

CIRCULAR DATED 2 MARCH 2009

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Circular is issued by Jasper Investments Limited (the “**Company**”). The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold all your shares in the capital of the Company, you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the enclosed Proxy Form to the purchaser or the bank, stockbroker or agent through whom you effected the sale for transmission to the purchaser.

Approval in-principle has been obtained from the SGX-ST for the dealing in, listing of and quotation for the Rights Shares (as defined below) on the Official List of the SGX-ST. Such approval in-principle is not to be taken as an indication of the merits of the Company, its subsidiaries, the Rights Issue or the Rights Shares.



Investments Limited

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE 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 (THE “RIGHTS ISSUE”)

Manager of the Rights Issue



CIMB-GK Securities Pte. Ltd.

(Company Registration No.: 198701621D)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	15 March 2009 at 10 a.m.
Date and time of Extraordinary General Meeting	:	17 March 2009 at 10 a.m.
Place of Extraordinary General Meeting	:	1 HarbourFront Walk #02-30 GV Vivocity Singapore 098585

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DEFINITIONS

Unless the context otherwise requires, the following words and expressions shall have the following meanings:

- 2008 Rights Issue and Share Consolidation** : The renounceable non-underwritten rights issue of 19,158,834,830 new Shares at an issue price of S\$0.02 for each new Share on the basis of two (2) new Shares for every one (1) then existing Share and the subsequent consolidation of every twenty-five (25) Shares in the post rights issue share capital of the Company into one (1) Share, both of which were approved by Shareholders at the extraordinary general meeting held on 19 March 2008 and completed in April 2008
- ARE** : Application and acceptance form for Rights Shares and Excess Rights Shares to be issued to Entitled Depositors in respect of the provisional allotments of Rights Shares of such Entitled Depositors under the Rights Issue
- ARS** : Application and acceptance form for Rights Shares to be issued to purchasers of the provisional allotments of Rights Shares under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system
- Ashmore Funds** : Asset Holder PCC No. 2 Limited re Ashmore Asian Recovery Fund, Ashmore Global Special Situations Fund 2 Limited and Ashmore Global Special Situations Fund 4 Limited Partnership, which together have invested in Morton Bay
- Board** : The Board of Directors of the Company
- Books Closure Date** : The time and date to be determined by the Directors, at and on which the Register of Members and Share Transfer Books of the Company will be closed to determine the provisional allotments of Rights Shares of Entitled Shareholders under the Rights Issue and in the case of Entitled Depositors, at and on which their provisional allotments under the Rights Issue will be determined
- Business Day** : A day other than a Saturday, Sunday and a day which is a public holiday
- CDP** : The Central Depository (Pte) Limited
- Closing Date** : The time and date to be determined by the Directors, being the last time and date for acceptance and/or excess application and payment, and renunciation and payment of, the Rights Shares under the Rights Issue
- Companies Act** : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
- Company** : Jasper Investments Limited
- Controlling Shareholder** : A person who, as defined in the Listing Manual, holds directly or indirectly 15% or more of the total number of issued Shares (excluding treasury shares) in the capital of the Company, or in fact exercises control over the Company

CPF	:	The Central Provident Fund
CPF Approved Bank	:	Any bank appointed by the CPF Board to be a bank under The Central Provident Fund (Investment Schemes) Regulations
CPF Investment Account	:	An account opened by a member of CPF with a CPF Approved Bank from which money may be withdrawn for, <i>inter alia</i> , payment of the Rights Shares pursuant to the Rights Issue
Director	:	A person holding office as a director of the Company as at the date of this Circular
EGM	:	The extraordinary general meeting of the Company to be held on 17 March 2009 at 10 a.m. for purposes of seeking Shareholders' approval for the Rights Issue, notice of which is given on page N - 1 of this Circular
Entitled Depositors	:	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 Scripholders	:	Shareholders whose share certificates have not been deposited with CDP and who have tendered to the 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 Shareholders	:	Entitled Depositors and Entitled Scripholders whose registered addresses with the Company or CDP, as the case may be, are in Singapore or who have, at least five (5) Market Days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents
EPS	:	Earnings per Share
Excess Rights Shares	:	The provisional allotments of Rights Shares which are not taken up by the Entitled Shareholders as at the close of the Rights Issue, and which may be applied for by other Entitled Shareholders which are in excess of the number of Rights Shares provisionally allotted to such Entitled Shareholders
Existing Shares	:	Ordinary shares in the capital of the Company prior to the Rights Issue
Foreign Shareholders	:	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 to CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents
FY	:	Financial year ended or ending 31 March
Group	:	The Company, its subsidiaries and associated companies

Latest Practicable Date	:	The latest practicable date prior to the printing of this Circular, being 26 February 2009
Listing Manual	:	The listing manual of the SGX-ST, including any amendments made thereto up to the Latest Practicable Date
Listing Rules	:	The listing rules of the SGX-ST
Manager	:	CIMB-GK Securities Pte. Ltd.
Market Day	:	A day on which the SGX-ST is open for trading in securities
Morton Bay	:	Morton Bay (Holdings) Pte Ltd
MTU	:	PT Multi Tambangjaya Utama
NAV	:	Net asset value
Neptune	:	Neptune Marine Oil & Gas Limited, a subsidiary of the Company
Neptune Group	:	Neptune and its subsidiaries
NTA	:	Net tangible assets
Ordinary Resolution	:	The proposed ordinary resolution relating to the Rights Issue
PAL	:	Provisional allotment letter to be issued to Entitled Scripholders, setting out the provisional allotments of Rights Shares under the Rights Issue
Record Date	:	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 Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
Resource Piling	:	Resource Piling Pte Ltd, an associated company of the Company
Rights Shares	:	Up to 862,147,469 new Shares to be allotted and issued by the Company pursuant to the Rights Issue
Scripholders	:	Shareholders with Shares registered in their own names in the Company's Register of Members
Securities Account	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
SGX-ST	:	Singapore Exchange Securities Trading Limited
Share Registrar	:	Boardroom Corporate & Advisory Services Pte. Ltd.
Shareholders	:	The registered holders for the time being of Shares, except that where the registered holder is CDP, the term Shareholders shall, where the context admits, mean the Depositors whose Securities Accounts are credited with Shares
Shares	:	Ordinary shares in the capital of the Company

S\$ and cents	:	Singapore dollars and cents respectively
Subsidiary	:	Has the meaning ascribed to it in the Companies Act (Chapter 50) of Singapore
Substantial Shareholder	:	A person who has an interest in the Shares where the total votes attached to such Shares are not less than 5% of the total votes attached to all the voting Shares in the Company
Turquoise	:	Turquoise Offshore Pte Ltd, a wholly-owned subsidiary of the Company
Undertaking Letter	:	The undertaking letter dated 31 December 2008 from Morton Bay to the Company, further details of which are set out in section 2.6 of this Circular
US\$:	The lawful currency of the United States of America
% or per cent	:	Percentage or per centum

The expressions “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively by Section 130A of the Companies Act.

Words importing the singular shall where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference to time and day in this Circular shall be a reference to Singapore time. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Act or the Listing Manual or any modification thereof and not otherwise defined in this Circular shall have the same meaning ascribed to it under the Act or the Listing Manual or any modification thereof, as the case may be, unless otherwise provided.

The total figures listed in certain tables included in this Circular may not be the same as the arithmetic addition of the figures. Any such discrepancies are due to rounding off.

All references to the exchange rate of S\$1.45 to US\$1.00 in this Circular are based on the prevailing exchange rate at the time of the announcement of the Rights Issue.

JASPER INVESTMENTS LIMITED

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

LETTER TO SHAREHOLDERS

Board of Directors:

Seumas Dawes (*Non-Executive Chairman*)
Oscar Spieler (*Non-Executive Director*)
Geoffrey Yeoh (*Executive Director*)
Heng Chiang Meng (*Independent Director*)
Steven Simpson (*Independent Director*)
David Chia (*Independent Director*)

Registered Office:

1 HarbourFront Avenue
#14-01 Keppel Bay Tower
Singapore 098632

2 March 2009

To: The Shareholders of Jasper Investments Limited

Dear Sir / Madam

THE PROPOSED 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, ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY FOUR (4) EXISTING SHARES HELD BY SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. INTRODUCTION

On 29 October 2008, the Company announced that Neptune Marine Invest AS (“NMI”), a wholly-owned subsidiary of 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**”) to refinance its existing bank loan and to fund the upgrading of the drillship, the “Neptune Explorer” (“**Explorer**”). Tranche A of the Facility, amounting to US\$120 million, was drawn down by the Company 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 Explorer.

