

JASPER INVESTMENTS LIMITED
(Company Registration No. 198700983H)

First Quarter Financial Statement Announcement for the Period Ended 30/06/2009

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

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

	Group	
	3 months ended	
	30/06/2009	30/06/2008
	US\$'000	US\$'000
Revenue	39,025	31,315
Cost of sales	(22,645)	(16,422)
Gross Profit	16,380	14,893
Interest income	97	518
Other income	63	274
Other expenses	(1,125)	(1,563)
Administrative and distribution expenses	(4,089)	(4,167)
Interest expense	(1,969)	(950)
Profit from associate and joint venture	1,373	812
Profit before taxation	10,730	9,817
Taxation	(11,914)	(8,078)
Profit for the period	(1,184)	1,739
Attributable to:		
Equity holders of the Company	476	1,206
Minority interests	(1,660)	533
	(1,184)	1,739
EPS (in cents)	0.034	0.135

Note:

Taxation includes taxes withheld at source in Venezuela.

Notes to income statement

Profit after taxation include the following :

Amortisation of intangible asset

Depreciation of plant and equipment

Foreign exchange loss/(gain)

Group	
3 months ended	
30/06/2009	30/06/2008
US\$'000	US\$'000
1,569	1,501
5,462	5,143
986	(418)

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

	Group		Company	
	30/06/2009 US\$'000	31/03/2009 US\$'000	30/06/2009 US\$'000	31/03/2009 US\$'000
<u>Non-Current Assets</u>				
Property, plant and equipment	779,854	760,838	249	272
Intangible asset	18,042	19,611	-	-
Other investments	36	36	36	36
Investment in subsidiaries	-	-	370,596	345,010
Investment in associate	8,901	10,424	1,900	1,900
Joint venture	-	115	136	136
	806,833	791,024	372,917	347,354
<u>Current Assets</u>				
Work-in-progress	2,679	2,585	-	-
Inventory	7,580	8,149	-	-
Trade and other receivables	13,460	14,881	189,162	774
Cash and bank balances	27,830	39,378	2,229	22,034
	51,549	64,993	191,391	22,808
Total Assets	<u>858,382</u>	<u>856,017</u>	<u>564,308</u>	<u>370,162</u>
<u>Capital and Reserves</u>				
Share capital	368,644	310,224	368,644	310,224
Reserves	(13,129)	(13,927)	13,261	9,144
	355,515	296,297	381,905	319,368
Minority interests	139,643	141,196	-	-
Total equity	495,158	437,493	381,905	319,368
<u>Non-Current Liabilities</u>				
Borrowings	54,944	113,427	-	50,000
Deferred taxation	52	42	-	-
Interest rate swaps	1,523	1,759	-	-
	56,519	115,228	-	50,000
<u>Current Liabilities</u>				
Trade and other payables	50,221	56,854	654	794
Borrowings	254,529	244,502	181,749	-
Provision for taxation	1,955	1,940	-	-
	306,705	303,296	182,403	794
Total liabilities	363,224	418,524	182,403	50,794
Total Equity and Liabilities	<u>858,382</u>	<u>856,017</u>	<u>564,308</u>	<u>370,162</u>

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

Amount repayable in one year or less, or on demand

<u>As at 30/06/2009</u>		<u>As at 31/03/2009</u>	
<u>US\$'000</u>		<u>US\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
71,695	183,653	242,854	2,599

Amount repayable after one year

<u>As at 30/06/2009</u>		<u>As at 31/03/2009</u>	
<u>US\$'000</u>		<u>US\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
54,727	217	63,167	50,260

Notes:-

(1) Included in the secured bank loans of the Group as at 30 June 2009 are:-

(i) An amount of US\$91.2 million secured, *inter alia*, by:

- a mortgage over the drilling vessel, the Neptune Discoverer ("Discoverer")
- an assignment of insurances
- an assignment of the bare boat charter of the Discoverer

Interest rate swaps had been entered with banks whereby the Group pays fixed interest rate 2.455% and 3.147% per annum and receives a floating rate equal to 3-months' LIBOR.

The Group has reached a heads of agreement with the lenders whereby, *inter alia*, all breaches arising from the termination of the Reliance contract would be waived. This is subject to the lenders receiving credit approvals and the signing of amended loan documents.

