



MARCO POLO MARINE LTD

Incorporated in the Republic of Singapore

(Company Registration Number: 200610073Z)

UPDATE ON TERMINATION OF THE US\$214.3 MILLION RIG CONSTRUCTION CONTRACT WITH PPL SHIPYARD PTE LTD FOR THE CONSTRUCTION OF A HIGH-SPECIFICATION JACK-UP RIG

- **The Company and MP Drilling refute the payment demand made by PPL**

The Board of Directors (the “**Board**”) of Marco Polo Marine Ltd (the “**Company**”) refers to the Company’s announcements dated 17 November 2015, 24 November 2015 and 30 November 2015 with respect to the termination of the US\$214.3 million rig construction contract dated 26 February 2014 (as amended and supplemented) entered into between Marco Polo Drilling (I) Pte. Ltd. (“**MP Drilling**”) with PPL Shipyard Pte Ltd (“**PPL**”) for the construction of a high-specification jack-up rig (the “**New Rig**”) based on PPL’s proprietary Pacific Class 400 design (the “**Rig Construction Contract**”).

Unless otherwise defined herein, capitalized terms and expressions used in this announcement shall bear the same meanings ascribed to them in the Company’s announcements dated 26 February 2014, 17 November 2015, 24 November 2015 and 30 November 2015 in relation to the Rig Construction Contract. Copies of these announcements can be found at the official website of The Singapore Exchange (www.sgx.com).

The Board wishes to inform Shareholders that MP Drilling has today received a written notice from PPL which purports to terminate the Rig Construction Contract, notwithstanding that it is and has been MP Drilling’s position that the Rig Construction Contract had already been terminated on 17 November 2015 by MP Drilling on account of, among others, PPL’s failure to comply with certain of its material contractual obligations. PPL has, in the same notice, demanded for the payment of second 10% of the contract price (amounting to US\$21.43 million) and interest alleged to have accrued thereon for the month of November 2015 (amounting to US\$77,399.80). Separately, the Company has received from PPL a written demand for payment of the aforesaid sums pursuant to the parent company guarantee previously given by the Company in relation to the Rig Construction Contract (the “**Guarantee**”). PPL’s legal counsel has also written to the Company’s legal counsel to state that PPL has commenced legal action against the Company under the Guarantee.

The Board would like to reiterate its position that neither the Company nor MP Drilling is under any obligation to make the payments claimed by PPL whether under

the Rig Construction Contract or the Guarantee and that there is no basis for the notice of termination of the Rig Construction Contract to be issued by PPL. The Board further notes that under the terms of the Guarantee, PPL has no basis to commence legal action against the Company in the Singapore courts.

The Board would further like to refer Shareholders again to the Company's announcement dated 30 November 2015, a copy of which is annexed to this announcement for Shareholders' ease of reference.

Further announcements on this matter will be made as and when appropriate.

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

BY ORDER OF THE BOARD

Sean Lee Yun Feng
Chief Executive Officer

1 December 2015