

JASPER INVESTMENTS LIMITED
(Company Registration No. 198700983H)

Financial Statement Announcement for the Third Quarter and Nine Months FY2009 Ended 31/12/2008

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

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

	Group			
	Third Quarter		Nine Months	
	FY2009 US\$'000	FY2008 US\$'000	FY2009 US\$'000	FY2008 US\$'000
Revenue	38,610	15,160	119,637	19,226
Cost of sales	(21,339)	(9,662)	(63,148)	(13,246)
Gross Profit	17,271	5,498	56,489	5,980
Interest income	28	248	644	605
Other income	170	487	747	1,358
Other expenses	(2,496)	(1,473)	(3,612)	(1,535)
Administrative and distribution expenses	(2,887)	(317)	(13,044)	(1,558)
Interest expenses	(4,179)	(2,052)	(7,243)	(2,055)
Profit from associate and joint venture	2,460	240	6,089	1,450
Profit before taxation	10,367	2,631	40,070	4,245
Taxation	(11,560)	(2,819)	(33,391)	(3,050)
Profit/(loss) for the period	(1,193)	(188)	6,679	1,195
Attributable to:				
Equity holders of the Company	(426)	(1,522)	5,192	(139)
Minority interest	(767)	1,334	1,487	1,334
	(1,193)	(188)	6,679	1,195

Notes:-

- (i) The Company had changed its functional currency from Singapore Dollars (S\$) to United States Dollars (US\$) on 1 April 2008.
- (ii) The substantial change during the 1st 9 months of FY2009 over a similar period in FY2008 was due to the inclusion of the financials of Neptune Marine Oil & Gas Ltd ("NMOG") and its subsidiaries since 12 December 2007.

Notes to income statement

Profit after taxation include the following :

Amortisation of intangible asset

Depreciation of plant and equipment

Unrealised foreign exchange gain

Realised foreign exchange (gain)/loss

Group			
Third Quarter		Nine Months	
FY2009	FY2008	FY2009	FY2008
US\$'000	US\$'000	US\$'000	US\$'000
1,568	261	4,706	261
5,121	1,336	15,368	1,413
(1,364)	-	(798)	-
(175)	67	768	251

Breakdown on Other expenses

Bank transaction fees

Business development expenses

Group			
Third Quarter		Nine Months	
FY2009	FY2008	FY2009	FY2008
US\$'000	US\$'000	US\$'000	US\$'000
(2,470)	(13)	(3,583)	(13)
-	(1,284)	-	(1,346)

Breakdown on Other income

Gain on disposal of investments

Recovery of debts - non-trade

Miscellaneous income

Group			
Third Quarter		Nine Months	
FY2009	FY2008	FY2009	FY2008
US\$'000	US\$'000	US\$'000	US\$'000
-	65	-	433
-	6	-	441
170	416	747	484

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

	Group		Company	
	31/12/2008 US\$'000	31/03/2008 US\$'000	31/12/2008 US\$'000	31/03/2008 US\$'000
<u>Non-Current Assets</u>				
Property, plant and equipment	814,467	628,105	287	63
Intangible asset	21,179	25,886	-	-
Investments	36	36	36	36
Subsidiaries	-	-	315,981	121,060
Associate	9,422	5,295	1,900	1,900
Joint Venture	136	136	136	136
	845,240	659,458	318,340	123,195
<u>Current Assets</u>				
Work-in-progress	2,790	1,512	-	-
Inventory	8,169	4,992	-	-
Trade and other receivables	32,232	11,130	827	1,261
Cash and cash equivalents	66,490	45,730	53,317	24,552
	109,681	63,364	54,144	25,813
Total Assets	954,921	722,822	372,484	149,008
<u>Capital and Reserves</u>				
Share capital	307,513	24,672	307,513	24,672
Reserves	12,402	9,807	14,611	7,877
	319,915	34,479	322,124	32,549
Minority interests	211,487	210,000	-	-
Total equity	531,402	244,479	322,124	32,549
<u>Non-Current Liabilities</u>				
Borrowings	71,987	199,673	-	115,000
Deferred taxation	44	46	-	-
	72,031	199,719	-	115,000
<u>Current Liabilities</u>				
Trade and other payables	54,110	53,522	360	1,459
Borrowings	296,332	224,958	50,000	-
Provision for taxation	1,046	144	-	-
	351,488	278,624	50,360	1,459
Total liabilities	423,519	478,343	50,360	116,459
Total Equity and Liabilities	954,921	722,822	372,484	149,008