(ii) An amount of US\$35 million secured, *inter alia*, by:

- a mortgage over the drilling vessel, the Neptune Finder ("Finder")
- an assignment of insurances
- a corporate guarantee given by the Company
- a pledge on the shares of a subsidiary

(iii) An amount of US\$222,105 secured by a mortgage over a subsidiary's freehold property.

(2) The unsecured loans repayable in less than one year includes an interest bearing loan of US\$181.7 million due to the Company's controlling shareholder Morton Bay (Holdings) Pte Ltd. ("Morton Bay").

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

	01/04/2009 to 30/06/2009 US\$'000	01/04/2008 to 30/06/2008 US\$'000
<u>Cash flows from operating activities</u>		
Profit before taxation	10,730	9,817
Adjustments for :		
Depreciation of property, plant and equipment	5,462	5,143
Exchange difference on translation	128	81
Interest income	(97)	(518)
Interest expenses	1,969	950
Impairment of inventory	571	-
Amortisation of intangible asset	1,569	1,501
Write-off of property, plant and equipment	5	-
Foreign exchange loss/(gain) - unrealised	939	(633)
Impairment in value of joint venture	-	1
Share of profit of associate and joint venture	(1,373)	(812)
Operating profit before working capital changes	19,903	15,530
Changes in working capital		
-increase in inventories	(1)	(665)
-increase in work-in-progress	(94)	(223)
-decrease/(increase) in operating receivables	1,421	(4,937)
-(decrease)/increase in operating payables	(6,633)	9,020
Cash generated from operations	14,596	18,725
Income taxes paid	(11,688)	-
Net cash generated from operating activities	2,908	18,725
<u>Cash flows from investing activities</u>		
Interest received	97	471
Dividend from associate	2,793	-
Acquisition of :		
-property, plant and equipment (Note A)	(24,402)	(141,904)
Net cash used in investing activities	(21,512)	(141,433)
<u>Cash flows from financing activities</u>		
Proceeds from issue of new shares (Note B)	58,420	280,434
Interest paid	(1,969)	(950)
Fixed deposits pledge as security	(2,641)	(5,152)
(Repayment to) / Loan from :		
-hire purchase creditor	(36)	(27)
-bank loan	(180,169)	(14,494)
-shareholder loan	131,749	(115,000)
Net cash generated from/(used in) financing activities	5,354	144,811
Net (decrease)/increase in cash and cash equivalents	(13,250)	22,103
Effect of foreign exchange rate changes	(939)	633
Cash and cash equivalents at the beginning	39,378	45,730
Cash and cash equivalents at the end (Note C)	<u>25,189</u>	<u>68,466</u>

(A) Purchase of property, plant and equipment

During the financial period, the Group acquired plant and equipment with an aggregate cost of US\$24,402,000 (2008 - US\$142,123,000) of which Nil (2008 - US\$219,000) was acquired by means of finance lease. Cash payments of US\$24,402,000 (2008 - US\$141,904,000) were made for the purchase.

(B) Issuance of shares

	01/04/2009 to 30/06/2009 US\$'000	01/04/2008 to 30/06/2008 US\$'000
Issuance of shares	58,420	280,434
Cash consideration	58,420	280,434

(C) Cash and Cash Equivalents

	01/04/2009 to 30/06/2009 US\$'000	01/04/2008 to 30/06/2008 US\$'000
Fixed deposits	1,808	69,407
Cash and bank balances	26,022	4,211
	27,830	73,618
Fixed deposits pledged to bank	(2,641)	(5,152)
Cash and cash equivalents in consolidated cash flow statement	25,189	68,466

1(d)(i) Statement of Comprehensive Income

With effect from 1 January 2009, FRS1 Presentation of Financial Statements requires an entity to present all non-owner changes in equity in a Statement of Comprehensive Income. Non-owner changes will include income and expenses recognized directly in equity. This is a change of presentation and does not affect the recognition or measurement of the entity's transactions. Previously, such non-owner changes are included in the Statement of Changes in Equity.

