

JASPER INVESTMENTS LIMITED
(Company Registration No. 198700983H)

First Quarter Financial Statement Announcement for the Period Ended 30/06/2008

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	3 months ended		Change %
	30/06/2008 US\$'000	30/06/2007 US\$'000	
Revenue	31,315	1,522	1957%
Cost of sales	(16,422)	(1,331)	1134%
Gross Profit	14,893	191	7697%
Interest income	518	167	210%
Other income	274	399	-31%
Other expenses	(1,563)	(28)	5482%
Administrative and distribution expenses	(4,167)	(428)	874%
Interest expense	(950)	-	n/m
Profit from associate and joint venture	812	213	281%
Profit before taxation	9,817	514	1810%
Taxation	(8,078)	(66)	12139%
Profit for the year	1,739	448	288%
Attributable to:			
Equity holders of the Company	1,122	448	150%
Minority interests	617	-	n/m
	1,739	448	288%
EBITDA	16,893	382	4322%

Note :- EBITDA = profit before tax, interest, depreciation and amortisation.

- n/m = not meaningful

- The Company had changed its functional currency from Singapore Dollars (S\$) to United States Dollars (US\$) on 1 April 2008 as the Company's financing activities are carried out in US\$.

- The substantial percentage change between 30/6/2008 and 30/6/2007 was due to inclusion of Neptune's financial figures in Q1 FY2009.

Notes to income statement

Profit after taxation include the following :

Amortisation of intangible asset

Depreciation of plant and equipment

Foreign exchange gain

Group		
3 months ended		
30/06/2008	30/06/2007	Change
US\$'000	US\$'000	%
1,501	-	n/m
5,143	35	14594%
(418)	(7)	5871%

Breakdown on Other expenses

Bank transaction fee

Business development expenses

Group	
3 months ended	
30/06/2008	30/06/2007
US\$'000	US\$'000
(1,563)	-
-	(28)

Breakdown on Other income

Gain on disposal of subsidiary

Miscellaneous income

Group	
3 months ended	
30/06/2008	30/06/2007
US\$'000	US\$'000
-	360
274	39

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30/06/2008 US\$'000	31/03/2008 US\$'000	30/06/2008 US\$'000	31/03/2008 US\$'000
<u>Non-Current Assets</u>				
Property, plant and equipment	765,067	611,141	213	63
Intangible asset	23,265	41,730	-	-
Investments	36	36	36	36
Subsidiaries	-	-	141,226	121,060
Associate	5,951	5,295	1,900	1,900
Joint venture	136	136	136	136
	794,455	658,338	143,511	123,195
<u>Current Assets</u>				
Work-in-progress	2,178	1,512	-	-
Inventory	5,216	4,992	-	-
Trade and other receivables	16,113	11,130	110,137	1,261
Assets held for sale	-	-	-	-
Cash and bank balances	73,618	45,730	61,981	24,552
	97,125	63,364	172,118	25,813
Total Assets	<u>891,580</u>	<u>721,702</u>	<u>315,629</u>	<u>149,008</u>
<u>Capital and Reserves</u>				
Share capital	307,513	24,672	307,513	24,672
Reserves	8,041	9,264	7,495	7,877
	315,554	33,936	315,008	32,549
Minority interests	210,040	209,423	-	-
Total equity	525,594	243,359	315,008	32,549
<u>Non-Current Liabilities</u>				
Borrowings	65,135	199,673	-	115,000
Deferred taxation	47	46	-	-
	65,182	199,719	-	115,000
<u>Current Liabilities</u>				
Trade and other payables	70,847	53,522	621	1,459
Borrowings	229,811	224,958	-	-
Provision for taxation	146	144	-	-
	300,804	278,624	621	1,459
Total liabilities	365,986	478,343	621	116,459
Total Equity and Liabilities	<u>891,580</u>	<u>721,702</u>	<u>315,629</u>	<u>149,008</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

<u>As at 30/06/2008</u>		<u>As at 31/03/2008</u>	
<u>US\$'000</u>		<u>US\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
230,023	3,899	230,007	432

Amount repayable after one year

<u>As at 30/06/2008</u>		<u>As at 31/03/2008</u>	
<u>US\$'000</u>		<u>US\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
65,248	237	85,118	97

Notes:-

The Group's secured borrowings comprised term loans and finance lease which are secured by way of :-

- Legal mortgage of freehold property of a subsidiary
- Legal mortgage over certain vessels, plant and equipment of subsidiaries
- Assignment of bareboat charter and insurance of vessels of subsidiaries
- Pledge of shares in a subsidiary

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period.