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

Amount repayable in one year or less, or on demand

<u>As at 31/12/2008</u>		<u>As at 31/03/2008</u>	
<u>US\$'000</u>		<u>US\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
242,839	54,617	230,007	432

Amount repayable after one year

<u>As at 31/12/2008</u>		<u>As at 31/03/2008</u>	
<u>US\$'000</u>		<u>US\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
71,650	337	85,118	97

Notes:-

- (i) The Group's secured borrowings comprised term loans and finance lease which are secured by way of:-
- Legal mortgage of freehold property of a subsidiary
 - Legal mortgage over certain vessels, plant and equipment of subsidiaries
 - Assignment of bareboat charter and insurance of vessels of subsidiaries.
- (ii) The US\$242.8 million secured loan repayable in less than one year includes a US\$170 million loan due to a bank which is intended to be refinanced from the drawdown of the second tranche of a term facility, upon the completion of the upgrade of the Neptune Explorer.
- (iii) The unsecured loan repayable in less than one year includes an interest free US\$50 million loan due to the controlling shareholder, Morton Bay (Holdings) Pte Ltd.

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

	Group			
	Third Quarter		Nine Months	
	FY2009 US\$'000	FY2008 US\$'000	FY2009 US\$'000	FY2008 US\$'000
<u>Cash flows from operating activities</u>				
Profit before taxation	10,367	2,631	40,070	4,245
Adjustments for :				
Depreciation of property, plant and equipment	5,121	1,336	15,368	1,413
Exchange adjustment on translation	(6)	1,010	(73)	1,613
Write off of property, plant and equipment	-	-	38	1
Goodwill arising from acquisition of subsidiary written off	-	133	-	133
Amortisation of intangible asset	1,568	261	4,706	261
Interest income	(28)	(248)	(644)	(605)
Interest expenses	4,179	2,052	7,243	2,055
Gain on disposal of property, plant and equipment	2	-	(93)	-
Gain on disposal / deconsolidation of subsidiaries	-	(5)	-	(368)
Gain on disposal of quoted equity investments	-	(1)	-	(18)
Foreign exchange gain - unrealised	(1,364)	(184)	(798)	-
Impairment in value of joint venture	26	5	29	43
Share of profit of associate and joint venture	(2,460)	(240)	(6,089)	(1,450)
Operating profit before working capital changes	17,405	6,750	59,757	7,323
Changes in working capital				
-(increase)/decrease in inventories	(43)	1,047	(3,176)	760
-(increase)/decrease in work-in-progress	(93)	(271)	(1,278)	(511)
-(increase)/decrease in operating receivables	(1,558)	12,460	(20,302)	13,081
-(decrease)/increase in operating payables	(13,594)	28,185	(31,375)	28,078
Cash generated from operations	2,117	48,171	3,626	48,731
Income taxes recovered/(paid)	198	(2,854)	198	(2,901)
Net cash generated from operating activities	2,315	45,317	3,824	45,830
<u>Cash flows from investing activities</u>				
Interest received	28	292	643	581
Dividend from joint venture	-	(1)	821	14
Acquisition of :				
-property, plant and equipment (Note A)	(34,827)	(3,143)	(201,353)	(3,791)
Proceeds from :				
-disposal of property, plant and equipment	(3)	-	123	-
-disposal of quoted equity investments	-	-	-	25
Net cash outflow from acquisition of subsidiaries (Note B)	-	(108,358)	-	(108,358)
Net cash inflow from disposal of subsidiaries (Note C)	-	135	-	5,239
Net cash used in investing activities	(34,802)	(111,075)	(199,766)	(106,290)
<u>Cash flows from financing activities</u>				
Proceeds from issued of new shares	-	-	280,434	5,212
Interest paid	(4,179)	(2,052)	(7,243)	(2,055)
Fixed deposits (pledge)/release as security	5	-	(2,618)	-
(Repayment to) / Loan from :				
-hire purchase creditor	(58)	(3)	(138)	(26)
-bank loan	37,895	2,507	8,649	2,507
-shareholder loan	50,000	115,000	(65,000)	115,000
Net cash generated from financing activities	83,663	115,452	214,084	120,638
Net increase in cash and cash equivalents	51,176	49,694	18,142	60,178
Cash and cash equivalents at the beginning	12,696	29,497	45,730	19,013
Cash and cash equivalents at the end (Note D)	<u>63,872</u>	<u>79,191</u>	<u>63,872</u>	<u>79,191</u>