	Group	
	3 months ended	
	30/06/2009	30/06/2008
	US\$'000	US\$'000
(Loss)/profit for the period	(1,184)	1,739
Other comprehensive (loss)/income for the period:		
Translation differences relating to financial statements of foreign subsidiaries	192	62
Increase in hedging reserve	237	-
Other comprehensive income for the period	429	62
Total comprehensive (loss)/income for the period	(755)	1,801
Total comprehensive (loss)/income attributable to:		
Equity holders of the Company	799	1,268
Minority interest	(1,554)	533
Total comprehensive (loss)/income for the period	(755)	1,801

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 30/06/2009

Company

Balance as at 01/04/2009

Issued during the period

Total comprehensive income for the period

Balance as at 30/06/2009

Balance as at 01/04/2008

Issued during the period

Reclassification of exchange translation reserve

Total comprehensive income for the period

Balance as at 30/06/2008

	Share Capital US\$'000	Other Reserve US\$'000	Exchange Translation Reserve US\$'000	(Accumulated Losses)/ Retained Profits US\$'000	Grand Total US\$'000
Balance as at 01/04/2009	310,224	-	-	9,144	319,368
Issued during the period	58,420	-	-	-	58,420
Total comprehensive income for the period	-	-	-	4,117	4,117
Balance as at 30/06/2009	368,644	-	-	13,261	381,905
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	-
Total comprehensive income for the period	-	-	-	2,025	2,025
Balance as at 30/06/2008	307,513	-	-	7,495	315,008

Statement of Changes in Equity for the financial period ended 30/06/2009

Group

Balance as at 01/04/2009

Issue during the year

Total comprehensive income for the period

Balance as at 30/06/2009

Balance as at 01/04/2008

Issue during the year

Reclassification of exchange translation reserve

Total comprehensive income for the period

Balance as at 30/06/2008

	Share Capital US\$'000	Other Reserve US\$'000	Hedging Derivative Reserve US\$'000	Exchange Translation Reserve US\$'000	Total Reserve US\$'000	(Accumulated Losses)/ Retained Profits US\$'000	Minority Interests US\$'000	Grand Total US\$'000
Balance as at 01/04/2009	310,224	2,982	(1,759)	908	2,131	(16,059)	141,197	437,493
Issue during the year	58,420	-	-	-	-	-	-	58,420
Total comprehensive income for the period	-	-	131	192	323	476	(1,554)	(755)
Balance as at 30/06/2009	368,644	2,982	(1,628)	1,100	2,454	(15,583)	139,643	495,158
Balance as at 01/04/2008	24,672	2,982	-	3,698	6,680	3,001	160,651	195,004
Issue during the year	280,434	-	-	-	-	-	-	280,434
Reclassification of exchange translation reserve	2,407	-	-	(2,407)	(2,407)	-	-	-
Total comprehensive income for the period	-	-	-	62	62	1,206	533	1,801
Balance as at 30/06/2008	307,513	2,982	-	1,353	4,335	4,207	161,184	477,239

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, the Company had issued and allotted 659,530,330 new ordinary shares in the Company at an issue price of S\$0.13 pursuant to a rights issue completed on 29 May 2009.

Following the allotment, the issued paid up share capital of the Company increased from 1,186,171,830 ordinary shares to 1,845,702,160 ordinary shares.

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

The total number of issued shares, excluding treasury shares, as at 30 June 2009 was 1,845,702,160 compared to 1,186,171,830 as at 31 March 2009.

		No. of shares
1 April 2009	Balance at beginning	1,186,171,830
29 May 2009	Rights issue during the year	<u>659,530,330</u>
30 June 2009	Balance at end	<u>1,845,702,160</u>

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 in Part 5 below, the Group has applied the same accounting policies and methods of computation as those applied for the audited financial statements for the year ended 31 March 2009 .

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.

Interpretations and amendments to published standards effective in 2009

On 1 January 2009, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date.

The following are the new or amended FRS and INT FRS that are relevant to the Group:

FRS 1 (Revised)	Presentation to Financial Statements - Revised presentation
FRS 2 (Revised)	Inventories
FRS 7 (Amendment)	Cash Flow Statements

FRS 8 (Revised)	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 16 (Revised)	Property, Plant and Equipment
FRS 19 (Amendment)	Employee Benefits
FRS 23 (Revised)	Borrowing Costs
FRS 27 (Revised)	Consolidated and Separate Financial Statements
FRS 33 (Revised)	Earnings per Share
FRS 34 (Amendment)	Interim Financial Reporting
FRS 36 (Revised)	Impairment of Assets
FRS 38 (Revised)	Intangible Assets
Amendments to FRS 39	Amendments to FRS 39 Financial Instruments: Recognition and Measurement and FRS 107 Financial Instruments: Disclosures - Reclassification of Financial Assets
FRS 108	Operating Segments

The adoption of the above new or amended FRS and INT FRS did not result in any substantial changes to the Group's accounting policies nor any significant impact on these financial statements except for the disclosure of a statement of comprehensive income in accordance with FRS 1 (Revised) Presentation to Financial Statements.