The Explorer is anticipated to be completed around the second quarter of 2009. The delay in completion is due principally to the replacement of engines, installation of new equipment to increase drilling depth from 3,500 feet to 5,000 feet and certain rectification works. Although these changes will lead to higher capital expenditure, they will enable the Explorer to have a higher level of operating performance and to operate in deeper waters, thereby enhancing its potential earnings and value.

As a result of these changes and resulting delays, Neptune has to raise additional funding in order to complete the Explorer. To allow upgrading works to continue without disruption, the Company is providing additional funding in the form of a US\$50 million loan through its wholly-owned subsidiary, Turquoise, to Neptune (the “**Neptune Loan**”).

The Neptune Loan was funded by the Company’s Controlling Shareholder, Morton Bay, who had extended an interest-free 4-month short-term loan of US\$50 million to the Company (the “**Jasper Loan**”) under an inter-company loan agreement dated 24 December 2008 (the “**Jasper Loan Agreement**”), the proceeds of which are being used by the Company to fund the Neptune Loan.

As previously disclosed, excluding the Neptune Loan, the Company and Turquoise had provided intercompany loans to the Neptune Group totalling US\$100 million, disbursed during

the period from April 2008 to July 2008 for the purchase of the semi-submersible, the “Neptune Finder” (“**Finder**”), and for the upgrading works of the Explorer.

On 31 December 2008, the Board of Directors announced that the Company is proposing to seek Shareholders’ approval for 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, on the basis of three (3) Rights Shares for every four (4) Existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded (“**Rights Issue Announcement**”).

The Company is proposing to undertake the Rights Issue primarily to raise funds to, *inter alia*, repay Morton Bay the short-term Jasper Loan. In addition, the proceeds from the Rights Issue will also be used for the Group’s additional capital expenditure, general working capital purposes and/or such other purposes as the Directors may deem fit.

2. THE RIGHTS ISSUE

The Company had obtained a general share issue mandate (“**General Mandate**”) at its annual general meeting held on 30 July 2008 to allot and issue Shares in the capital of the Company up to an amount not exceeding 50% of the total number of issued Shares (excluding treasury shares) in the capital of the Company of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing Shareholders shall not exceed 20% of the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time the relevant resolution was passed, for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit.

Given that the size of the Rights Issue exceeds the limit permitted under the General Mandate, the Rights Issue will be subject to the specific approval by the Shareholders. The Company will retain the General Mandate for any possible future corporate exercises that involves the allotment and issue of Shares in the Company.

The Company has appointed CIMB-GK Securities Pte. Ltd. to manage the Rights Issue.

2.1 Overview of the Rights Issue

The Rights Issue is proposed to be made on a renounceable non-underwritten basis to Entitled Shareholders on the basis of three (3) Rights Shares for every four (4) Existing Shares held by Entitled Shareholders as at the Books Closure Date at an issue price of S\$0.13 for each Rights Share, fractional entitlements to be disregarded.

The proposed issue price of S\$0.13 for each Rights Share is at a discount of approximately 35% to the last transacted price of S\$0.20 per Share on 31 December 2008, being the last trading day of the Shares on the SGX-ST prior to the Rights Issue Announcement.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,149,529,959 Existing Shares. There are no outstanding options granted under the Company’s employee share option scheme. Hence up to 862,147,469 Rights Shares may be issued pursuant to the Rights Issue as at the Books Closure Date.

Morton Bay, a Substantial Shareholder holding approximately 73.34% of the total number of issued Shares in the capital of the Company as at the Latest Practicable Date, has undertaken to the Company to vote in favour of the Rights Issue at the EGM and to subscribe for its full entitlement to the Rights Shares. In view of the above undertaking, the Company believes that at least 632,282,345 Rights Shares would be taken up, raising sufficient net proceeds to repay the Jasper Loan. As such, the Company has decided to proceed with the Rights Issue on a non-underwritten basis. Details of the undertaking is provided in Section 2.6 of this Circular.

The Rights Shares are payable in full upon acceptance of the provisional allotments of the Rights Shares and/or application for the Excess Rights Shares. The Rights Shares, when

allotted and issued, will rank *pari passu* in all respects with the then Existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which falls on or after the date of issue of the Rights Shares.

Entitled Shareholders will be at liberty to accept (in full or in part), decline or otherwise renounce or trade (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

Disregarded fractional entitlements of Rights Shares will be aggregated with entitlements to the Rights Shares which are not taken up or allotted for any reason, and shall be used to satisfy excess applications for Rights Shares (if any) or otherwise sold and the net proceeds arising therefrom shall be retained for the benefit of the Company. In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and Substantial Shareholders and Directors will rank last in priority.

Provisional allotments of Rights Shares which would otherwise have been made to Foreign Shareholders will be dealt with in the manner described in Section 3.2 of this Circular.

2.2 Principal Terms of the Rights Shares

Issue Size	:	Up to 862,147,469 Rights Shares
Basis of Provisional Allotment	:	Three (3) Rights Shares for every four (4) Existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
Issue Price	:	The subscription price of S\$0.13 for each Rights Share, payable in full on acceptance of the provisional allotments of the Rights Shares and/or application for the Excess Rights Shares
Status of the Rights Shares	:	The Rights Shares, when allotted and issued, will rank <i>pari passu</i> in all respects with the then Existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which falls on or after the date of issue of the Rights Shares
Eligibility to Participate in Rights Issue	:	Please refer to Section 3 of this Circular
Listing of the Rights Shares	:	Approval in-principle by the SGX-ST for the listing of the Rights Shares on the Mainboard of the SGX-ST has been granted on 23 February 2009, subject to various conditions, details of which are set out in Section 2.3 of this Circular. The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Company, its Subsidiaries, the Rights Issue or the Rights Shares.
Trading of the Rights Shares	:	Upon the listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST, the Rights Shares will be traded on the SGX-ST under the book-entry (scripless) settlement system.
Use of CPF Funds	:	Entitled Shareholders who are CPF members participating in CPF's investment scheme may use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF accounts to pay for the subscription of their provisional allotments of the Rights Shares and (if applicable) the application for Excess Rights Shares, if they had previously bought their Shares

using CPF Funds. Such Entitled Shareholders who wish to accept the provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares using their CPF funds will need to instruct their respective CPF Approved Banks, where they hold their CPF Investment Accounts, to accept and (if applicable) apply for the Rights Shares on their behalf. CPF Funds may not, however, be used for the purchase of the provisional allotment of Rights Shares directly from the market.

Governing Law : Laws of the Republic of Singapore

The above terms and conditions of the Rights Issue are subject to such changes as the Directors, in consultation with the Manager, may deem fit. The final terms and conditions of the Rights Issue will be set out in the offer information statement (“**Offer Information Statement**”) to be despatched by the Company to Entitled Shareholders in due course, subject to, *inter alia*, the approval of Shareholders for the Rights Issue at the EGM.

2.3 Conditions for the Rights Issue

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.

On 23 February 2009, the SGX-ST granted its approval in-principle for the dealing in, listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST, subject to the following conditions:-

- (a) compliance with the SGX-ST’s listing requirements;
- (b) Shareholders’ approval for the Rights Issue;
- (c) submission of an undertaking to make periodic announcements as and when the Rights Issue proceeds are materially deployed providing details on the specific use of proceeds and to provide a status report on the details on the specific use of the Rights Issue proceeds in the annual report; and
- (d) submission of a confirmation that in the allotment of any Excess Rights Shares, preference will be given to the rounding of odd lots, and that Directors and Substantial Shareholders will rank last in priority.

The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Company, its Subsidiaries, the Shares, the Rights Issue or the Rights Shares. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

2.4 Purpose of Rights Issue and Use of Proceeds

2.4.1 Repayment of Jasper Loan

The Company is proposing to undertake the Rights Issue to raise estimated net proceeds (“**Net Proceeds**”) of up to approximately S\$111.6 million (assuming that the maximum number of Rights Shares are fully subscribed) or approximately US\$77 million (assuming an

exchange rate of S\$1.45 to US\$1.00) 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 2.6 of this Circular, minimum net proceeds of approximately S\$81.7 million or US\$56.4 million (“**Minimum Net Proceeds**”) would be raised, of which 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 additional capital expenditure, 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 SGX-ST and/or CDP) 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.

Pending the deployment of the net proceeds from the Rights Issue, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities or used for any other purposes of a short-term nature, as the Directors may deem appropriate in the interests of the Group.

The Company will make periodic announcements on the use of proceeds from the Rights Issue when materially disbursed and provide a status report on the use of proceeds in the annual report.