(A) Purchase of property, plant and equipment

During the financial period, the Group acquired plant and equipment with an aggregate cost of US\$201,914,000 (31 December 2007 - US\$3,791,000) of which US\$561,000 (31 December 2007 - US\$Nil) was acquired by means of finance lease. Cash payments of US\$201,353,000 (31 December 2007 - US\$3,791,000) were made for the purchase.

(B) Purchase of subsidiary

The fair value of net assets acquired and goodwill arising were as follows:-

Intangible assets
Provisional goodwill
Term loans
Property, plant and equipment
Inventories
Cash and bank balances
Receivables
Payables
Minority interest
Purchase price
Less funded through borrowings
Cash and bank balances acquired
Net cash outflow on acquired subsidiary

Group			
Third Quarter		Nine Months	
FY2009 US\$'000	FY2008 US\$'000	FY2009 US\$'000	FY2008 US\$'000
-	27,716	-	27,716
-	133	-	133
-	(191,267)	-	(191,267)
-	593,413	-	593,413
-	5,290	-	5,290
-	5,863	-	5,863
-	24,564	-	24,564
-	(54,580)	-	(54,580)
-	(211,911)	-	(211,911)
-	199,221	-	199,221
-	(85,000)	-	(85,000)
-	(5,863)	-	(5,863)
-	108,358	-	108,358

(C) Disposal/deconsolidation of subsidiaries and joint ventures

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

Bank borrowings
Deferred taxation
Marketable securities
Inventories
Cash and bank balances
Receivables
Payables
Minority interest
Additional gain on disposal
Sales proceeds
Currency exchange difference
Deferred sales proceeds received in April 2007
Cash inflow from disposal of subsidiaries

Group			
Third Quarter		Nine Months	
FY2009 US\$'000	FY2008 US\$'000	FY2009 US\$'000	FY2008 US\$'000
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	5	-	368
-	5	-	368
-	5	-	13
-	125	-	4,858
-	135	-	5,239

(D) Cash and Cash Equivalents

Fixed deposits
Cash and bank balances
Fixed deposits pledged to bank

Group	
As at 31 December	
2008 US\$'000	2007 US\$'000
63,478	55,337
3,012	23,854
66,490	79,191
(2,618)	-
63,872	79,191

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

Statement of Changes in Equity for the financial period ended 31/12/2008

	Share Capital US\$'000	Other Reserve US\$'000	Exchange Translation Reserve US\$'000	(Accumulated Losses)/ Retained Profits US\$'000	Grand Total US\$'000
Company					
9 months ended 31 December 2008					
Balance as at 01/04/2008	24,672	-	2,853	5,024	32,549
Issued during the period	280,434	-	-	-	280,434
Reclassification of exchange translation reserve	2,407	-	(2,853)	446	-
Currency translation difference recognised directly in equity	-	-	-	130	130
Profit for the period	-	-	-	1,895	1,895
Total recognised gain and losses for the period	-	-	-	2,025	2,025
Balance as at 30/06/2008	307,513	-	-	7,495	315,008
Balance as at 30/06/2008	307,513	-	-	7,495	315,008
Profit for the period	-	-	-	3,014	3,014
Total recognised gain and losses for the period	-	-	-	3,014	3,014
Balance as at 30/09/2008	307,513	-	-	10,509	318,022
Balance as at 30/09/2008	307,513	-	-	10,509	318,022
Profit for the period	-	-	-	4,102	4,102
Total recognised gain and losses for the period	-	-	-	4,102	4,102
Balance as at 31/12/2008	307,513	-	-	14,611	322,124
9 months ended 31 December 2007					
Balance as at 01/04/2007	19,046	414	-	7,324	26,784
Currency translation difference recognised directly in equity	-	-	(229)	-	(229)
Profit for the period	-	-	-	307	307
Total recognised gain and losses for the period	-	-	(229)	307	78
Balance as at 30/06/2007	19,046	414	(229)	7,631	26,862
Balance as at 30/06/2007	19,046	414	(229)	7,631	26,862
Issued during the year	5,212	-	-	-	5,212
Reclassification of other reserve	414	(414)	-	-	-
Currency translation difference recognised directly in equity	-	-	1,032	(307)	725
Profit for the period	-	-	-	83	83
Total recognised gain and losses for the period	-	-	1,032	(224)	808
Balance as at 30/09/2007	24,672	-	803	7,407	32,882
Balance as at 30/09/2007	24,672	-	803	7,407	32,882
Currency translation difference recognised directly in equity	-	-	743	-	743
Loss for the period	-	-	-	(1,492)	(1,492)
Total recognised gain and losses for the period	-	-	743	(1,492)	(749)
Balance as at 31/12/2007	24,672	-	1,546	5,915	32,133

