

JASPER INVESTMENTS LIMITED
(Company Registration No. 198700983H)
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 862,147,469 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE "RIGHTS SHARES") AT AN ISSUE PRICE OF S\$0.13 FOR EACH RIGHTS SHARE, ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY FOUR (4) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. INTRODUCTION

- 1.1 The Board of Directors of Jasper Investments Limited (the "**Company**") wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue of up to 862,147,469 Rights Shares at an issue price of S\$0.13 for each Rights Share ("**Issue Price**"), on the basis of three (3) Rights Shares for every four (4) existing ordinary shares each in the capital of the Company (the "**Shares**") held by shareholders of the Company ("**Shareholders**") at a time and date to be determined by the Directors for the purposes of determining the Shareholders' entitlements under the rights issue (the "**Books Closure Date**"), fractional entitlements to be disregarded ("**Rights Issue**").
- 1.2 The Company has appointed CIMB-GK Securities Pte. Ltd. (the "**Manager**") as Manager for the Rights Issue.

2. DETAILS OF THE RIGHTS ISSUE

2.1 Purpose of the Rights Issue

As previously announced on 29 October 2008, Neptune Marine Invests AS, a wholly-owned subsidiary of Neptune Marine Oil & Gas Limited ("**Neptune**") had on 19 September 2008 signed a facility agreement with a group of banks to provide a US\$290 million term loan facility ("**Facility**"). Tranche A of the Facility, amounting to US\$120 million, was drawn on 29 October 2008. Tranche B of the facility, amounting to US\$170 million, will be available for drawing upon the completion of the upgrading of the drillship, the "Neptune Explorer" ("**Explorer**").

The Explorer is anticipated to be completed around the second quarter of 2009. The delay in completion is due principally to the decision to replace all the old refurbished engines with new engines. Although the decision to replace the engines will lead to higher capital expenditure, these new engines will enable the Explorer to have a higher level of operating performance when it begins drilling operations. It will also provide an opportunity for the Explorer to operate in deeper waters, thereby enhancing its potential earnings and value. Additional drilling equipment will have to be added to the Explorer to increase its drilling depth.

As a result of the greater extent of upgrade to those previously planned, Neptune has to raise additional funding in order to complete the Explorer.

To allow upgrading works to continue without disruption, the Company will be providing additional funding in the form of a US\$50 million loan through its wholly-owned subsidiary Turquoise Offshore Pte Ltd to Neptune (the "**Neptune Loan**").

Pending the completion of the Rights Issue, the Company's controlling shareholder, Morton Bay (Holdings) Pte Ltd ("**Morton Bay**"), had extended an interest-free 4 month loan of US\$50 million to the Company (the "**Jasper Loan**") under an intercompany loan agreement dated 24 December 2008 (the "**Jasper Loan Agreement**"), the proceeds of which will be used by the Company to fund the Neptune Loan.

The Company is proposing to undertake the Rights Issue to raise estimated net proceeds ("**Net Proceeds**") of S\$111.6 million (assuming that the maximum number of Rights Shares are fully subscribed) or US\$77 million (based on prevailing exchange rates) and after deducting estimated transaction expenses of approximately S\$0.5 million or US\$0.3 million, principally to repay the Jasper Loan.

Based on an undertaking by Morton Bay to subscribe for all of its entitlements under the Rights Issue as set out in Section 2.7 of this announcement, minimum net proceeds of approximately S\$81.7 million or US\$56.4 million ("**Minimum Net Proceeds**") would be raised, of which the Singapore Dollar equivalent of US\$50 million would be used to repay the Jasper Loan. The balance of the Minimum Net Proceeds, and any additional proceeds raised from the Rights Issue will be utilised for general working capital purposes of the Group and/or such other purposes as the Directors may deem fit.

Pursuant to the Jasper Loan Agreement, Morton Bay may (subject to the approval of the Singapore Exchange Securities Trading Limited and/or The Central Depository (Pte) Limited ("**CDP**") as applicable) set off any amount of subscription monies it is liable to pay for the Rights Shares against the amount of the Jasper Loan which is outstanding.

2.2 Proposed Principal Terms of the Rights Issue

The proposed Rights Issue will be offered on a renounceable basis to all Shareholders who are eligible to participate in the Rights Issue ("**Entitled Shareholders**") on the basis of three (3) Rights Shares for every four (4) Shares held by Entitled Shareholders as at the Books Closure Date at the Issue Price, fractional entitlements to be disregarded.

The Issue Price of S\$0.13 for each Rights Share represents a discount of approximately 35% to the closing price of S\$0.20 per Share on the Official list of the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 30 December 2008, being the last SGX-ST market day on which the Shares were traded immediately preceding this Announcement.

The Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares, except that they will not rank for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares. For this purpose, "**record date**" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the CDP in order to participate in such dividends, rights, allotments or other distributions.