	01/04/2008 TO 30/06/2008 US\$'000	01/04/2007 TO 30/06/2007 US\$'000
<u>Cash flows from operating activities</u>		
Profit before taxation	9,817	514
Adjustments for :		
Depreciation of property, plant and equipment	5,143	35
Exchange difference on translation	81	(160)
Interest income	(518)	(167)
Interest expenses	950	-
Amortisation of intangible asset	1,501	-
Gain on disposal / deconsolidation of subsidiaries	-	(432)
Foreign exchange gain - unrealised	(633)	-
Impairment in value of joint venture	1	1
Share of profit of associate and joint venture	(812)	(213)
Operating profit/(loss) before working capital changes	15,530	(422)
Changes in working capital		
-increase in inventories	(665)	(588)
-increase in work-in-progress	(223)	(181)
-(increase)/decrease in operating receivables	(4,937)	1,996
-increase/(decrease) in operating payables	9,020	(108)
Net cash generated from operating activities	18,725	697
<u>Cash flows from investing activities</u>		
Interest received	471	121
Acquisition of :		
-property, plant and equipment (Note A)	(141,904)	(13)
Net cash inflow from disposal of subsidiaries (Note B)	-	5,005
Net cash (used in)/generated from investing activities	(141,433)	5,113
<u>Cash flows from financing activities</u>		
Proceeds from issue of new shares (Note C)	280,434	-
Interest paid	(950)	-
Fixed deposits pledge as security	(5,152)	-
(Repayment to) / Loan from :		
-hire purchase creditor	(27)	(11)
-bank loan	(14,494)	-
-shareholder loan	(115,000)	-
Net cash generated from/(used in) financing activities	144,811	(11)
Net increase in cash and cash equivalents	22,103	5,799
Effect of foreign exchange rate changes	633	-
Cash and cash equivalents at the beginning	45,730	19,013
Cash and cash equivalents at the end (Note D)	<u>68,466</u>	<u>24,812</u>

(A) Purchase of property, plant and equipment

During the financial period, the Group acquired plant and equipment with an aggregate cost of US\$142,123,000 (2007 - US\$13,000) of which US\$219,000 (2007 - US\$Nil) was acquired by means of finance lease. Cash payments of US\$141,904,000 (2007 - US\$13,000) were made for the purchase.

(B) Disposal/deconsolidation of subsidiaries and joint ventures

The assets disposed of and liabilities discharged were as follows:-

Bank borrowings
Deferred taxation
Marketable securities
Inventories
Cash and bank balances
Receivables
Payables
Minority interests

Additional gain on disposal
Sales proceeds
Deferred sales proceeds received in April 2007
Currency exchange difference
Cash inflow / (outflow) from disposal of subsidiaries

01/04/2008 TO 30/06/2008 US\$'000	01/04/2007 TO 30/06/2007 US\$'000
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	432
-	432
-	4,575
-	(2)
-	5,005

(C) Issuance of shares

Issuance of shares
Cash consideration

01/04/2008 TO 30/06/2008 US\$'000	01/04/2007 TO 30/06/2007 US\$'000
280,434	-
280,434	-

(D) Cash and Cash Equivalents

Fixed deposits
Cash and bank balances

Fixed deposits pledged to bank
Cash and cash equivalents in consolidated cash flow statement

01/04/2008 TO 30/06/2008 US\$'000	01/04/2007 TO 30/06/2007 US\$'000
69,407	22,422
4,211	2,390
73,618	24,812
(5,152)	-
68,466	24,812

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the financial year ended 30/06/2008

	Share Capital US\$'000	Other Reserve US\$'000	Exchange Translation Reserve US\$'000	(Accumulated Losses)/ Retained Profits US\$'000	Grand Total S\$'000
Company					
Balance as at 01/04/2008	24,672	-	2,853	5,024	32,549
Issued during the period	280,434	-	-	-	280,434
Reclassification of exchange translation reserve	2,407	-	(2,853)	446	-
Currency translation difference recognised directly in equity	-	-	-	130	130
Profit for the period	-	-	-	1,895	1,895
Total recognised gains and losses for the period	-	-	-	2,025	2,025
Balance as at 30/06/2008	307,513	-	-	7,495	315,008
Balance as at 01/04/2007	19,046	414	-	7,324	26,784
Currency translation difference recognised directly in equity	-	-	(229)	-	(229)
Profit for the period	-	-	-	307	307
Total recognised gains and losses for the period	-	-	(229)	307	78
Balance as at 30/06/2007	19,046	414	(229)	7,631	26,862