Statement of Changes in Equity for the financial period ended 31/12/2008

	Share Capital US\$'000	Other Reserve US\$'000	Exchange Fluctuation Reserve US\$'000	Total Reserve US\$'000	(Accumulated Losses)/ Retained Profits US\$'000	Minority Interest US\$'000	Grand Total US\$'000
Group							
9 months ended 31 December 2008							
Balance as at 01/04/2008	24,672	2,982	3,698	6,680	2,584	209,423	243,359
Effect of FRS 103 - Subsequent changes	-	-	-	-	543	577	1,120
Restated opening balance at 01/04/2008	24,672	2,982	3,698	6,680	3,127	210,000	244,479
Issued during the period	280,434	-	-	-	-	-	280,434
Reclassification of exchange translation reserve	2,407	-	(2,407)	(2,407)	-	-	-
Currency translation difference recognised directly in equity	-	-	62	62	-	-	62
Profit for the period	-	-	-	-	1,122	617	1,739
Total recognised gains and losses for the period	-	-	62	62	1,122	617	1,801
Balance as at 30/06/2008	307,513	2,982	1,353	4,335	4,249	210,617	526,714
Balance as at 30/06/2008	307,513	2,982	1,353	4,335	4,249	210,617	526,714
Currency translation difference recognised directly in equity	-	-	(219)	(219)	-	-	(219)
Profit for the period	-	-	-	-	4,496	1,637	6,133
Total recognised gains and losses for the period	-	-	(219)	(219)	4,496	1,637	5,914
Balance as at 30/09/2008	307,513	2,982	1,134	4,116	8,745	212,254	532,628
Balance as at 30/09/2008	307,513	2,982	1,134	4,116	8,745	212,254	532,628
Currency translation difference recognised directly in equity	-	-	(33)	(33)	-	-	(33)
Loss for the period	-	-	-	-	(426)	(767)	(1,193)
Total recognised gains and losses for the period	-	-	(33)	(33)	(426)	(767)	(1,226)
Balance as at 31/12/2008	307,513	2,982	1,101	4,083	8,319	211,487	531,402
9 months ended 31 December 2007							
Balance as at 01/04/2007	19,046	3,396	502	3,898	7,226	-	30,170
Currency translation difference recognised directly in equity	-	-	(257)	(257)	-	-	(257)
Profit for the period	-	-	-	-	448	-	448
Total recognised gains and losses for the period	-	-	(257)	(257)	448	-	191
Balance as at 30/06/2007	19,046	3,396	245	3,641	7,674	-	30,361
Balance as at 30/06/2007	19,046	3,396	245	3,641	7,674	-	30,361
Issued during the period	5,212	-	-	-	-	-	5,212
Reclassification of exchange translation reserve	414	(414)	-	(414)	-	-	-
Currency translation difference recognised directly in equity	-	-	1,178	1,178	(448)	-	730
Profit for the period	-	-	-	-	1,383	-	1,383
Total recognised gains and losses for the period	-	-	1,178	1,178	935	-	2,113
Balance as at 30/09/2007	24,672	2,982	1,423	4,405	8,609	-	37,686
Balance as at 30/09/2007	24,672	2,982	1,423	4,405	8,609	-	37,686
Change in minority interest	-	-	-	-	-	211,911	211,911
Currency translation difference recognised directly in equity	-	-	809	809	-	-	809
Loss for the period	-	-	-	-	(1,522)	1,334	(188)
Total recognised gains and losses for the period	-	-	809	809	(1,522)	-	621
Balance as at 31/12/2007	24,672	2,982	2,232	5,214	7,087	213,245	250,218

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

Since the end of the previous financial period, there has been no change in the Company's issued share capital.

