



**MARCO POLO MARINE LTD.**

(Company Registration Number: 200610073Z)

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**INCORPORATION OF A NEW SUBSIDIARY COMPANY AND SALE-AND-LEASEBACK OF VESSELS  
BY A JOINT VENTURE COMPANY**

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The Board of Directors of Marco Polo Marine Ltd (the "Company") would like to announce that its 50-50 joint venture company with ST Shipping and Transport Pte Ltd ("ST Shipping"), MPST Marine Pte Ltd ("MPST"), held through its wholly-owned subsidiary, Marco Polo Shipping Co Pte Ltd ("MPS"), has incorporated a new wholly-owned subsidiary, Alpine Marine Ltd ("AML"), in the British Virgin Islands.

AML, which is principally engaged in shipping business, has two classes of shares, comprising:-

1. 100 issued and fully paid-up common shares of US\$1.00 each held by MPST; and
2. 1,000 issued and fully paid-up preference shares of US\$1.00 each held equally by Marcopolo Shipping (Hong Kong) Limited ("MPS-HK"), a subsidiary of MPS, and Glencore International AG ("Glencore"), the ultimate holding company of ST Shipping.

MPST was incorporated between MPS and ST Shipping to jointly own and operate a fleet of tugboats and barges for the provision of transshipment services in Indonesia, primarily to transport the cargo managed and carried by Glencore and/or its related corporations or affiliates. In view of the recently enforced Cabotage principle in Indonesia, which permits the shipment of various categories of goods within the Indonesian waters to be carried out only by Indonesian-flagged vessels (to be owned by Indonesian entities), MPST has entered into several arrangements with an Indonesian entity (the "Sale-and-Leaseback Arrangements"):-

1. to dispose its entire fleet of 24 Singapore-flagged tugboats and barges for an aggregate consideration of about US\$44.7 million; and
2. thereafter to leaseback through AML these disposed vessels which are to be reflagged as Indonesian-flagged vessels.

The above new operating structure, while enabling the continuation of transshipment operations to be provided by MPST in Indonesia, is part of MPST's reorganisation under a tax planning exercise to achieve better tax efficiency.

The Sale-and-Leaseback Arrangements are expected to contribute positively to the consolidated profit after tax of the Company and its subsidiaries for the current financial year ending 30 September 2010.

Save for their interests held through the Company, none of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the above transactions.

BY ORDER OF THE BOARD

Sean Lee Yun Feng  
Chief Executive Officer

30 April 2010