2.4.2 *Upgrading of the Explorer*

The Jasper Loan is being on-lent to Neptune (via the Neptune Loan) to fund the additional capital expenditure on the Explorer. In order to get the Explorer into an operationally-ready state, Neptune would have to raise funds from its other shareholders as well. In the event that Neptune’s fund raising exercise is unsuccessful or if the other shareholders of Neptune do not contribute their respective share of funding, the Group will have to consider alternative funding options including, *inter alia*, other modes of debt and equity financing and sale of assets. As at the Latest Practicable Date, there is no assurance that the Group would be able to raise sufficient funds to enable Neptune to get the Explorer to its operationally-ready state.

Should Neptune fail to raise sufficient funds from its shareholders and other alternative funding options set out above, it will delay the commencement of the Explorer’s operations and its ability to generate operating cashflows. This, in turn, may adversely affect the financial performance and financial position of the Group and its ability to meet its working capital requirements.

2.5 **Allotment of Excess Rights Shares**

In the allotment of any Excess Rights Shares, preference will be given to the rounding of odd lots and Directors and Substantial Shareholders will rank last in priority.

2.6 **Irrevocable Undertaking by Morton Bay**

As at the Latest Practicable Date, Morton Bay holds 843,043,127 Shares, representing approximately 73.34% of the total number of issued Shares in the capital of the Company.

To demonstrate its commitment to the Company, Morton Bay had by the Undertaking Letter, 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 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 the EGM (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 the Undertaking Letter.

2.7 Confirmation of Financial Resources

Morton Bay has provided to the Company a written confirmation dated 29 December 2008 from Ashmore Investment Management Limited (“**AIML**”) as investment manager of the Ashmore Funds that the Ashmore Funds or such other funds that are managed by AIML and which invest in Morton Bay will have sufficient funds available to it or them to capitalise Morton Bay to enable it to subscribe for its entitlements of Rights Shares under the Rights Issue.

Morton Bay may elect, at the time of its acceptance and/or application for the Rights Shares, to set off the Jasper Loan against the aggregate amount of subscription monies due and payable by Morton Bay for its subscription of its entitlements of the Rights Shares in accordance with the Undertaking Letter.

3. ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

3.1 Entitled Shareholders

Subject to the fulfilment of the relevant conditions set out in section 2.3 of this Circular, Entitled Shareholders will be entitled to participate in the Rights Issue and to receive the Offer Information Statement together with the AREs or PALs, as the case may be, at their respective Singapore addresses. Entitled Depositors who do not receive the Offer Information Statement and the AREs may obtain them from CDP during the period up to the Closing Date. Entitled Scripholders who do not receive the Offer Information Statement and the PALs may obtain them from the Share Registrar during the period up to the Closing Date.

Entitled Shareholders will be provisionally allotted the Rights Shares under the Rights Issue on the basis of their shareholdings as at the Books Closure Date. They are at liberty to accept, decline, renounce or in the case of Entitled Depositors only, trade on the SGX-ST (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotments of Rights Shares and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Fractional entitlements to any Rights Shares will be disregarded and will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and allocated to satisfy excess applications (if any) or sold and the net proceeds arising therefrom shall be retained for the benefit of the Company. Full details of the Rights Issue, including an indicative timetable of key events will be set out in the Offer Information Statement to be despatched to the Entitled Shareholders in due course.

All dealings in and transactions of the provisional allotments of the Rights Shares through the Mainboard of the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs to be issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the SGX-ST.

Entitled Scripholders are encouraged to open Securities Accounts if they have not already done so and to deposit their share certificates with CDP before the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and their provisional allotments of Rights Shares.

3.2 Foreign Shareholders

The Offer Information Statement and its accompanying documents relating to the Rights Issue will not be lodged, registered or filed in any jurisdiction other than Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than in Singapore, the Rights Issue is only made in Singapore and the Offer Information Statement and its accompanying documents will not be despatched to Foreign Shareholders or into any jurisdictions outside Singapore.

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of the Rights Shares will be made to Foreign Shareholders and no purported acceptance of the provisional allotments of the Rights Shares or application for the Excess Rights Shares by Foreign Shareholders will be valid.

The Offer Information Statement and its accompanying documents relating to the Rights Issue will also not be despatched to persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited by CDP to their Securities Accounts should make the necessary arrangements with their depository agents or stockbrokers in Singapore.

The Company reserves the right to treat as invalid any ARE, ARS or PAL which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore or (c) purports to exclude any deemed representation or warranty. The Company further reserves the right to reject any acceptances of the provisional allotments of the Rights Shares and/or applications for Excess Rights Shares where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction.

Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP. Depositors who wish to be eligible to participate in the Rights Issue must notify and provide CDP in writing with an address in Singapore for the purpose of receiving documents relating to the Rights Issue. Depositors are reminded that any request to CDP to update its records or to effect any change in address must reach CDP at 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807, at least five (5) Market Days before the Books Closure Date.

Scripholders who wish to be eligible to participate in the Rights Issue must provide a Singapore address by notifying in writing to the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., of 3 Church Street, #08-01, Samsung Hub, Singapore 049483, not later than five (5) Market Days before the Books Closure Date.

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 Mainboard of 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 expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to 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. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall be retained or dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, Manager, CDP, CPF Board or the Share Registrar in connection therewith.

Where such provisional allotments of Rights Shares are sold "nil-paid" on the Mainboard of 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, Manager, CDP, CPF Board or the Share Registrar in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be allotted and issued to satisfy excess applications for Rights Shares or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, Manager, CDP, CPF Board or the Share Registrar in connection therewith. 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.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

Notwithstanding the above, Shareholders and any other person having possession of the Offer Information Statement and/or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving the Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in those territories. All fractional entitlements to the Rights Shares will be disregarded in arriving at the entitlements of the Entitled Shareholders and will, together with entitlements not allotted or taken up for any reason, be aggregated and issued to satisfy applications, if any, for Excess Rights Shares or sold and the net proceeds arising therefrom shall be retained for the benefit of the Company.

The procedures for, and the terms and conditions applicable to, the acceptance, renunciation and/or sale of the provisional allotments of Rights Shares and for application for Excess Rights Shares pursuant to the Rights Issue will be set out in the Offer Information Statement and its accompanying documents to be despatched by the Company to Entitled Shareholders in the event that the Rights Issue is approved at the EGM.

4. FINANCIAL EFFECTS OF THE RIGHTS ISSUE

The following proforma financial effects analyses of the Rights Issue are based on the Company's audited consolidated financial statements for the financial year ended 31 March 2008 and have been prepared on, among other things, the following bases and assumptions:-

- (a) in the calculation of the financial effects of the Rights Issue on NAV and NAV per Share as well as gearing, it is assumed that the Rights Issue had been effected on 31 March 2008;

- (b) in the calculation of the financial effects of the Rights Issue on EPS, it is assumed that the Rights Issue had been effected on 1 April 2007 and no returns have been earned on the proceeds of the Rights Issue;
- (c) the Jasper Loan was drawn on 31 March 2008; and
- (d) the exchange rate for S\$ to US\$ is S\$1.45 to US\$1.

The proforma analyses below have been prepared solely for illustrative purposes and do not purport to be indicative or a projection of the results and financial position of the Company or the Group after the completion of the Rights Issue.

4.1 Share Capital

The proforma financial effects of the Rights Issue on the share capital of the Company are as follows:-

	As at 31 March 2008 and adjusted for the 2008 Rights Issue and Share Consolidation ⁽¹⁾		Adjusted for the Rights Issue assuming only the Undertaking Shareholder subscribes for its entitlement under the Rights Issue		Adjusted for the Rights Issue assuming the Rights Issue is fully subscribed and 862,147,469 Rights Shares are issued	
	US\$'000	No. of Shares	US\$'000	No. of Shares	US\$'000	No. of Shares
Issued and paid up capital	307,513	1,149,529,959	363,852	1,781,812,304	384,460	2,011,677,428

Note:

- (1) Pursuant to the 2008 Rights Issue and Share Consolidation, the Company had in April 2008 allotted and issued 19,158,834,830 new Shares at S\$0.02 each, increasing the then issued share capital of the Company to 28,738,252,245 Shares. The issued share capital of the Company was subsequently reduced to 1,149,529,959 Shares after a 25-to-1 share consolidation in April 2008.