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

The total number of issued shares, excluding treasury shares as at 31 December 2008 was 1,149,529,959 compared to 9,579,417,415 (pre-rights issue and share consolidation) as at 31 March 2008.

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

Not Applicable.

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

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

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

Not applicable.

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

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

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

The estimated useful life of Neptune Discoverer ("Discoverer") had been revised from 10 years to 15 years from date of initial commencement of operations. This was done after having reviewed the expected usage and considered class renewal surveys and inspections.

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

The earnings per share is calculated by dividing the profit attributable to shareholders of US\$5,192,000 (31 December 2007: loss US\$139,000) by the weighted average number of shares of 1,064,379,596 (31 December 2007: 352,065,586 shares) in issue during the financial period.

The diluted earnings per share is calculated by dividing the profit attributable to shareholders of US\$5,192,000 (31 December 2007: loss US\$139,000) by the adjusted weighted average number of shares of 1,064,379,596 (31 December 2007: 352,065,586) in issue during the financial period.

Number of shares as at 31 December 2007 had been restated to include share consolidation on assumption that share consolidation had been effected on 1 April 2007.

	<u>Group</u>			
	<u>Third Quarter</u>		<u>Nine Months</u>	
	<u>FY2009</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2008</u>
Basic EPS (in cents - US\$)	(0.040)	(0.432)	0.488	(0.039)
Fully diluted EPS (in cents - US\$)	(0.040)	(0.432)	0.488	(0.039)

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

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

	<u>Group</u>		<u>Company</u>	
	<u>31/12/2008</u>	<u>31/03/2008</u>	<u>31/12/2008</u>	<u>31/03/2008</u>
Net Assets Value ("NAV") per share (in cents - US\$)	27.83	9.00	28.02	8.49

NAV per share is calculated by dividing the net assets by the existing issued share capital of 1,149,529,959 shares (31 March 2008: 383,176,697 shares).

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

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

- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

For The Nine Months Ended 31 December 2008 (9M FY09)

Group revenue for 9M FY09 increased by US\$100.4 million to US\$119.6 million compared to US\$19.2 million for 9M FY08. This was attributable to the recognition of 9 months revenue of US\$102.8 million from Neptune Marine Oil & Gas Limited ("NMOG") and its subsidiaries this year as compared to recognition of only half a month revenue of US\$13.8 million in the previous period. NMOG was acquired on 12 December 2007.

The Group reported pretax profit of US\$40.1 million for 9M FY09. After deducting tax of US\$33.4 million, of which US\$ 31.6 million was withholding tax expense incurred by NMOG operating in Venezuela, the Group recorded a profit after tax and minority interest of US\$ 5.2 million for 9M FY09 as compared to US\$0.1 million loss for 9M FY08.

Offshore Drilling

Revenue for 9M FY09 increased from US\$13.8 million for 9M FY08 to US\$102.8 million due to the Discoverer commencing operations in June 2008. The revenue included mobilisation fee of US\$15.6 million and drilling income of US\$87.2 million as compared to US\$13.8 million for 9M FY08.

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

Oct 08 - 98.86%
Nov 08 - 85.00%
Dec 08 - 29.57%

The drop in operating rate in December 2008 was due to problems with 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.

NMOG's other drillship, the Neptune Explorer ("Explorer") is currently undergoing upgrading works and has yet to generate revenue for the Group.

NMOG generated earnings before interest, depreciation and amortization of US\$29.7 million for 9M FY09.

Net Profit after Tax contributed by NMOG was US\$1.4 million for 9M FY09 after offsetting depreciation of US\$15.1 million, amortization of intangible asset US\$4.7 million, bank interest of US\$7.1 million and taxation of US\$31.6 million. Minority shareholders' share of NMOG's profit amounted to US\$1.5 million for 9M FY09.

