



**MARCO POLO MARINE LTD.**

(Company Registration Number: 200610073Z)

**PLACEMENT OF 18,000,000 PLACEMENT SHARES (THE "PLACEMENT SHARES") AT S\$0.346 FOR EACH PLACEMENT SHARE IN THE SHARE CAPITAL OF MARCO POLO MARINE LTD. (THE "COMPANY")**

The Board of Directors of Marco Polo Marine Ltd. is pleased to announce that the Company proposes to raise capital by way of a placement of 18,000,000 new Placement Shares in the capital of the Company (hereinafter referred to as the "**Placement Shares**").

The Company had on 4 July 2008 entered into a placement agreement (the "**Placement Agreement**") with UOB Kay Hian Private Limited (the "**Placement Agent**").

**Placement of Shares**

The Company proposes to raise capital by way of a placement of 18,000,000 new Placement Shares in the Company pursuant to the existing share mandate obtained from its shareholders (the "**Placement**"). The Placement Shares represent 6.72 per cent of the existing issued and paid-up capital of the Company as at the date of this announcement. The authority to issue the Placement Shares was given pursuant to a general mandate from the shareholders of the Company by way of ordinary resolution at the Annual General Meeting held on 30 January 2008.

The obligations of the Company to issue the Placement Shares and are conditional on, *inter alia*, receipt of the in-principle approval of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing and quotation of the Placement Shares on the SGX-ST Catalist.

**Placement**

The Placement Agent has agreed to procure investors for the Placement Shares (the "**Placees**") at the placement price of S\$0.346 each (the "**Placement Price**") on a best efforts basis on the terms and subject to the conditions set out in the Placement Agreement.

The Placement Price for each Placement Share represents a discount of approximately 10 per cent to the volume weighted average price per share of the Company of approximately S\$0.384, for trades done on 3 July 2008, being the full market day preceding the date of the aforesaid trading halt on 4 July 2008.

**Financial Effects**

When completed and assuming that 18,000,000 Placement Shares are issued pursuant to the Placement Agreement, the Share Placement will increase the issued and paid-up share capital of the Company by 6.72 per cent from 267,750,000 ordinary shares to 285,750,000 ordinary shares.

Based on the audited accounts of the Company and its subsidiaries (the "**Group**") as at 30 September 2007 and adjusted for the initial public offering of the Company in November 2007, the Placement will increase the net tangible asset per share of the Group from 14.4 cents to 15.6 cents (pursuant to the issue of 18,000,000 Placement Shares upon completion of the Placement).

The net proceeds of the Placement, after deducting expenses pertaining thereto, are estimated at

approximately S\$6,000,000. The net proceeds will be used for the following intended purposes:-

- (a) Approximately S\$3 million for construction of the second dry-dock with dimensions of 180 x 40 x 8 cubic metres at the existing shipyard premises of the Group in Batam, Indonesia;
- (b) Approximately S\$2 million to fund the acquisition of vessels, including tugboats and barges for the transportation of mining products; and
- (c) The balance for possible acquisitions, joint ventures or business alliances currently being considered.

Pending the deployment for (a), (b) and (c) above, the net placement proceeds shall be used for general working capital.

**General**

None of the Placement Shares will be placed by the Company to any person or groups of person prohibited by SGX-ST as set out under Rule 812(1) of the SGX-ST Listing Manual.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Placement.

The Company will be making an application to the SGX-ST for the listing and quotation of the Placement Shares shortly.

BY ORDER OF THE BOARD

Sean Lee Yun Feng  
Chief Executive Officer

4 July 2008

The initial public offering of the Company in November 2007 was sponsored by UOB Asia Limited