



MEDIA RELEASE – FOR IMMEDIATE RELEASE

Expansion of Integrated Marine Logistic Operations Boosted FY2009 Revenue By 19% to \$54.5 Million

- ◆ Full year gross profit rose 52% due to strong growth in the Group's core ship chartering operation and maiden ship repair contribution
- ◆ Recurrent income from ship chartering is expected to grow as the Group continues to expand its fleet of vessels
- ◆ Commencement of the second larger dry dock recently will strengthen the Group's ship repair capabilities and diversify the revenue base from FY2010
- ◆ Ship building operations is expected to benefit from the deliveries of larger and more sophisticated vessels in FY2010

Singapore, 24 November 2009 - Singapore Exchange Mainboard-list Marco Polo Marine Ltd ("Marco Polo Marine" or "the Group"), a growing integrated marine logistic group today announced its results for the financial year ended 30 September 2009.

Financial Highlights (\$'m)	Q4 FY2009	Q4 FY2008	Change (%)	FY2009	FY2008	Change (%)
Revenue	14.6	16.0	(9%)	54.5	45.9	+ 19%
Gross Profit	5.1	3.4	+ 51%	18.1	11.9	+ 52%
- Gross Profit Margin	35%	21%	-	33%	26%	-
Other Operating Income	0.03	0.8	(96%)	0.5	7.8	(93%)
Net Profit	1.8	0.9	+ 94%	10.1	11.1	(10%)

FY2009 Results Review

Driven by the strong growth in ship chartering and ship repair businesses, Group's revenue rose 19% from \$45.9 million in FY2008 to \$54.5 million in FY2009. During the financial year, the Group's operating fleet size expanded from 36 vessels to 46 vessels (excluding the 20 vessels held in the 50:50 JV with Glencore), boosting ship chartering revenue by 34% to \$26.9 million. At the shipyard, the Group experienced substantial increase in ship repair activities



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following the completion of its first dry dock in H1 FY2009. However, this growth was moderated by lower revenue from ship building. Collectively, the revenue from ship building & repair operations registered an improvement of 7% to \$27.6 million in FY2009.

Business Segment	FY2009		FY2008		Change	
	\$'m	%	\$'m	%	\$'m	%
Ship Chartering	26.9	49.4	20.1	43.8	6.8	33.8
Ship Building & Repair	27.6	50.6	25.8	56.2	1.8	7.0
Total	54.5	100.0	45.9	100.0	8.6	18.7

Due to the revenue growth in the higher margin ship chartering and ship repair operations, gross profit surged 52% to \$18.1 million. Gross profit margin increased correspondingly, from 26% in FY2008 to 33% in FY2009. However, other operating income dropped significantly as compared to the previous financial year. In FY2008, the Group recorded a procurement income and a gain on disposal of vessels totalling \$7.3 million. In contrast, two vessels were disposed in FY2009 at a loss of \$0.01 million. As a result, net profit declined 10% to \$10.1 million in FY2009. Excluding the gain on disposal of vessels and procurement income in FY2008, the Group registered strong growth in its core operations in FY2009 which resulted in more than a two-fold increase in net profit to \$10.1 million.

Prospects

The regional economies of South East Asia have weathered the global financial crisis relatively well. Their resilience in 2009 has presented business opportunities for the Group's integrated marine logistic operations.

When assessing the industry outlook, Mr. Sean Lee, CEO of Marco Polo Marine commented, "As our ship chartering operations comprise mainly coastal-plying tugboats and barges, we were relatively shielded from the downturn experienced by ocean-plying bulk carriers and container ships. In fact, our chartering operation enjoyed good demand underpinned by construction, land reclamation projects and commodities shipment in the region, and we were able to capitalize on this with an expanding fleet in FY2009. With intra regional trade and investment remaining buoyant, the charter rates for tugs and barges are likely to remain strong. We will continue to grow our fleet size and expand this recurring source of income in FY2010."



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As for ship building & repair business, the Group's strategic investments in its Batam shipyard are expected to yield good returns from FY2010. "Our ship repair operations booked encouraging increase in revenue following the completion of our first dry dock in H1 FY2009. We have commenced the operation of our second larger dry dock in September this year and this will significantly strengthen our ship repair capabilities from FY2010," said Mr. Lee.

Going forward, the Group's ship building operation is expected to benefit from the deliveries of larger and more sophisticated vessels. The Group delivered its first AHTS vessel early in the new financial year and a second sister vessel is scheduled for delivery in H2FY2010. These completion and deliveries will add to the Group's profitability in FY2010.

The Group's medium term prospects are supported by the stabilization of the global economy and a positive outlook for the South East Asian region. Barring unforeseen circumstance, the ongoing expansion of the Group's integrated marine logistic operations is expected to result in an improvement of its performance in FY2010 over FY2009.

This press release should be read in conjunction with Marco Polo Marine's results announcement posted on the Singapore Exchange on 24 November 2009.

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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