4.2 NAV

The proforma financial effects of the Rights Issue on the NAV and NAV per Share are as follows:-

	As at 31 March 2008 and adjusted for the 2008 Rights Issue and Share Consolidation		Adjusted for the Rights Issue assuming only the Undertaking Shareholder subscribes for its entitlement under the Rights Issue		Adjusted for the Rights Issue assuming the Rights Issue is fully subscribed and 862,147,469 Rights Shares are issued	
	NAV (in US\$'000)		314,370		370,709	
Number of Shares		1,149,529,959		1,781,812,304		2,011,677,428
NAV per Share (in US cents)		27.35		20.81		19.45

4.3 Gearing

The proforma financial effects of the Rights Issue on the gearing of the Group are as follows:-

	As at 31 March 2008 and adjusted for the 2008 Rights Issue and Share Consolidation		Adjusted for the Rights Issue assuming only the Undertaking Shareholder subscribes for its entitlement under the Rights Issue		Adjusted for the Rights Issue assuming the Rights Issue is fully subscribed and 862,147,469 Rights Shares are issued	
	Total Borrowings ⁽¹⁾ (in US\$'000)		225,172		225,172	
Shareholders' Funds (in US\$'000)		314,370		370,709		391,317
Gearing ⁽²⁾ (times)		0.72		0.61		0.58

Notes:

- (1) Total Borrowings is stated after adjusting for the repayment of a US\$115 million loan provided by Morton Bay for the acquisition of Neptune and bank term loan of US\$85 million after the 2008 Rights Issue and Share Consolidation.
- (2) Gearing is computed based on the ratio of Total Borrowings to Shareholders' Funds.
For the purposes of the above calculations, the following expressions bear the meanings set out below:
- (a) "Shareholders' Funds" means the aggregate of the issued and paid-up capital, revenue reserves and other reserves of the Group.
- (b) "Total Borrowings" means the total amount of consolidated liabilities arising from borrowings.

4.4 Earnings and EPS

The proforma financial effects of the Rights Issue on the earnings attributable to Shareholders and EPS are as follows:-

	As at 31 March 2008 and adjusted for the 2008 Rights Issue and Share Consolidation	Adjusted for the Rights Issue assuming only the Undertaking Shareholder subscribes for its entitlement under the Rights Issue	Adjusted for the Rights Issue assuming the Rights Issue is fully subscribed and 862,147,469 Rights Shares are issued
Earning attributable to Shareholders (in US\$'000)	(4,642)	(4,642)	(4,642)
EPS (in US cents)	(0.40)	(0.26)	(0.23)

5. REVIEW OF PAST PERFORMANCE**5.1 Profit and Loss Statement**

A summary of the Group's profit and loss statement for the last three financial years, 9 months ended 31 December 2007 ("**9M FY2008**") and 9 months ended 31 December 2008 ("**9M FY2009**") is tabulated below:

The Group

US\$'000	Audited FY2006	Audited FY2007	Audited FY2008	Unaudited 9M FY2008	Unaudited 9M FY2009
Revenue	12,067	13,978	45,315	19,226	119,637
Cost of Sales	(10,759)	(12,244)	(36,282)	(13,246)	(63,148)
Gross profit	1,308	1,734	9,033	5,980	56,489
Interest income	237	558	796	605	644
Interest expenses	-	-	(3,049)	(2,055)	(7,243)
Other income	2,196	5,156	2,259	1,358	747
Administrative and distribution expenses	(1,545)	(1,963)	(5,212)	(1,558)	(13,044)
Other expenses	(1,675)	(475)	(12,865)	(1,535)	(3,612)
Share of profits of associate and joint venture	603	1,247	2,323	1,450	6,089
Profit before taxation	1,124	6,257	(6,715)	4,245	40,070
Taxation	(162)	(386)	(415)	(3,050)	(33,391)
Profit after taxation from continuing operations	962	5,871	(7,130)	1,195	6,679
Loss from discontinued operations	(177)	(1)	-	-	-
Profit for the year	785	5,870	(7,130)	1,195	6,679
Attributable to:					
Equity holders of Company	819	5,870	(4,642)	(139)	5,192
Minority interests	(34)	-	(2,488)	1,334	1,487
	785	5,870	(7,130)	1,195	6,679

A review of the operations, business and financial performance of the Group for the last three financial years and 9M FY2009 are set out below:

FY2007 vs FY2006

Revenue increased by approximately 14.9% from approximately US\$12.1 million in FY2006 to approximately US\$13.9 million in FY2007. However, the revenue in FY2006 included approximately US\$2.8 million from the discontinued building materials trading business under the Company's subsidiary, ECI Corporation Pte Ltd ("**ECI**"). If that revenue from ECI had not been included in Group revenue, revenue would be approximately US\$9.3 million in FY2006 and the increase in Group revenue in FY2007 would have been 49%.

ECI registered higher profits of approximately US\$1.0 million for FY2007, mainly as a result of the cessation of its unprofitable trading business of building materials. Revenue from its precast operations increased by approximately 44% from approximately US\$9.6 million in FY2006 to approximately US\$13.8 million in FY2007 as a result of the increase in demand for reinforced concrete piles. This was in line with the increase in construction and building activities in FY2007.

An associated company, Resource Piling, also benefited from the continued buoyant demand for piling work in the residential and commercial property markets. Revenue from Resource Piling increased by approximately 42% from approximately US\$19.9 million in FY2006 to approximately US\$28.3 million in FY2007.

The Group's profit before tax was approximately US\$6.3 million in FY2007 compared to approximately US\$1.1 million in FY2006. The increase was mainly due to (i) a gain on disposal of its Indonesian subsidiary, MTU, of approximately US\$4.6 million, (ii) the recovery of debts of approximately US\$203,000, (iii) the sales of scrap of approximately US\$78,000 and (iv) a gain on disposal of an unquoted investment of approximately US\$198,000. In addition, the Group's associate and joint venture also increased their contributions by approximately US\$0.6 million to approximately US\$1.2 million for FY2007.

Profit attributable to Shareholders increased by approximately 638% from approximately US\$0.8 million in FY2006 to approximately US\$5.9 million in FY2007.

FY2008 vs FY2007

On 12 December 2007, the Company, through its wholly owned subsidiary Turquoise, completed the acquisition of Neptune. This marked a fundamental shift in the Company's strategic focus as it had identified the offshore marine industry, supporting oil and gas exploration and production activities, as its core business.

Turquoise currently holds approximately 51.94% of Neptune. Under the terms of the share purchase agreement dated 17 November 2007 between Turquoise, Primepoint Holdings Ltd ("**Primepoint**"), Mr. Idar A. Iversen ("**Iversen**") and the Company, 3.5% of Neptune will be transferred to Iversen on the date falling 18 months after the completion of the acquisition of Neptune, after which Turquoise will then hold approximately 48.44% of Neptune. Neptune had been consolidated at approximately 48.44% in the Company's consolidated financial statements by virtue of the Company having control of Neptune in accordance with Financial Reporting Standard ("**FRS**") 27.

Revenue increased by approximately 226% from approximately US\$13.9 million in FY2007 to approximately US\$45.3 million in FY2008. The growth came mainly from its new offshore drilling business which contributed approximately US\$37.9 million.

Profit before tax decreased by approximately 206% from approximately US\$6.3 million in FY2007 to a deficit of approximately US\$6.7 million in FY2008. This was mainly due to legal, financial and restructuring costs of approximately US\$12.0 million relating to the acquisition of Neptune.

Profit attributable to Shareholders decreased by approximately 178% from approximately US\$5.9 million in FY2007 to a deficit of approximately US\$4.6 million in FY2008.

Offshore Drilling

Neptune's results were consolidated for the period of three and a half months after completion of its acquisition by Turquoise.

Neptune's revenue was approximately US\$37.9 million, primarily attributable to the mobilisation fee received for the drillship, the Neptune Discoverer ("**Discoverer**") which had been contracted out to Petroleos de Venezuela S.A. ("**PDVSA**"), the state oil company of Venezuela. The Discoverer commenced operations in June 2008.

The other drillship, the Explorer is currently undergoing upgrading works and has not generated revenue for the Group.

Interest expenses of approximately US\$1.4 million were incurred for Neptune's bank loan of approximately US\$230 million. Another approximately US\$1.7 million of interest was charged on a loan of approximately US\$85.0 million to fund the acquisition of Neptune.

Neptune suffered a loss of approximately US\$4.8 million in FY2008. Included in the results was a one-time charge of approximately US\$10.1 million which comprised the cost for redemption of staff share options of approximately US\$1.3 million, bank transaction fees of approximately US\$3.1 million and bond redemption fees of approximately US\$5.7 million.

Excluding the one-time charge of approximately US\$10.1 million, Neptune would have contributed a net profit of approximately US\$5.3 million. Minority share of Neptune's loss was approximately US\$2.5 million.