Entitled Shareholders will be entitled to participate in the Rights Issue and receive an offer information statement together with the appropriate application forms and accompanying documents at their respective Singapore addresses.

2.3 Size of Rights Issue

For illustrative purposes only and based on the Company's issued share capital of 1,149,529,959 Shares as at the date hereof, the Company will issue up to 862,147,469 Rights Shares.

2.4 Eligibility of Shareholders to Participate in the Rights Issue

The Company proposes to provisionally allot Rights Shares to all Entitled Shareholders, who comprise Entitled Depositors and Entitled Scripholders (as defined below). Entitled depositors are Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least five (5) market days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents ("**Entitled Depositors**"). Entitled scripholders are Shareholders whose share certificates are not deposited with CDP and who have tendered to Lim Associates (Pte) Ltd ("**Share Registrar**") valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least five (5) market days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents ("**Entitled Scripholders**").

2.5 Provisional Allotments

Entitled Shareholders will be at liberty to accept, decline or otherwise renounce or trade their provisional allotments of the Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders' entitlements and will, together with the provisional allotments which are not taken up for any reason, be aggregated and used to satisfy excess applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company. In the allotment of excess Rights Shares, preference will be given to Shareholders for rounding of odd lots, and substantial Shareholders and Directors will rank last in priority.

2.6 Foreign Shareholders

For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Rights Issue is only made in Singapore and the Rights Shares will **NOT** be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least five (5) market days prior to the Books Closure Date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**"). The offer information statement ("**Offer Information Statement**") to be issued in relation to and for the purposes of the Rights Issue and the accompanying documents will not be mailed outside Singapore.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares, which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold "nil-paid" on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the expenses expected to be incurred. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to the Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their

names in the Depository Register as at the Books Closure Date and sent to them at their own risk by ordinary post, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager or CDP or their respective officers in connection therewith. Where such provisional allotments of Rights Shares are sold "nil-paid" on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager or CDP or their respective officers in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

2.7 Undertaking by Substantial Shareholder of the Company

Morton Bay, a substantial shareholder of the Company who holds 843,043,127 Shares, representing approximately 73.3% of the issued share capital of the Company as at the date of this announcement, has under a letter of undertaking entered into on 31 December 2008, unconditionally and irrevocably undertaken to the Company, *inter alia*, that it:

- (a) will maintain its direct interest in not less than 843,043,127 Shares until the issue of the Rights Shares under the Rights Issue provided that the Rights Issue is completed no later than 30 April 2009;
- (b) shall subscribe for all the 632,282,345 Rights Shares that it is entitled to subscribe for under the Rights Issue at the Issue Price provided that the Rights Issue is completed no later than 30 April 2009; and
- (c) shall vote, and shall procure that its representative or proxy votes, in favour of all resolutions relating to the Rights Issue which are proposed to be passed at an extraordinary general meeting ("**EGM**") of the Company (including any adjournment thereof) provided that the Rights Issue is completed no later than 30 April 2009 and the terms of the Rights Issue are the same as set out in a circular to Shareholders to be issued by the Company.

2.8 Non-Underwritten Rights Issue

A minimum amount of US\$50 million or S\$72.5 million (based on prevailing exchange rates) must be raised from the Rights Issue for the repayment of the Jasper Loan. In view of the abovementioned undertaking by Morton Bay, the Company believes that at least 632,282,345 Rights Shares would be taken up, raising the Minimum Net Proceeds of approximately S\$81.7 million or US\$56.4 million, which is sufficient to repay the Jasper Loan. As such, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

2.9 Extraordinary General Meeting

As the number of Rights Shares proposed to be issued is in excess of the limit authorised by the general share issue mandate approved by the Shareholders at its annual general meeting held on 30 July 2008, the Directors will convene a separate EGM to seek Shareholders' approval for the Rights Issue. A circular to Shareholders containing, *inter alia*, details of the Rights Issue and the notice of the EGM (the "**Circular**"), will be despatched to Shareholders in due course.

3. APPROVALS

3.1 The Rights Issue is subject to, *inter alia*, the following:-

- (i) the approval in-principle from the SGX-ST for the Rights Issue and the dealing in, listing of and quotation for the Rights Shares on the Official List of the SGX-ST;
- (ii) the approval by the Shareholders of the Rights Issue at the EGM; and
- (iii) the lodgement of the Offer Information Statement and its accompanying documents with the Monetary Authority of Singapore.

3.2 An application will be made by the Company to obtain the SGX-ST's approval for the dealing in, listing of and quotation for the Rights Shares and an appropriate announcement on the outcome of the application will be made in due course. The Offer Information Statement will be lodged with the Monetary Authority of Singapore and despatched to Entitled Shareholders in due course after approval in-principle of the SGX-ST has been obtained.

BY ORDER OF THE BOARD

Geoffrey Yeoh
Executive Director

31 December 2008