



MEDIA RELEASE – FOR IMMEDIATE RELEASE

H1 FY2010 Revenue + 14% to \$27.5 Million and Net Profit + 174% to \$12.2 Million

Strong Profit Growth Underpinned by Expanding Revenue Base

- ◆ **Higher chartering revenue from a larger operating fleet size and increased ship repair revenue contributed to healthy group revenue growth in H1 FY2010**
- ◆ **Net profit boosted by disposal of two AHTS vessels as well as sale-and-leaseback of chartering vessels**
- ◆ **The Group will continue to grow the scale of its integrated marine logistic operations, diversify its revenue base and add to profit growth in FY2010**

Singapore, 11 May 2010 - Singapore Exchange Mainboard-listed Marco Polo Marine Ltd (“Marco Polo Marine” or “the Group”), a growing integrated marine logistic group, today announced a strong set of financial results for the 6 months ended 31 March 2010.

In H1 FY2010, group revenue rose 14% to \$27.5 million with higher contributions from ship chartering and ship repair operations. Revenue from ship chartering operations climbed 57% to \$17.3 million in H1 FY2010 as the Group’s operating fleet size increased to 58 vessels (excluding the 24 vessels co-owned with Glencore International under MPST Marine Pte Ltd) as at 31 March 2010. At the shipyard, revenue from ship repair increased \$3.6 million in the first half following the full operation of the 2 dry docks. However, lower contributions from ship building operations led to a 22% decrease in total shipyard revenue.

Business Segment	H1 FY2010		H1 FY2009		Change	
	\$'m	%	\$'m	%	\$'m	%
Ship chartering operations	17.3	62.9	11.0	45.6	6.3	57.3
Shipyard operations	10.2	37.1	13.1	54.4	(2.9)	(22.1)
Total	27.5	100.0	24.1	100.0	3.4	14.1



MARCO POLO MARINE LTD
(A Member of Marco Polo Marine Group of Companies)

Other operating income was boosted by the gains on disposal of 4 tugboats and 4 barges under the sale-and-leaseback arrangement and 2 AHTS vessels. In addition, the gains on sale-and-leaseback of 22 vessels by 50% owned MPST Marine in Q2 FY2010 contributed about \$3.0 million to the Group's share of results of the jointly controlled entity of \$3.6 million. Accordingly, our net profit rose significantly by 174% from \$4.5 million in H1 FY2009 to \$12.2 million in H1 FY2010.

When explaining the benefits of the sale-and-leaseback arrangement, Mr. Sean Lee, CEO of Marco Polo Marine, said, "The sale-and-leaseback arrangement allows us to reduce gearing, improve cash flow and at the same time control our current fleet. It also enables us to operate Indonesian-flagged vessels freely in Indonesian waters to support our customers' logistic needs as well as to capitalize on any new business opportunities and benefits accorded to vessels plying Indonesian waters. Although this programme will have some short term disruption to our chartering operations during the de-flagging and re-flagging exercise, the longer term benefits will be the growing marine logistic demand in Indonesia for our Indonesian flagged vessels and the fleet expansion we can undertake with our lightened balance sheet."

Following the disposal of vessels, the Group recorded an increase in cash and bank balances (including fixed deposits) to \$16.5 million. This contributed to the reduction of the Group's net gearing from 52% as at 30 September 2009 to about 40% as at 31 March 2010. "To reduce the temporary disruption to our chartering operations, the sale-and-leaseback programme is being conducted in stages throughout the current financial year," Mr. Lee added.

With higher chartering revenue from a growing fleet of vessels, new revenue contribution from ship repair as well as the completion and deliveries of more sophisticated AHTS vessels in the current financial year, the Group expects better performance in FY2010 than FY2009.

This press release should be read in conjunction with Marco Polo Marine's results announcement posted on the Singapore Exchange on 11 May 2010.



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About Marco Polo Marine Ltd

Marco Polo Marine (Bloomberg Code: MPM.SP) is an integrated marine logistic group that facilitates the growth of and investments in South East Asia through its ship chartering and shipyard businesses.

The Group's ship chartering business provides tug boats and barges to its customers from the mining, commodities, construction, infrastructure, property development and land reclamation industries.

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