Building Services

ECI's revenue decreased from approximately US\$13.9 million in FY2007 to approximately US\$7.4 million in FY2008. Its net profit before tax decreased by approximately 76% to approximately US\$230,000 from approximately US\$961,000 in FY2007. The decrease in revenue and net profit was mainly due to an increase in the price of the raw materials, which resulted in ECI's products being less competitive compared to imports from Malaysia.

Revenue from Resource Piling increased by approximately 52% from approximately US\$28.3 million in FY2007 to approximately US\$43.2 million in FY2008. The share of profit after tax from this associate totalled approximately US\$1.9 million.

9M FY2009 vs 9M FY2008

Revenue increased by approximately US\$100.4 million to approximately US\$119.6 million in 9M FY2009 compared to approximately US\$19.2 million in 9M FY2008. This was attributable to the recognition of 9 months' revenue of approximately US\$102.8 million from Neptune Group as compared to recognition of only half a month's revenue of approximately US\$13.8 million in the same period during the last financial year.

Profit before tax was approximately US\$40.1 million in 9M FY2009 compared to approximately US\$4.2 million in 9M FY2008. After deducting tax of approximately US\$33.4 million, of which approximately US\$31.6 million was withholding tax expense incurred by Neptune operating in Venezuela, the Group recorded a profit after tax and minority interest of approximately US\$5.2 million in 9M FY2009 compared to a loss of approximately US\$0.1 million for 9M FY2008.

Offshore Drilling

Revenue from offshore drilling operations increased from approximately US\$13.8 million in 9M FY2008 to approximately US\$102.8 million in 9M FY2009. The increase in revenue was mainly due to the commencement of operations by the Discoverer in June 2008. Neptune's revenue in 9M FY2009 included a mobilisation fee of approximately US\$15.6 million and drilling income of approximately US\$87.2 million.

For the period from October to December 2008, the Discoverer achieved the following technical operating performance rates:-

October 2008	–	approximately 98.9%
November 2008	–	approximately 85.0%
December 2008	–	approximately 29.6%

The drop in operating performance rate in December 2008 compared to the previous two months was due to problems caused by a mooring line on the Discoverer, resulting in subsequent damage to certain subsea equipment. This incident resulted in some downtime for which the Group's subsidiary, Neptune Marine & Drilling Pte. Ltd ("NMD"), claimed standby rates from its client. The Explorer is currently undergoing upgrading works and has yet to generate revenue for the Group.

Neptune generated earnings before interest, depreciation and amortisation of approximately US\$29.7 million in 9M FY2009.

Net profit after tax attributed to Neptune was approximately US\$1.4 million in 9M FY2009 after offsetting depreciation of approximately US\$15.1 million, amortisation of intangible asset of approximately US\$4.7 million, interest expenses of approximately US\$7.1 million and taxation of approximately US\$31.6 million. Minority share of Neptune's profit was approximately US\$1.5 million in 9M FY2009.

Building Services

Revenue for precast operations increased by approximately 211% from approximately US\$5.4 million in 9M FY2008 to approximately US\$16.8 million in 9M FY2009. Net profit before tax increased from approximately US\$111,000 for 9M FY2008 to approximately US\$902,000 in 9M FY2009.

Share of Resource Piling's results after tax increased by approximately 308% to approximately US\$4.9 million in 9M FY2009 compared to approximately US\$1.2 million in 9M FY2008.

5.2 Cashflow

A summary of the cash flow statements of the Group for the last three financial years and 9M FY2009 are set out below:

US\$'000	Audited FY2006	Audited FY2007	Audited FY2008	Unaudited 9M FY2009
Profit/(loss) before taxation	1,124	6,257	(6,715)	40,070
Adjustment for non-cash or non-operating items	231	(6,458)	16,373	19,687
Operating profit before working capital changes	1,355	(201)	9,658	59,757
Working capital changes	4,344	1,021	14,002	(56,131)
Cash generated from operations	5,699	820	23,660	3,626
Income tax (paid)/recovered	-	(94)	(104)	198
Net cash generated from operating activities	5,699	726	23,556	3,824
Net cash (used in)/generated from investing activities	615	1,337	(146,870)	(199,766)
Net cash (used in)/generated from financing activities	9,736	(99)	144,424	214,084
Net (decrease)/increase in cash and cash equivalents	16,050	1,964	21,110	18,142
Cash and cash equivalents at beginning	999	17,049	19,013	45,730
Effects of foreign exchange rate changes	-	-	(317)	-
Cash and cash equivalents at the end of period	17,049	19,013	39,806	63,872

FY2006

Net cash generated from operating activities was approximately US\$5.7 million in FY2006 arising mainly from the Group's operating profit and the decrease in working capital requirements during the year.

Net cash generated from investing activities was approximately US\$0.6 million. The cash inflow was mainly due to the interest received and the proceeds arising from the disposal of quoted equity investments.

Net cash generated from financing activities was approximately US\$9.7 million. This was mainly due to the issue of Shares to creditors participating in a scheme of compromise and arrangement. The operating, investing and financing activities of the Group led to an increase of cash and cash equivalents of approximately US\$16.1 million during the financial year.

FY2007

Net cash generated from operating activities was approximately US\$0.7 million in FY2007 arising mainly from the decrease in working capital requirements.

Net cash generated from investing activities was approximately US\$1.3 million. The cash inflow was mainly due to interest received and proceeds arising from the disposal of quoted equity investments and unquoted investments.

Net cash used in financing activities was approximately US\$0.1 million. This was mainly due to repayment of a bank loan during the year.

The operating, investing and financing activities of the Group led to an increase of cash and cash equivalents of approximately US\$2 million during the financial year.

FY2008

Net cash generated from operating activities was approximately US\$23.6 million in FY2008. The cash inflow from operating activities was due to the decrease in working capital requirements partially offset by the Group's operating loss in FY2008.

Net cash used in investing activities amounted to approximately US\$146.9 million. The cash outflow from investing activities was mainly due to the acquisition of Neptune and plant and equipment. This was partially offset by the cash inflow arising from the disposal of MTU.

Net cash generated from financing activities amounted to approximately US\$144.4 million. The cash inflow from financing activities was mainly due to cash inflows from the bridging loan provided by Morton Bay and the proceeds received from bank loans.

The operating, investing and financing activities of the Group led to an increase of cash and cash equivalents (net of exchange rate changes) of approximately US\$21.1 million during the financial year.

9M FY2009

Net cash generated from operating activities was approximately US\$3.8 million, attributable mainly to the Group's operating profit partially offset by the increase in working capital requirements during the period.

Net cash used in investing activities was approximately US\$199.8 million. The cash outflow from investing activities was mainly due to the acquisition of plant and equipment amounting to approximately US\$201.4 million attributable mainly to the acquisition of the Finder and equipment. This was partially offset by an interest received and the dividends received from a joint venture.

Net cash generated from financing activities amounted to approximately US\$214.1 million.

The cash inflow from financing activities was mainly due to the proceeds received from the issuance of new Shares under the Company's rights issue completed in April 2008. This was partially offset by the repayment of shareholder and bank loans.

The operating, investing and financing activities led to an increase of cash and cash equivalents (net of exchange rate changes) of approximately US\$18.1 million during the financial year.

5.3 Working Capital

The working capital of the Group for the past three (3) financial years and 9M FY2009 are as follows:-

US\$'000	Audited As at 31 March 2006	Audited As at 31 March 2007	Audited As at 31 March 2008	Unaudited As at 31 December 2008
Current assets	23,228	29,007	63,364	109,681
Current liabilities	2,337	2,673	278,624	351,488
Net current assets/(liabilities)	20,891	26,334	(215,260)	(241,807)

FY2007 vs FY2006

Working capital increased by approximately US\$5.4 million from approximately US\$20.9 million as at 31 March 2006 to approximately US\$26.3 million as at 31 March 2007 mainly due to (i) an increase in other receivables which included approximately US\$4.7 million in consideration for MTU which was received subsequent to the financial year end and (ii) an increase in cash from operations of approximately US\$1.1 million. Total current liabilities increased slightly by approximately US\$330,000 due to an increase in trade payables.

FY2008 vs FY2007

Working capital decreased by approximately US\$241.6 million from a surplus of approximately US\$26.3 million as at 31 March 2007 to a deficit of approximately US\$215.3 million as at 31 March 2008 mainly due to (i) the effect of the Group's acquisition of Neptune in December 2007 and (ii) the consequential consolidation of Neptune's accounts which included a bank loan of approximately US\$230 million due in December 2008.

