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MEDIA RELEASE

H1 FY2011 Revenue Rose 51% to S$41.5 Million

Performance Driven by Strong Shipyard Operations

- **Increased number of ship repair contracts and contribution from ship conversion boosted shipyard revenue by 147% to S$25.2 million**
- **Newly formed offshore operations made maiden contribution of S$2.0 million**
- **Strong intra-regional trade and growing demand for shipping services to transport coal in Indonesia continue to underpin positive prospect for the Group**
- **To support continued business growth, the Group is making selective investments to expand its Batam shipyard**

Singapore, 10 May 2011 - Singapore Exchange Mainboard-listed Marco Polo Marine Ltd ("Marco Polo Marine" or "the Group"), a growing integrated marine logistic group is pleased to announce its financial results for the six months ended 31 March 2011.

H1 FY2011 Results Review

With its ability to deliver high quality integrated marine logistic services and its strategically located shipyard in Batam, Indonesia, the Group was able to secure more ship repair contracts in H1 FY2011. Together with the contribution from ship conversion activities, revenue from shipyard operations grew by a strong 147% to S$25.2 million in H1 FY2011. On the other hand, ship chartering revenue fell 6% to S$16.3 million due to lower contribution from time charters as a result of lower fleet utilisation rate due to an unusually long monsoon season in H1 FY2011 which hampered operations and re-flagging downtime for some of the existing fleet to Indonesian flagged vessels. The decline in ship chartering revenue was moderated by a maiden contribution of S$2.0 million from the offshore operations following the completion of the Group's acquisition of three utility vessels which ply waters in Australia and the Gulf of Thailand.

Overall, Marco Polo Marine achieved a 51% increase in group revenue to S$41.4 million in H1 FY2011.

Business Segment (S$ million)	H1 FY2011	H1 FY2010	Change
Ship chartering operations	16.3	17.3	(6%)
Ship building & repair operations	25.2	10.2	+ 147%
Total	41.5	27.5	+ 51%

With higher group revenue, gross profit rose 33% to $10.9 million in H1 FY2011. However, a higher proportion of lower margin re-chartering activities resulted in a drop in gross profit margin from 30% in H1 FY2010 to 26% in H1 FY2011. The decline was moderated by higher profit margin from the new offshore division which commenced operation in Q1 FY2011. In addition, the share of results of jointly-controlled entities was also lower in HI FY2011 as the Group recorded a share of gain amounting to S$3.0 million on the disposal of vessels by its jointly controlled entity in the previous corresponding period. Consequently, net profit attributable to shareholders decreased 23% to S$9.4 million in H1 FY2011.

Prospects

Robust growth in intra-regional business activities and high foreign demand for a broad range of Indonesian commodities underpin strong demand for the Group's marine logistic and shipyard related services. The progressive commissioning of new and refurbished coal-fired power plants in Indonesia has generated growing demand for tugs and barges to transport coal for domestic use and this will continue to benefit the Group's ship chartering business.

In order to comply with the Cabotage Principle in Indonesia, the Group has embarked on a sale-and-leaseback arrangement to enable a portion of its fleet to operate in Indonesian waters. As a substantial player in the transportation of coal for domestic use in Indonesia, the Group has replaced this short term solution with a long term sustainable business structure through a recent shareholder-sanctioned acquisition of a 49% equity interest in PT Pelayaran Nasional Bina Buana Raya (BBR). "BBR, being an Indonesian entity, has its advantages with regard to the compliance of the Cabotage Principle. The Group will be able to benefit from the rising demand for shipping services to transport commodities in Indonesia through our equity stake in BBR. Going forward, we will be actively involved in growing BBR's fleet of vessels to capitalize on this rising demand for transportation," said Mr. Sean Lee, CEO of Marco Polo Marine. To achieve financial self-sustainability, BBR plans to seek a listing on a reputable regional stock exchange.

The Group will also continue to acquire and expand its fleet of offshore support vessels to increase its participation in the exploration potential of the energy sector in the region. To support the continued growth of its shipyard business, the Group is making selective investments to expand its shipyard in Batam.

This press release should be read in conjunction with Marco Polo Marine's H1 FY2011 results announcement posted on the Singapore Exchange on 10 May 2011.

About Marco Polo Marine Ltd

Marco Polo Marine (Bloomberg Code: MPM.SP) is an integrated marine logistic company serving the energy sector in Indonesia and the region. The Group is a substantial player in the transportation of Indonesian coal for domestic use and exports. In Thailand and Australia (and soon Indonesia), the Group's growing fleet of offshore supply vessels support deep sea oil & gas exploration.

A wholly-owned shipyard in Batam undertakes ship building and ship repair for the Group as well as third parties by providing Singapore quality at Indonesian costs. The shipyard occupies a total land area of approximately 34 hectares, with a seafront of approximately 650 metres and 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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