



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

MARCO POLO MARINE LTD.
(Company Registration Number: 200610073Z)

THE PROPOSED ACQUISITION OF TWO UTILITY VESSELS

1. INTRODUCTION

The Board of Directors of Marco Polo Marine Ltd (the “**Company**”) wishes to announce that the Company, via its wholly-owned subsidiary, Marco Polo Offshore Pte. Ltd., has entered into two Memorandum of Agreements (“**MOAs**”) with RAS Marine Pty Ltd (the “**Seller**”) to acquire two utility vessels (the “**Utility Vessels**”) for a total consideration of A\$21.5 million in cash (the “**Purchase Consideration**”) (the “**Acquisition**”).

2. OVERVIEW OF THE ACQUISITION

2.1 The two Utility Vessels

The two Utility Vessels, known as OMS Terra Nova and OMS Endurance, are Australian flagged vessels built in 2007. OMS Terra Nova is a 50-metre A1 offshore support vessel and OMS Endurance a 49-metre A1E offshore support vessel. OMS Endurance and OMS Terra Nova will be sold by the Seller with existing chartering contracts, which, if not renew, will expire in end September 2011 and end August 2012 respectively.

2.2 The Purchase Consideration

The Purchase Consideration was arrived at on a ‘willing buyer-willing seller basis’, taking into account of the valuation of the two Utility Vessels by ALC Consulting, an independent professional valuer, as well as the potential economic benefits capable of being generated by the two Utility Vessels.

The Purchase Consideration will be funded by internal funds and bank borrowings.

3. RATIONALE OF THE ACQUISITION

The Acquisition is part of the strategic plan of the Company and its subsidiaries (the “**Group**”) to venture into the offshore business.

With the track records of the two Utility Vessels in Australia, the Group aims to capitalize on Australia’s high demand for utility/offshore vessels prompted by the country’s energy sector.



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

4. FINANCIAL EFFECTS OF THE ACQUISITION

The pro forma financial statement effects of the Acquisition are purely for **illustrative purposes only** and do not reflect the future actual financial position of the Group after the completion of the Acquisition. The pre and post financial effects of the Acquisition are premised on the audited consolidated accounts of the Group for the financial year ended 30 September 2009 (“**FY2009**”) and based on the assumption that the Placement exercise that was carried out by the Company on 11 October 2010 was completed on 1 October 2008.

4.1 Share capital

The Acquisition would have no effect on the issued share capital of the Company as the Purchase Consideration will be satisfied fully in cash.

4.2 Net tangible assets (“NTA”)

Assuming that the Acquisition had been completed on 30 September 2009, the pro forma effects on the consolidated NTA per share of the Group as at 30 September 2009 are as follows:

	Before the Acquisition	After the Acquisition
NTA (S\$ million)	87.7	97.6
Number of shares	340,750,000	340,750,000
NTA per share (cents)	25.7	28.7

4.3 Earnings per share (“EPS”)

Assuming that the Acquisition had been completed on 1 October 2008, the effects of the Acquisition on the EPS of the Group for FY2009 are as follows:

	Before the Acquisition	After the Acquisition
Profit after tax (S\$ million)	10.1	11.8
Number of shares	326,613,000	361,613,000
EPS (cents)	3.1	3.3

4.4 Gearing

Assuming that the Acquisition had been completed on 30 September 2009, the effects of the Acquisition on the gearing (defined as total interest bearing borrowings as a percentage of shareholders’ funds) of the Group as at 30 September 2009 are as follows:

	Before the Acquisition	After the Acquisition
Total borrowings (S\$ million)	50.9	70.1
Shareholders’ funds (S\$ million)	87.7	87.7
Gearing (%)	58.0	80.0



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

5. RELATIVE FIGURES PURSUANT TO RULE 1006 OF THE LISTING MANUAL

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

Clause 1006 (a)	Not applicable as the subject matter is an acquisition.
Net asset value of the assets to be disposed of, compared with the Group's net asset value	
Clause 1006 (b)	16.5%
Profit before income tax and minority interests attributable to the assets acquired, compared with the Group's profit before income tax and minority interests	
Clause 1006 (c)	18.6%
Aggregate value of the consideration given, compared with the Group's market capitalization of approximately S\$148.2 million as at 12 November 2010	
Clause 1006 (d)	Not applicable as no securities will be issued for the Acquisition
The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	

6. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their interests in the shares of the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition.

BY ORDER OF THE BOARD

Mr Sean Lee Yun Feng
Chief Executive Officer
15 November 2010