9M FY2009 vs FY2008

Working capital was at a deficit of approximately US\$241.8 million as at 31 December 2008 compared to a deficit of approximately US\$215.3 million as at 31 March 2008. Current liabilities increased by approximately US\$72.9 million due to an additional US\$35 million in borrowings to fund equipment purchases and a US\$50 million interest free bridge loan from Morton Bay. Current assets increased by approximately US\$46.3 million in 9M FY2009. Trade receivables increased by approximately US\$21.1 million mainly as a result of the Discoverer commencing operations in Venezuela. Cash and bank balances increased by approximately US\$20.8 million in 9M FY2009 due mainly to a loan from Morton Bay (a bridging loan in anticipation of a proposed rights issue) which is being used to fund Explorer's capital expenditure.

The adequacy of the working capital of the Group is dependent, *inter alia*, on the following:

- the Group's internal resources;
- the Rights Issue being successfully completed;
- Neptune being successful in raising funds, either from its shareholders or from other modes of debt and equity financing or sale of assets, for the commencement of the Explorer;
- the Group's major contracts and operations do not face material disruption or termination;
- no material contingent liability materialises; and
- the banks do not accelerate the repayment of the Group's loans and/or withdraw the credit facilities provided to the Group.

5.4 Balance Sheet

A summary of the Group's balance sheet at the end of each of the last three financial years and 9M FY2009 is tabulated as follows:

US\$'000	Audited As at 31 March 2006	Audited As at 31 March 2007	Audited As at 31 March 2008	Unaudited As at 31 December 2008
Assets				
Non-current assets	3,443	4,016	658,338	845,240
Current assets	23,228	29,007	63,364	109,681
	26,671	33,023	721,702	954,921
Equity				
Equity attributable to Shareholders	24,300	30,170	33,936	319,915
Minority interest	-	-	209,423	211,487
	24,300	30,170	243,359	531,402
Liabilities				
Non-current liabilities	34	180	199,719	72,031
Current liabilities	2,337	2,673	278,624	351,488
	2,371	2,853	478,343	423,519
Total Equity and Liabilities	26,671	33,023	721,702	954,921

Non-current assets

The non-current assets as at 31 December 2008 comprised (i) property, plant and equipment of approximately US\$814.5 million, which mainly relate to the ownership of Neptune's drillships, (ii) intangible assets of approximately US\$21.2 million from the acquisition of Neptune and (iii) other non-current assets of approximately US\$9.6 million.

Current assets

Current assets as at 31 December 2008 comprised work-in-progress and inventory of approximately US\$11.0 million, cash and cash equivalents of approximately US\$66.5 million and trade and other receivables of approximately US\$32.2 million.

Non-current liabilities

Non-current liabilities as at 31 December 2008 comprised borrowings of approximately US\$72.0 million and deferred taxation of approximately US\$44,000.

Current liabilities

Current liabilities as at 31 December 2008 comprised trade and other payables of approximately US\$54.1 million, borrowings of approximately US\$296.3 million and provision for taxation of approximately US\$1.0 million.

Total equity

Total equity as at 31 December 2008 comprised share capital of approximately US\$307.5 million, retained profits and other reserves of approximately US\$12.4 million and minority interests of approximately US\$211.5 million.

Over the past 3 financial years and 9M FY2009, the Group's balance sheet had expanded significantly. This was mainly due to certain key events that included the following:-

- Pursuant to a scheme of compromise and arrangement in FY2006, the Group's total equity increased by approximately US\$15.1 million from approximately US\$9.2 million as at 31 March 2005 to approximately US\$24.3 million as at 31 March 2006. This was mainly due to (i) the issuance of new Shares to Morton Bay which resulted in an increase in shareholders' capital of approximately US\$9.6 million in September 2005 and (ii) the conversion of a US\$4.5 million loan owing to a bank into Shares.
- With the acquisition of Neptune in FY2008, non-current assets increased by approximately US\$654.3 million from approximately US\$4 million in FY2007 to approximately US\$658.3 million in FY2008. This was due mainly to the consolidation of Neptune's accounts, which had (i) fixed assets of approximately US\$609.5 million, mainly comprising the Discoverer and the Explorer and (ii) intangible assets of approximately US\$42 million. Current assets as at 31 March 2008 had also increased by approximately US\$34.4 million over 31 March 2007, of which Neptune accounted for approximately US\$28.6 million.
- During FY2008, the Group's non-current liabilities increased by approximately US\$199.5 million mainly due to a US\$115 million bridging loan from Morton Bay and a US\$85 million from a bank to fund the acquisition of Neptune. Current liabilities increased by approximately US\$275.9 million mainly due to the consolidation of (i) Neptune's trade and other payables of approximately US\$44.1 million and (ii) Neptune's bank loan of approximately US\$230 million.
- During 9M FY2009, non-current assets increased by approximately US\$186.9 million mainly due to (i) the acquisition of the Finder and equipment and (ii) the additional capital expenditure on the Explorer incurred by the Group.
- The 2008 Rights Issue and Share Consolidation during 9M FY2009 resulted in an increase in the Group's share capital by approximately US\$282.8 million. In addition, the proceeds from the 2008 Rights Issue and Share Consolidation had been used to reduce bank borrowings and to repay the US\$115 million bridging loan from Morton Bay.
- During 9M FY2009, the Group had also on 29 October 2008, signed the Facility with a group of banks, which subsequently led to the reclassification of US\$72 million from short-term borrowings to long-term borrowings.

6. SHAREHOLDING EFFECTS

Assuming that the proposed Rights Issue is approved by Shareholders, the illustrative effects of the completion of the Rights Issue on the shareholding structure of the Company (based on the shareholding information available to the Company as at the Latest Practicable Date) are set out below:-

Scenario 1: Assuming that no Shareholder other than Morton Bay subscribes for its entitlement under the Rights Issue

	No. of Shares held prior to the completion of the Rights Issue	Shareholding percentage prior to the completion of the Rights Issue (%)	No. of Rights Shares Subscribed	No. of Shares held immediately after the completion of the Rights Issue	Shareholding percentage immediately after the completion of the Rights Issue (%)
Substantial Shareholder					
Morton Bay	843,043,127	73.34	632,282,345	1,475,325,472	82.80

	No. of Shares held prior to the completion of the Rights Issue	Shareholding percentage prior to the completion of the Rights Issue (%)	No. of Rights Shares Subscribed	No. of Shares held immediately after the completion of the Rights Issue	Shareholding percentage immediately after the completion of the Rights Issue (%)
Directors					
Geoffrey Yeoh	320,000	0.03	-	320,000	0.02
Heng Chiang Meng	480,000	0.04	-	480,000	0.03
Steven Simpson	142,000	0.01	-	142,000	0.01
David Chia	100,000	0.01	-	100,000	0.01
Public Shareholders	305,444,832	26.57	-	305,444,832	17.14
Total	1,149,529,959	100.00	632,282,345	1,781,812,304	100.00

Scenario 2: Assuming that all Shareholders subscribe fully for their entitlements under the Rights Issue

	No. of Shares held prior to the completion of the Rights Issue	Shareholding percentage prior to the completion of the Rights Issue (%)	No. of Rights Shares Subscribed	No. of Shares held immediately after the completion of the Rights Issue	Shareholding percentage immediately after the completion of the Rights Issue (%)
Substantial Shareholder					
Morton Bay	843,043,127	73.34	632,282,345	1,475,325,472	73.34
Directors					
Geoffrey Yeoh	320,000	0.03	240,000	560,000	0.03
Heng Chiang Meng	480,000	0.04	360,000	840,000	0.04
Steven Simpson	142,000	0.01	106,500	248,500	0.01
David Chia	100,000	0.01	75,000	175,000	0.01
Public Shareholders	305,444,832	26.57	229,083,624	534,528,456	26.57
Total	1,149,529,959	100.00	862,147,469	2,011,677,428	100.00

7. OFFER INFORMATION STATEMENT

An Offer Information Statement will be despatched to Entitled Shareholders, subject to, *inter alia*, the approval of Shareholders for the Rights Issue being obtained at the EGM. Acceptances and applications under the Rights Issue can only be made in the manner as prescribed in the Offer Information Statement.

8. BOOKS CLOSURE DATE

The Books Closure Date for the purpose of determining the Entitled Shareholders' entitlements under the Rights Issue will be announced at a later date.

9. DIRECTORS' RECOMMENDATION

Having considered the terms and rationale of the Rights Issue, the Directors are of the opinion that the Rights Issue is in the interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution relating to the Rights Issue at the EGM.

10. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page N-1 of this Circular, will be held at 1 HarbourFront Walk, #02-30 GV Vivocity, Singapore 098585 on 17 March 2009 at 10 a.m. for the purpose of considering and, if thought fit, passing, with or without any amendment, the Ordinary Resolution set out in the Notice of EGM.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote on their behalf are requested to complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event, so as to reach the registered office of the Company at 1 HarbourFront Avenue, #14-01 Keppel Bay Tower, Singapore 098632, not later than 10 a.m. on 15 March 2009. The completion and the return of the proxy form by a Shareholder will not preclude him from attending and voting in person at the EGM in place of his proxy, if he wishes to do so. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the EGM.

As stipulated under Section 130D of the Act, a Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP, as at 48 hours before the EGM.

12. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been reviewed and approved by all the Directors (including those who may have delegated detailed supervision of the preparation of this Circular) and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that, having made all reasonable enquiries, to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are accurate and fair in all material respects and there are no material facts the omission of which would make any statement in this Circular misleading.

Yours faithfully
For and on behalf of the Board of Directors

Geoffrey Yeoh
Executive Director

ADDITIONAL INFORMATION

1. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interest of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholdings, are set out below:-

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors						
Seumas Dawes	-	-	-	-	-	-
Oscar Spieler	-	-	-	-	-	-
Geoffrey Yeoh	320,000	0.03	4,252,500	0.37	4,572,500	0.40
Heng Chiang Meng	480,000	0.04	-	-	480,000	0.04
Steven Simpson	142,000	0.01	-	-	142,000	0.01
David Chia	100,000	0.01	-	-	100,000	0.01
Substantial Shareholders						
Morton Bay (Holdings) Pte Ltd	843,043,127	73.34	-	-	843,043,127	73.34
Ashmore Global Special Situations Fund 2 Limited ⁽²⁾	-	-	843,043,127	73.34	843,043,127	73.34
Ashmore Global Special Situations Fund 4 Limited Partnership ⁽²⁾	-	-	843,043,127	73.34	843,043,127	73.34
Asset Holder PCC No. 2 Limited re Ashmore Asian Recovery Fund ⁽²⁾	-	-	843,043,127	73.34	843,043,127	73.34
Ashmore Investment Management Limited ⁽³⁾	-	-	843,043,127	73.34	843,043,127	73.34

Notes:-

- (1) The percentage shareholding interest is based on the issued share capital of 1,149,529,959 Shares as at the Latest Practicable Date.
- (2) Ashmore Global Special Situations Fund 2 Limited, Ashmore Global Special Situations Fund 4 Limited Partnership and Asset Holder PCC No. 2 Limited re Ashmore Asian Recovery Fund (together known as the "**Ashmore Funds**") are deemed to be interested in the Shares held by Morton Bay by virtue of them being controlling shareholders of Morton Bay.
- (3) Ashmore Investment Management Limited is deemed to be interested in the Shares held by Morton Bay by virtue of the investment and management powers vested in it as investment manager for the Ashmore Funds.

2. MATERIAL LITIGATION

As at the Latest Practicable Date, the Directors are not aware of any litigation or arbitration proceedings to which the Group is a party to or which is pending or known to be contemplated that may have or would have had in the last 12 months immediately preceding the date of this Circular, a material effect on the Group's financial position or profitability.

3. MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries during the two (2) years preceding the Latest Practicable Date:-

- (i) a note subscription agreement dated 16 May 2007 between NMI, Neptune and Merrill Lynch International pursuant to which guaranteed unsecured notes were issued in an amount of up to US\$30 million by NMI and guaranteed by Neptune;
- (ii) a share purchase agreement dated 17 November 2007 between (1) a wholly-owned subsidiary of the Company, Turquoise (as purchaser), (2) Primepoint and Iversen (as vendors) and (3) the Company (as guarantor), for the acquisition of 8,148,990 fully-paid ordinary shares of US\$2.0595 each in Neptune for an aggregate consideration of approximately US\$198 million;
- (iii) a put option agreement dated 17 November 2007 between the Company and Morton Bay pursuant to which a put option ("**Put Option**") was granted by Morton Bay to the Company. Upon the exercise of the Put Option by the Company, Morton Bay (or its nominee) shall purchase the entire issued share capital of Turquoise from the Company for a consideration of US\$1.00;
- (iv) a shareholders' loan agreement dated 7 December 2007 between Morton Bay and the Company pursuant to which an interest-free term loan facility of up to US\$115 million was granted by Morton Bay to the Company ("**2007 Jasper Loan Agreement**"). Under the 2007 Jasper Loan Agreement, the Company shall apply all amounts borrowed by it under the facility towards making an intercompany loan to Turquoise to enable Turquoise to pay the purchase price in connection with the acquisition of a 55.44% interest in the total share capital of Neptune by Turquoise (the "**Acquisition**");
- (v) a facility agreement dated 5 December 2007 between Turquoise and United Overseas Bank Limited ("**UOB**") pursuant to which a US\$85 million loan facility was granted by UOB to Turquoise ("**UOB Facility Agreement**"). Under the UOB Facility Agreement, Turquoise shall apply all amounts borrowed by it under the facility towards paying the purchase price in connection with the Acquisition. Pursuant to the US\$85 million loan facility, Turquoise had also executed a charge over interest reserve account, the securities account maintained by Turquoise with the Norwegian Central Securities Depository and share pledge agreement and deed of debenture, each dated 5 December 2007 in favour of UOB and Turquoise, and the Company had also executed an undertaking in favour of UOB;
- (vi) a term loan agreement dated 7 December 2007 between NMI as borrower, Neptune as guarantor and Standard Bank Asia Limited ("**Standard Bank**") as mandated lead arranger, lender, agent and security trustee pursuant to which a US\$230 million loan facility was granted to NMI to re-finance its then existing debt obligations and finance the upgrading of the Explorer. Pursuant to the US\$230 million loan facility, ship mortgages (together with the deed of covenants thereto) in relation to the Discoverer and the Explorer, an assignment in respect of NMI's rights and interests in the insurances taken out in relation to the Discoverer and the Explorer and a first priority bareboat charter assignment each in relation to NMI's rights and interests in and to the respective bareboat charters for the Explorer and the Discoverer had been entered into by NMI in favour of Standard Bank as security trustee;
- (vii) a settlement agreement dated 10 December 2007 entered into by the Company, Turquoise and certain members of the Neptune Group pursuant to which legal proceedings commenced in Cyprus and Singapore by certain minority shareholders of Neptune against Primepoint (and its direct and indirect shareholders) as well as certain companies within the Neptune Group were discontinued and the claimants in those legal proceedings confirmed their non-objection to the completion of the Acquisition on 11 December 2007;

- (viii) a memorandum of agreement dated 25 February 2008 between Zelie Industrial Limited and Neptune for the acquisition of the semi-submersible, the Finder, for a purchase price of US\$67 million (“**MOA**”) and amended by way of addendum nos. 1 & 2 to the MOA dated 4 April 2008 between Zelie Industrial Limited, Neptune and Neptune Finder Pte. Ltd. (“**Neptune Finder**”) pursuant to which Neptune had, *inter alia*, nominated Neptune Finder as the new buyer for the Finder;
- (ix) a bridge loan agreement dated 18 July 2008 between Neptune Finder and UOB (“**UOB Bridge Loan Agreement**”) pursuant to which a US\$35 million loan facility was granted by UOB to Neptune Finder to finance the purchase of equipment. Pursuant to the US\$35 million loan facility, a first preferred mortgage on the Finder, debenture, deed of assignment of insurances, deed of assignment and charge, a charge of shares had been entered into by Neptune Finder in favour of UOB. In addition, a deed of subordination was entered into between UOB, Neptune Finder, Neptune and the Company;
- (x) a facility agreement (“**Facility Agreement**”) dated 19 September 2008 between NMI and a group of banks in respect of a US\$290 million term loan facility to refinance NMI’s existing bank loan and to fund the upgrading of a drillship, the Explorer. Pursuant to the US\$290 million term loan facility, hedging agreements had been signed by NMI and certain banks. In addition, security documents including, *inter alia*, borrower accounts charge, hedging agreement assignment, contractor accounts charge, ship mortgage (together with the deed of covenants thereto) over the Discoverer, trust and agency trust deed, guarantee and subordination deed had also been entered into by NMI, NMD, Neptune and the Company (as the case may be) in favour of UOB;
- (xi) a sale and purchase agreement dated 30 September 2008 between Resource Holdings Pte. Ltd. (“**Resource Holdings**”) and the Company, Foo Hee Kang, Choo Yak Lye, Chew Suhon, Foo Hee Chaik and Choo Kok Leong pursuant to which Resource Holdings acquired the entire issued and paid-up share capital of Resource Piling comprising 5,250,000 ordinary shares for S\$5,250,000;
- (xii) a co-ordination deed dated 29 October 2008 signed by NMI as borrower, NMD as contractor and Neptune as guarantor, UOB as facility agent and security trustee under the US\$290 million term loan facility granted to NMI, Standard Bank as facility agent and security trustee under the US\$230 million term loan facility granted to NMI and various banks;
- (xiii) an amendment and restatement agreement dated 29 October 2008 signed by NMI as borrower, Neptune as guarantor, Standard Bank as arranger, agent and security trustee relating to amendments and restatement of the term loan agreement dated 7 December 2007;
- (xiv) the Jasper Loan Agreement between Morton Bay and the Company pursuant to which an interest-free term loan facility of up to US\$50 million was granted by Morton Bay to the Company;
- (xv) a deed of guarantee and indemnity dated 16 February 2009 by the Company in favour of UOB pursuant to which the Company agreed to, *inter alia*, pay to UOB all monies which from time to time may be or become owing or due and payable by Neptune Finder to UOB under the UOB Bridge Loan Agreement provided always that the principal amount for which the Company shall be liable under the guarantee shall not exceed the sum of US\$35 million.