Building Services

Revenue for precast operations increased by 211% from US\$5.4 million for 9M FY08 to US\$16.8 million for 9M FY09. Net profit before tax increased from US\$111,000 for 9M FY08 to US\$902,000 for 9M FY09.

The share of our bored piling associate's results after tax increased by 308% to US\$4.9 million for 9M FY09 from US\$1.2 million for 9M FY08.

Balance Sheets

Non-current assets

Non-current assets were US\$845.2 million as at 31 December 2008, an increase of US\$185.7 million from US\$659.5 million as at 31 March 2008. This was due mainly to an increase of US\$112 million arising from the acquisition of the Neptune Finder ("Finder") and equipment. In addition, the Explorer's CAPEX increased by US\$81 million due to the upgrading work.

Intangible assets as at 31 March 2008 had been restated to include an adjustment of fair value as a result of adopting a higher rate of 20% (instead of 18%) contributory assets charge pertaining to plant and equipment. Amortisation charges had also been restated from December 2007.

As per FRS103, any adjustments to the provisional values of the assets and liabilities of NMOG will be completed in this financial year.

Current assets

Current assets were US\$109.7 million as at 31 December 2008, an increase of US\$46.3 million from US\$63.4 million as at 31 March 2008. This is due primarily to an increase in cash arising from a loan from the controlling shareholder (a bridging loan in anticipation of a proposed rights issue) which is being used to fund Explorer's CAPEX. Trade receivables also increased by US\$21.1 million as a result of NMOG commencing operations in Venezuela.

Non-Current Liabilities

Non-current liabilities were US\$72 million as at 31 December 2008, a decrease of US\$127.7 million from US\$199.7 million as at 31 March 2008. This was mainly the result of a decrease in bank borrowing and the repayment of a US\$115 million loan from Morton Bay (Holdings) Pte Ltd ("Morton Bay") in April 2008. The long term portion of a US\$120 million tranche bank facility was reclassified as long term borrowings from current liabilities.

Current Liabilities

The Group's current liabilities were US\$351.5 million as at 31 December 2008, an increase of US\$72.9 million from US\$278.6 million as at 31 March 2008. This was due to an additional US\$35 million in bank borrowings to fund equipment purchases and a US\$50 million interest free bridge loan from Morton Bay.

For The Third Quarter Ended 31 December 2008 (Q3 FY09)

Group revenue in Q3 FY09 increased by 154% from US\$15.2 million in Q3 FY08 to US\$38.6 million. This was attributable to the recognition of 3 months revenue of US\$34.2 million from NMOG and its subsidiaries in Q3 FY09 as compared to recognition of only half a month revenue of US\$13.8 million in the previous period.

Offshore drilling revenue in Q3 FY09 increased by 148% from US\$13.8 million in Q3 FY08 to US\$34.2 million. Building Services reported strong growth. For Building Services, revenue in Q3 FY09 increased by 238% from US\$1.3 million in Q3 FY08 to US\$4.4 million.

Administrative and distribution expenses grew in line with the level of business done. The Group reduced its loss after tax and minority interest from a loss of US\$1.5 million in Q3 FY08 which was attributed to acquisition expenses incurred relating to acquisition of NMOG to a loss of US\$0.4 million in Q3 FY09.

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

The Group's third quarter results are consistent with the commentary issued in the announcement of its results for the previous quarter.

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

The global financial crisis has triggered a slowdown in economic activity leading to weaker demand for petroleum products and resulting in a major decline in crude oil prices. This has dampened the demand for offshore drilling activities as exploration and production budgets of oil companies are trimmed. The operating environment will continue to be challenging until there is an upward revision of oil prices.

Subsequent to the mooring line incident on the Discoverer, the subsea equipment has been repaired and the Discoverer has resumed operations. The upgrading of the Explorer is expected to be completed in the next financial year. The Company continues to explore commercial opportunities for the Finder.

The outlook for the construction industry has weakened as a result of the global economic crisis although the industry may benefit from increased government infrastructure spending.

11. Dividend

Current Financial Period Reported On

None.

Corresponding Period of the Immediately Preceding Financial Year

None.

Date payable

Not applicable.

Books closure date

Not applicable.

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

No interim dividend has been recommended.

13. Negative assurance statement

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

BY ORDER OF THE BOARD

Foo Soon Soo/Lee Mee Kium
Joint Company Secretaries
12 February 2009