Statement of Changes in Equity for the financial year ended 30/06/2008

	Share Capital US\$'000	Other Reserve US\$'000	Exchange Translation Reserve US\$'000	Total Reserve US\$'000	(Accumulated Losses)/ Retained Profits US\$'000	Minority Interests US\$'000	Grand Total US\$'000
Group							
Balance as at 01/04/2008	24,672	2,982	3,698	6,680	2,584	209,423	243,359
Issue during the year	280,434	-	-	-	-	-	280,434
Reclassification of exchange translation reserve	2,407	-	(2,407)	(2,407)	-	-	-
Currency translation difference recognised directly in equity	-	-	62	62	-	-	62
Loss for the period	-	-	-	-	1,122	617	1,739
Total recognised gains and losses for the period	-	-	62	62	1,122	617	1,801
Balance as at 30/06/2008	307,513	2,982	1,353	4,335	3,706	210,040	525,594
Balance as at 01/04/2007	19,046	3,396	502	3,898	7,226	-	30,170
Currency translation difference recognised directly in equity	-	-	(257)	(257)	-	-	(257)
Profit for the period	-	-	-	-	448	-	448
Total recognised gains and losses for the period	-	-	(257)	(257)	448	-	191
Balance as at 30/06/2007	19,046	3,396	245	3,641	7,674	-	30,361

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Rights Issue

On 22 April 2008, the Company had allotted and issued 19,158,834,830 new ordinary shares in the Company ("Rights Shares") at an issue price S\$0.02 pursuant to the Rights Issue.

Following the Rights Issue, the issued paid up share capital of the Company increased to 28,738,252,245 ordinary shares from 9,579,417,415.

Share Consolidation

Immediately after the Rights Issue, the Company undertook a share consolidation whereby every 25 shares held by shareholders of the Company after the Rights Issue was consolidated into one share. The share consolidation was completed on 25 April 2008.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares, excluding treasury shares, as at 30 June 2008 was 1,149,529,958 (post Share Consolidation) compared to 9,579,417,415 as at 31 March 2008.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not Applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

These figures have not been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed under item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as those applied for the audited financial statements for the year ended 31 March 2008.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Neptune Discoverer will be depreciated over 15 years from date of initial commencement of operations instead of 10 years after having reviewed the expected usage and considered class renewal surveys and inspections. The depreciation will decrease from US\$29.3 million per annum to US\$19.4 million per annum.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

The earnings per share is calculated by dividing the profit attributable to shareholders of US\$1,122,000 (30 June 2007: US\$448,000) by the weighted average number of shares of 894,078,871 (30 June 2007: 313,176,697 shares) in issue during the financial period.

The diluted earnings per share is calculated by dividing the profit attributable to shareholders of US\$1,122,000 (30 June 2007: US\$448,000) by the adjusted weighted average number of shares of 894,078,871 (30 June 2007: 371,378,937) in issue during the financial period.

Number of shares as at 30 June 2007 had been restated to include share consolidation on assumption that share consolidation had been effect on 1 April 2007.

	<u>30/06/2008</u>	<u>30/06/2007</u>
Basic EPS (in cents - US)	0.125	0.143
Fully diluted EPS (in cents - US)	0.125	0.121

7. Net assets value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the :-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	<u>Group</u>		<u>Company</u>	
	<u>30/06/2008</u>	<u>31/03/2008</u>	<u>30/06/2008</u>	<u>31/03/2008</u>
Net Assets Value ("NAV") per share (in cents - US)	27.45	8.86	27.40	8.49

NAV per share is calculated by dividing the net assets by the existing issued share capital of 1,149,529,958 shares (31 Mar 2008: 383,176,697 shares).

Number of shares as at 31 March 2008 had been restated to include share consolidation on assumption that share consolidation had been effect on 31 March 2008.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

From the Rights Issue proceeds, US\$115 million had been used to repay the bridging loan from Morton Bay. Part of the proceeds had also been used to reduce group borrowings and to fund short term advances to its subsidiaries.

On 24 April 2008 Neptune acquired a semi-submersible the Neptune Finder ("Finder") for US\$67 million which was funded by a bridging loan from Jasper.

The drillship, the Neptune Discoverer ("Discoverer") arrived off the coast of Venezuela on 10 June 2008 and commenced operations under a 4 year contract with Petroleos De Venezuela ("PDVSA"), the state oil company of Venezuela, to drill 21 natural gas production wells.

For Q1 FY2009, Group revenue grew by US\$29.8 million to US\$31.3 million compared to US\$1.5 million in Q1 FY2008. The significant increase in the Q1 revenues over the same period last year was attributable to the inclusion of Neptune's revenues.

The Group reported pretax profit of US\$9.8 million in Q1 FY2009. After deducting tax of US\$8.08 million, of which US\$7.92 million was withholding tax for income derived by Neptune in Venezuela, the Group registered a profit after tax and minority interest of US\$1.1 million in Q1 FY2009 as compared to US\$0.448 million in Q1 FY2008.