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\$476,000 (30 June 2008: US\$1,206,000) by the weighted average number of shares of 1,406,015,273 (30 June 2008: 894,078,871 shares) in issue during the financial period.

The diluted earnings per share is calculated by dividing the profit attributable to shareholders of US\$476,000 (30 June 2008: US\$1,206,000) by the adjusted weighted average number of shares of 1,406,015,273 (30 June 2008: 894,078,871) in issue during the financial period.

	<u>30/06/2009</u>	<u>30/06/2008</u>
Basic EPS (in cents - US)	0.034	0.135
Fully diluted EPS (in cents - US)	0.034	0.135

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

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

	<u>Group</u>		<u>Company</u>	
	<u>30/06/2009</u>	<u>31/03/2009</u>	<u>30/06/2009</u>	<u>31/03/2009</u>
Net Assets Value ("NAV") per share (in cents - US)	19.26	24.98	20.69	26.92

NAV per share is calculated by dividing the net assets by the existing issued share capital of 1,845,702,160 shares (31 March 2009: 1,186,171,830 shares).

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.

General Developments

On 11 May 2009, Turquoise Offshore Pte Ltd ("Turquoise"), a wholly-owned subsidiary of the company, acquired US\$150 million of the outstanding principal sum of a bridging loan provided by a bank ("Bridging Loan"), together with accrued interest of about US\$16 million. The remaining principal sum of US\$20 million was acquired on 2 June 2009. Consequently with the acquisition of the Bridging Loan, all the security interests securing the repayment of the Bridging Loan, including *inter alia* a first mortgage on the drillship, the Neptune Explorer, was also transferred to Turquoise.

To finance the acquisition of the Bridging Loan the Company entered into an agreement on 11 May 2009 with its controlling shareholder, Morton Bay to provide an unsecured shareholder's loan of up to US\$186 million to the Company. The proceeds were on lent to Turquoise for it to acquire the Bridging Loan.

The Company issued 659,530,330 new ordinary shares at an issue price of S\$0.13 on 29 May 2009 pursuant to a rights issue exercise, which raised US\$59.34 million. Of the proceeds raised, US\$50 million was used to repay a bridge loan from Morton Bay and a further US\$6.45 million was used on 2 June 2009 to partially finance the acquisition of the remaining principal sum of the Bridging Loan. The remaining balance of the rights issue proceeds (after deducting issue expenses) of US\$1.9 million was used to fund Group working capital.

For The Three Months Ended 30 June 2009 (Q1 FY2010)

Group revenue for Q1 FY2010 increased by 25% to US\$39 million from US\$31.3 million in Q1 FY2009. This was attributable to the inclusion of three months' drilling income of US\$36.9 million from the Neptune group as compared to US\$25.9 million arising from 20 days' drilling income of US\$10.3 million and US\$15.6 million mobilization fee in Q1 FY2009.

The Group reported a pretax profit of US\$10.7 million in Q1 FY2010 as compared to US\$9.8 million in Q1 FY2009. After deducting tax of US\$11.9 million of which US\$11.6 million was withholding tax of income derived by Neptune's operations in Venezuela, the Group registered a profit after tax and minority interest of US\$0.47 million in Q1 FY2010 as compared to US\$1.2 million in Q1 FY2009.

Offshore Drilling

Revenue for Q1 FY2010 increased from US\$25.9 million in Q1 FY2009 to US\$36.9 million due to inclusion of three months' drilling income from the Discoverer as compared to recognition of twenty days' drilling income of US\$10.3 million and mobilisation fee of US\$15.6 million for Q1 FY2009.

For the period from April to June 2009, the Discoverer achieved the following operating performance rates:-

<u>Month</u>	<u>Operating Rates (%)</u>
Apr-09	94.03
May-09	55.81
Jun-09	90.14

The drop in operating rate in May 2009 was due to the replacement of components in the mooring system.

