Marco Polo Marine achieved record Revenue and Gross Profit for H1FY2012

- **Record revenue of S$55.6 million and gross profit of S$14.6 million attained for H1FY2012, representing year-on-year increases of 33.9% and 33.4% respectively**

- **Ship Building and Repair Operations, accounting for more than 80% of total revenue, continue to be the key driver of strong operating performance**

- **Comparable operating profit of S$11.4 million attained for H1FY2012 relative to H1FY2011's S$11.9 million, despite lower gain on disposal of vessels of S$1.0 million in H1FY2012 compared to H1FY2011's $5.4 million**

- **Notwithstanding a lower net profit of S$8.6 million attained for H1FY2012 relative to H1FY2011's S$9.4 million, excluding the unrealised exchange loss attributed to an associated company, net profit for H1FY2012 would have outperformed that of H1FY2011 by 17.0%**

Singapore, 4 May 2012 - Singapore Exchange Mainboard-listed Marco Polo Marine Ltd (the "Company") together with its subsidiaries (the "Group"), a growing integrated marine logistic group, is pleased to announce its first half-year financial results for the period ended 31 March 2012.

Financial Highlights of the Group

S$ million	H1FY2012	%	H1FY2011	%	Change
Ship Chartering Operations	*10.7*	*19.2*	*16.3*	*39.3*	*(34.4)%*
Ship Building & Repair Operations	*44.9*	*80.8*	*25.2*	*60.7*	*78.2%*
Total Revenue	55.6	*100.0*	41.5	*100.0*	33.9%
Gross Profit	14.6		10.9		33.4%
Profit from Operations	11.4*		11.9*		-3.9%
Net Profit attributable to Shareholders	8.6**		9.4		-9.0%
Gross Margin (%)	26.3%		26.4%		-0.1% pts
Operation Margin (%)	20.5%		28.6%		-8.1 % pts
Return on Equity, Annualised (%)	13.3%		15.3%		-2.0% pts

Notes:
*Included Other Operating Incomes attributed to gain on disposal of vessels of S$1.0 million for H1FY2012 and S$5.4 million for H1 FY2011.
**Included an unrealised exchange loss of S$2.4 million attributed to an associated company of the Group.

The Group's total revenue increased from S$41.5 million in 1HFY2011 to S$55.6 million in H1FY2012, representing a strong year-on-year increase of 33.9%.

The Ship Building and Repair Operations of the Group continued to drive its performance, which resulted in the increase in total revenue by 78.2% to S$55.6 million in H1FY2012. Constituting about 80% of the Group's total revenue, the Ship Building and Repair Operations attributed its growth largely to increased ship repair, conversion and outfitting projects. These contributions vindicated the Group's decision to build the third dry dock at its shipyard in Batam, the biggest to-date, in early 2012, which facilitated more ship repair, conversion and outfitting projects of increasing scale and complexity to be undertaken.

Following the completion of the Group's acquisition of the 49% stake in PT Pelayaran Nasional Bina Buana Raya ("BBR"), and the accompanying reflagging exercise in FY2011 to comply with the Indonesia's Cabotage principle, the shipping business of the Group has been confined to international waters beyond Indonesia (with BBR assuming the shipping business within Indonesian waters). As a consequence of which, the Group's ship chartering revenue declined by 34.4% to S$10.7 million in H1FY2012 from S$16.3 million in H1FY2011.

In tandem with its revenue growth, driven mainly by the Group's Ship Building and Repair Operations, the Group increased its gross profit by 33.4% to S$14.6 million in H1FY2012 with gross profit margin maintained at about 26%. The operating profit (including other operating income attributed to gain on disposal of vessels) of S$11.4 million attained for H1FY2012 was comparable to that of H1FY2011 of S$11.9 million. Had the other operating incomes attributed to gain on disposal of vessels of S$1.0 million in H1FY2012 and S$5.4 million in H1FY2011, been excluded, the Group would have registered a commendable increase in operating profit by 60.0% to S$10.4 million in H1FY2012 from S$6.5 million in H1FY2011.

The Group's net profit attributable to shareholders decreased to S$8.6 million in H1FY2012 from S$9.4 million in H1FY2012. Apart from the lower operating profit attained in H1FY2012 relative to H1FY2011, the decrease was also largely due to the share of loss attributed to the Group's associated company, BBR. Chiefly underpinning this loss was the unrealised foreign exchange loss of S$4.9 million incurred by BBR in H1FY2012 (the "Exchange Loss"), resulting from the weakening of IDR *vis-à-vis* US$ and S$ and the consequential negative impact on its loans which are substantially denominated in US$ and S$. Had it not for the Exchange Loss, the Group's share of results of BBR for H1FY2012 would have been a profit of S$1.2 million instead of a loss of S$1.1 million.

Prospects

For the second half of FY2012, Mr Sean Lee Yun Feng, the Chief Executive Officer of the Group, opined that "the shipyard operations of the Group are expected to continue to drive the overall revenue of the Group. While new-build orders have moderated, there has been an increase in enquiries for ship repair, outfitting and conversion services. With the Group's third dry dock, which is capable of docking merchant vessels of up to 45,000 dwt, coming on stream since January 2012, the Group is now also able to take on more contracts of increasing scale and complexity. While projects of these kinds may be *ah-hoc* in nature, they allow for faster turnaround time".

"With regard to the ship chartering business, we expect the offshore business to continue to spearhead the growth of the Group's overall shipping revenue", added Mr Lee. Leveraging on Singapore's leading position as a bunkering hub, the Group has announced on 23 April 2012 that it will forge a joint venture with a reputable industry incumbent to tap on a niche buoyant chartering market. The joint venture is envisaged to provide a stable and growing source of income to the Group from the financial years ending 30 September 2013 and thereafter.

Barring unforeseen circumstances, the Group is optimistic about its performance for FY2012.

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Notes:

1. "FY" denotes to the financial year ended or ending 30 September (as the case may be) and any "Q" or "H" which precedes it denotes the relevant financial quarter or half year (as the case may be).
2. This press release should be read in conjunction with Marco Polo Marine's Q2FY2012 results announcement posted on the web site of Singapore Exchange on 4 May 2012.

About Marco Polo Marine Ltd

Marco Polo Marine, an integrated marine logistic group, has grown and expanded to become a reputable player in the marine industry.

The Group's ship chartering business provides tugboats and barges to its customers from the mining, commodities, construction, infrastructure, property development and land reclamation industries as well as offshore vessels which are being deployed in the waters of Australia, Gulf of Thailand and Indonesia. It also provides transshipment services which involve the transportation of coal from the mines in Indonesia to the bulkers of the coal purchasers for their onward transportation to electric power plants throughout Asia.

The Group's shipyard undertakes ship building, ship repair, outfitting and conversion services in Batam, Indonesia. It occupies a total land area of approximately 34 hectares with a seafront of approximately 650 metres and has three dry docks to undertake ship repair and conversion services.

For more information, please refer to the corporate website www.marcopolomarine.com.sg

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