4. **ADDITIONAL INFORMATION RELATING TO NEPTUNE MARINE & DRILLING PTE LTD AND NEPTUNE MARINE INVESTS AS**

On 14 January 2009, the Company had announced that one of its subsidiaries, Neptune Marine & Drilling Pte Ltd (“**NMD**”) had not received certain payments for drilling services from its major client, PDVSA. This delay in payment had resulted in certain breaches in the loan agreement which was entered into between another subsidiary, NMI, and certain banks.

On 9 February 2009, the Company announced that NMD had received payment from PDVSA. These payments covered, amongst others, all invoices for day rates for drilling services provided to PDVSA for the period from 1 October to 18 December 2008. NMD continues to operate under the drilling contract with PDVSA. Consequently, with this payment from PDVSA, certain breaches in the loan agreement entered into between NMI and certain banks have also been cured.

In addition, during operations in December 2008, a mooring line on the Group's drillship, the Discoverer, failed, resulting in some damage to certain subsea equipment. This incident resulted in some downtime for which NMD has claimed standby rates from PDVSA (which has been disputed by PDVSA).

Further details relating to these matters can be found in the Company's announcements dated 14 January 2009 and 9 February 2009.

5. STATEMENT BY THE MANAGER

The Manager confirms that, having made all reasonable enquiries, to the best of its knowledge and belief, and based on the information made available to it by the Company, the facts stated and opinions expressed in this Circular are accurate and fair in all material respects and that it is not aware of any material facts the omission of which would make any statement herein misleading in any material respect.

6. CONSENT

The Manager has given, and has not withdrawn, its written consent to the issue of this Circular with the inclusion of its name and all references thereto, in the form and context in which it appears in this Circular.

7. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection by the Shareholders of the Company during normal business hours (from 9.00 a.m. to 5.30 p.m.) at the registered office of the Company at 1 HarbourFront Avenue, #14-01 Keppel Bay Tower, Singapore 098632 from the date of this Circular up to and including the date of the EGM:-

- (a) the Letter of Undertaking from Morton Bay which was referred to on page 11 of this Circular;
- (b) the letter from AIML confirming the financial resources of the Ashmore Funds which was referred to on page 12 of this Circular;
- (c) the material contracts referred to in paragraph 3 above;
- (d) the letter of consent referred to in paragraph 6 above; and
- (e) the Memorandum and Articles of Association of the Company.

JASPER INVESTMENTS LIMITED

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Jasper Investments Limited (the “**Company**”) will be held at 1 HarbourFront Walk, #02-30 GV Vivocity, Singapore 098585, on 17 March 2009 at 10 a.m. for the purpose of considering and, if thought fit, passing the following resolution:-

ORDINARY RESOLUTION: APPROVAL OF THE RIGHTS ISSUE

That the renounceable non-underwritten rights issue (“**Rights Issue**”) of up to 862,147,469 new ordinary shares of the Company (“**Rights Shares**”) be and is hereby approved and the Board of Directors be and is hereby authorised to:-

- (a) provisionally allot and issue up to 862,147,469 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 Shares in the capital of the Company held by Shareholders as at a date and time to be determined by the Directors (“**Books Closure Date**”);
- (b) create, allot and issue such number of Rights Shares as the Directors may determine, subject to a maximum of 862,147,469 Rights Shares at an issue price of S\$0.13 for each Rights Share;
- (c) effect the Rights Issue on the terms and conditions set out below and/or otherwise on such terms and conditions as the Directors may, in their absolute discretion, deem fit:
 - (i) the provisional allotments of the Rights Shares under the Rights Issue shall be made on a renounceable basis to Shareholders whose names appear in the Register of Members of the Company or the records of The Central Depository (Pte) Limited (“**CDP**”) as at the Books Closure Date with registered addresses in Singapore or who have, at least five (5) market days prior to the Books Closure Date, provided to the CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents, on the basis of three (3) Rights Shares for every four (4) existing Shares in the capital of the Company then held by Shareholders or in such other proportions as the Directors may think fit;
 - (ii) no provisional allotment of the Rights Shares shall be made in favour of Shareholders with registered addresses outside Singapore as at the Books Closure Date or who have not, at least five (5) market days prior thereto, provided to the CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents (“**Foreign Shareholders**”);
 - (iii) the entitlements to the Rights Shares which would otherwise accrue to Foreign Shareholders shall be disposed of or dealt with by the Company in such manner and on such terms and conditions as the Directors shall deem fit for the purpose of renouncing the rights entitlements relating thereto to purchasers thereof and to pool and thereafter distribute the net proceeds, if any, thereof (after deducting all expenses) proportionately to and among such Foreign Shareholders in accordance with their respective shareholdings as at the Books Closure Date provided that if the amount to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall instead be retained or dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company;

- (iv) disregarded fractional entitlements of the Rights Shares will be aggregated with the entitlements to the Rights Shares not taken up or allotted for any reason, and shall be used to satisfy excess applications for the Rights Shares (if any) or otherwise sold and the net proceeds arising therefrom shall be retained for the benefit of the Company;
 - (v) the Rights Shares when issued and fully paid up will rank *pari passu* in all respects with the then existing ordinary shares in the capital of the Company for any dividends, rights, allotments or other distributions, the record date for which falls on or after the date of issue of the Rights Shares; and
- (d) take such steps, do all such acts and things (including executing all such documents as may be required in connection with the Rights Issue), make such amendments to the terms of the Rights Issue and exercise such discretion as the Directors may in their absolute discretion deem fit, advisable or necessary to give full effect to this Resolution and the Rights Issue.

By Order of the Board

Lee Mee Kium
Company Secretary
Singapore

2 March 2009

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing the proxy must be deposited at the Company's registered office at 1 HarbourFront Avenue, #14-01 Keppel Bay Tower, Singapore 098632, not less than 48 hours before the time fixed for holding the Meeting.
3. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

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JASPER INVESTMENTS LIMITED

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

EXTRAORDINARY GENERAL MEETING

PROXY FORM

IMPORTANT:

1. For investors who have used their CPF monies to buy Jasper Investments Limited shares, this Circular to Shareholders is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We, _____ (Name)

of _____ (Address)

being a member/members of Jasper Investments Limited (the "**Company**"), hereby appoint Mr/Mrs/Ms

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

or, both of whom failing, the Chairman of the Extraordinary General Meeting as my/our proxy/proxies to attend and to vote for me/us and on my/our behalf and, if necessary, to demand a poll, at the Extraordinary General Meeting of the Company to be held at 1 HarbourFront Walk, #02-30 GV Vivocity, Singapore 098585, on 17 March 2009 at 10 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Resolution to be proposed at the Meeting as indicated hereunder. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Meeting).

Ordinary Resolution	To be used on a show of hands		To be used in the event of a poll	
	For	Against	Number of Votes for**	Number of Votes against**
To approve the Rights Issue				

** If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2009.

Total Number of Shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) or Common Seal

IMPORTANT - (Please see overleaf for Notes).

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50) you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A Member entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him.

Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Meeting.
3. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 1 HarbourFront Avenue, #14-01 Keppel Bay Tower, Singapore 098632, not less than 48 hours before the time set for the Meeting.
4. Where a Member appoints two proxies, the appointments shall be invalid unless he specifies the proportion (expressed as a percentage of the whole) of his holding to be represented by each proxy.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.
6. A corporation which is a Member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instruments appointing a proxy or proxies. In addition, in the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Meeting as certified by The Central Depository (Pte) Limited to the Company.



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