Neptune's other drillship, the Explorer is currently undergoing testing and commissioning and is anticipated to be fully completed in Q2 FY2010. The Group is exploring commercial opportunities for the Explorer and its semi-submersible, the Finder.

The Neptune group generated earnings before interest, impairment, depreciation and amortization of US\$5.3 million for Q1 FY2010.

It recorded an operating profit of US\$8 million in Q1 FY2010 after deducting depreciation of US\$5.5 million, amortisation of intangible asset of US\$1.6 million and interest expense of US\$1.9 million. Additionally, the Neptune group had withholding taxes deducted from income derived from Venezuela at a rate of 30.6%. After deducting US\$11.7 million of withholding tax expense, the Neptune group recorded a loss US\$3.7 million. Minority interests' share of Neptune's loss was US\$1.7 million.

Building Services

Revenue for precast operations decreased by 61% from US\$5.4 million in Q1 FY2009 to US\$2.1 million in Q1 FY2010. ECI Corporation Pte Ltd and its subsidiary recorded a loss of US\$0.7 million in Q1 FY2010 compared to a profit of US\$0.43 million in Q1 FY2009. The share of our bored piling associate's results after tax increased by 97% to US\$1.3 million in Q1 FY2010 from US\$0.66 million in Q1 FY2009.

Statement of Financial Position

Non-current assets

The Group's fixed assets increased by US\$19.1 million from US\$760.8 million as at 31 March 2009 to US\$779.9 million as at 30 June 2009. This is mainly the result of an increase in capital expenditure on the Explorer due to upgrading work.

Investment in associate decreased from US\$10.4 million as at 31 March 2009 to US\$8.9 million as at 30 June 2009 due mainly to Company's share of profit of US\$1.3 million less dividend received of US\$2.8 million.

Current assets

The Group's current assets decreased by US\$13.5 million from \$65 million as at 31 March 2009 to US\$51.5 million as at 30 June 2009 due mainly to a decrease in cash balances.

Equity attributable to equity holders of the Group

Equity attributable to equity holders of the Group increased by US\$59.3 million from US\$296.3 million as at 31 March 2009 to US\$355.6 million as at 30 June 2009. This was due mainly to an increase in share capital by US\$58.4 million as a result of the rights issue completed on 29 May 2009.

Non-Current Liabilities

Non-current liabilities declined by US\$58.7 million from US\$115.2 million as at 31 March 2009 to US\$56.5 million as at 30 June 2009 due primarily to the repayment of a US\$50 million bridge loan from Morton Bay.

Current Liabilities

The Group's current liabilities rose by US\$3.4 million from US\$303.3 million as at 31 March 2009 to US\$306.7 million as at 30 June 2009. The was due to a US\$11.7 million increase in shareholder's loan which was offset by a decrease in trade and other payables of US\$6.6 million.

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

The Group's performance for Q1 FY2010 was in line with the sentiments expressed in the Group's full year results announced on 29 May 2009.

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.

Lower oil prices may lead to a reduction in capital expenditure for exploration and production activities in the offshore oil industry. This would impact on demand for offshore drilling services. However in the long term, the Group believes that oil prices would rise to levels which would spur exploration activities to replace depleting oil reserves.

After completing drilling and capping of a gas well in early July 09, the Discoverer is undergoing repairs which is estimated to last at least 60 days. This period of downtime will negatively impact on the revenues for the Neptune group and would likely lead to a loss for the Group in Q2 FY2010.

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. Interested Person Transaction

<u>Name of interested person</u>	<u>Aggregate value of all interested person transactions conducted under shareholders' mandate for Q1 FY2010 pursuant to Rule 920 (excluding transactions of less than S\$100,000)</u>
Morton Bay (Holdings) Pte Ltd	US\$2.02 million

There was no transaction which was not conducted under the shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual in Q1 FY2010.

14. Negative assurance statement

The Board of Directors confirms that, to the best of its knowledge, nothing has come to its attention which may render the first quarter financial results as at 30 June 2009 to be false or misleading, in any material respect.

BY ORDER OF THE BOARD

Foo Soon Soo/Lee Mee Kium
Joint Company Secretaries
14 August 2009