Offshore Drilling

Turnover was US\$25.9 million which includes mobilisation fee of US\$15.6 million and 21 days of drilling income amounting to US\$10.3 million for the Discoverer which is currently under operations for PDVSA. For the June period of operations, the Discoverer achieved a utilisation rate of 98.7%.

The other drillship, the Neptune Explorer ("Explorer") is currently undergoing upgrading works in Singapore and has not generated revenues for the Group. Neptune is currently evaluating options for the Finder.

Neptune generated an EBITDA of US\$16 million for the Q1 FY2009.

Net profit before tax contribution from Neptune was US\$9.1 million after deducting depreciation of US\$5.1 million, amortisation of intangible asset of US\$1.5 million and interest expense of US\$0.367 million. Additionally Neptune had withholding taxes of US\$7.92 million deducted at source for income derived from Venezuela at a rate of 30.6% of revenues. Minority interests' share of Neptune's profit was US\$0.617 million.

Building Services

Turnover for precast operations increased by 2.6 times from US\$1.5 million in Q1 FY2008 to US\$5.4 million in Q1 FY2009. Net profit before tax increased from US\$0.013 million in Q1 FY2008 to US\$0.43 million in Q1 FY2009. The increases in turnover and net profit were due to a higher level of business volume.

Our associate, Resource Piling saw revenues increasing by 2.4 times to US\$16.6 million in Q1 FY2009 from US\$4.8 million in Q1 FY2008 due to a high demand for piling services. Share of profit after tax from the associate totalled US\$0.655 million.

Balance Sheets

Non-current assets

The Group's non-current assets increased by US\$136.1 million from US\$658.3 million as at 31 March 2008 to US\$794.4 million as at 30 June 2008.

The increase in Plant and Equipment was mainly due to the acquisition of the Finder (cost of hull plus additional equipment amounting to US\$99.8 million), additional Explorer upgrading costs of US\$41.9 million and an adjustment to the fair value for the Explorer of US\$16.9 million adopted for Purchase Price Allocation ("PPA") for the acquisition of Neptune as a result of additional upgrading of the power systems and the continuing visibility of high contract day rates in the mid to deep water drilling activities. Offsetting this increase was a depreciation charge of US\$5.1 million.

Intangible assets reduced by US\$18.4 million due to amortisation charges and an adjustment to fair value as a result of adopting a higher rate of 20% (instead of 18%) contributory asset charge pertaining to plant and equipment in a Multi-period Excess Earnings model for PPA valuation.

Current assets

The Group's current assets registered an increase of US\$33.7 million from US\$63.4 million as at 31 March 2008 to US\$97.1 million as at 30 June 2008. The increase was mainly due to higher inventory and trade receivables which were in line with the higher volume of revenues. Increase in cash balances was due to unutilised proceeds from the Rights Issue.

Non-Current Liabilities

The Group's non-current liabilities decreased by US\$134.5 million from US\$199.7 million as at 31 March 2008 to US\$65.2 million as at 30 June 2008. This was mainly the result of decrease of US\$20 million in borrowing from a bank to fund the acquisition of Neptune and repayment of US\$115 million the interest free bridging loan from Morton Bay.

Current Liabilities

The increase in trade and other payables was mainly due to equipment purchases for the upgrading of the oil rigs. Also included in current liabilities was Neptune's bank loan amounting to US\$230 million, currently in the process of refinancing on a long term basis.

Negative working capital

As at 30 June 2008, the Group's current liabilities exceeded its current assets by US\$204 million. As announced on 11 July 2008, this was mainly due to Neptune's bank loan amount to US\$230 million due in December 2008. Neptune is in the process of refinancing the loan on a long term basis. As an update, Neptune has received commitments from banks for a US\$290 million term loan and is currently finalising documentation for the facility.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's performance for Q1 FY2009 results was in line with the sentiments expressed in the Group's full year results announced on 29 May 2008.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The offshore drilling market continues to show strong activity. According to industry studies, the floater market (comprising of drillships and semi-submersibles) have near full utilisation of active rigs.

The Discoverer is on contract off Venezuela. The Explorer is currently undergoing upgrading. Plans for the Finder is currently under evaluation.

11. Dividend

Current Financial Period Reported On

None.

Corresponding Period of the Immediately Preceding Financial Year

None.

Date payable

Not applicable.

Books closure date

Not applicable.

12. If no dividend has been declared / recommended, a statement to that effect.

No interim dividend has been recommended.

13. Negative assurance statement

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results to be false or misleading, in any material respect.

BY ORDER OF THE BOARD

Foo Soon Soon/Lee Mee Kium
Joint Company Secretaries
14 August 2008