

JASPER INVESTMENTS LIMITED
(Company Registration No. 198700983H)

Financial Statement Announcement for the Fourth Quarter and Financial Year Ended 31/03/2010

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			
	Fourth Quarter		12 months ended	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	2,005	24,363	78,886	127,182
Cost of sales	(4,970)	(18,295)	(65,238)	(66,301)
Gross profit/(loss)	(2,965)	6,068	13,648	60,881
Interest income	43	43	154	687
Other income	53,636	4,824	65,410	5,307
Other expenses	(62,375)	(43,720)	(159,477)	(47,332)
Administrative and distribution expenses	(2,595)	(1,960)	(14,834)	(14,087)
Impairment of intangible asset	-	-	(18,042)	-
Interest expenses	(4,503)	(2,051)	(14,007)	(9,203)
Loss before taxation	(18,759)	(36,796)	(127,148)	(3,747)
Taxation	(18)	(8,883)	(25,959)	(41,162)
Loss after taxation from continuing operations	(18,777)	(45,679)	(153,107)	(44,909)
Profit from discontinued operations	7	486	2,294	6,395
Loss for the period	(18,770)	(45,193)	(150,813)	(38,514)
Attributable to:				
Equity holders of the Company	(7,456)	(24,454)	(72,291)	(19,059)
Non-controlling interests	(11,314)	(20,739)	(78,522)	(19,455)
	(18,770)	(45,193)	(150,813)	(38,514)

From continuing and discontinued operations

Basic EPS (in cents)	(0.429)	(2.252)	(4.164)	(1.756)
Fully diluted EPS (in cents)	(0.429)	(2.252)	(4.163)	(1.756)

Notes:-

- Taxation includes taxes withheld at source.
- The figures for the financial year ended 31 Mar 2009 have been adjusted as a result of a re-classification for discontinued operations.

Notes to income statement

Loss after taxation includes the following :

Amortisation of intangible asset

Impairment of intangible asset

Depreciation of plant and equipment

Foreign exchange loss/(gain)

Option share reserve

Group			
Fourth Quarter		12 months ended	
31/03/2010	31/03/2009	31/03/2010	31/03/2009
US\$'000	US\$'000	US\$'000	US\$'000
-	1,569	1,569	6,275
-	-	18,042	-
(147)	3,730	14,894	19,098
(562)	(617)	1,376	(647)
14	-	143	-

Breakdown on Other expenses

Bank transaction fees

Loss on disposal of drillship

Loss on disposal of assets

Loss on interest rate swaps

Impairment of property, plant and equipment

Group			
Fourth Quarter		12 months ended	
31/03/2010	31/03/2009	31/03/2010	31/03/2009
US\$'000	US\$'000	US\$'000	US\$'000
(483)	(3,719)	(2,615)	(7,302)
356	-	(82,237)	-
-	-	(3,000)	-
-	-	(2,581)	-
(62,000)	(39,553)	(62,000)	(39,553)

Breakdown on Other income

Gain on disposal of associate and joint venture

Gain on dilution of interest in a subsidiary company

Negative goodwill arising from acquisition of additional shares in a subsidiary

Group			
Fourth Quarter		12 months ended	
31/03/2010	31/03/2009	31/03/2010	31/03/2009
US\$'000	US\$'000	US\$'000	US\$'000
-	-	11,649	-
49,782	-	49,782	-
3,081	-	3,081	-

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	
	31/03/2010 US\$'000	31/03/2009 US\$'000	31/03/2010 US\$'000	31/03/2009 US\$'000
<u>Non-Current Assets</u>				
Property, plant and equipment	540,642	760,838	188	272
Intangible asset	-	19,611	-	-
Other investments	36	36	36	36
Investment in subsidiaries	-	-	191,884	345,010
Investment in associate	-	10,424	-	1,900
Joint Venture	-	115	-	136
	540,678	791,024	192,108	347,354
<u>Current Assets</u>				
Work-in-progress	-	2,585	-	-
Inventory	2,976	8,149	-	-
Trade and other receivables	1,490	14,881	295,188	774
Cash and cash equivalents	29,442	39,378	19,252	22,034
	33,908	64,993	314,440	22,808
Total Assets	<u>574,586</u>	<u>856,017</u>	<u>506,548</u>	<u>370,162</u>
<u>Capital and Reserves</u>				
Share capital	368,745	310,224	368,745	310,224
Reserves	(84,317)	(13,144)	(64,271)	9,144
	284,428	297,080	304,474	319,368
Non-controlling interests	9,457	140,413	-	-
Total equity	293,885	437,493	304,474	319,368
<u>Non-Current Liabilities</u>				
Borrowings	201,832	113,427	201,832	50,000
Interest rate swap	-	1,759	-	-
Deferred taxation	-	42	-	-
	201,832	115,228	201,832	50,000
<u>Current Liabilities</u>				
Trade and other payables	42,230	56,854	242	794
Borrowings	35,000	244,502	-	-
Provision for taxation	1,639	1,940	-	-
	78,869	303,296	242	794
Total liabilities	280,701	418,524	202,074	50,794
Total Equity and Liabilities	<u>574,586</u>	<u>856,017</u>	<u>506,548</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 31/03/2010</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>
35,000	-	242,854	2,599

Amount repayable after one year

<u>As at 31/03/2010</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>
-	201,832	63,167	50,260

Notes:-

(1) Secured borrowings of the Group as at 31 Mar 2010 are:-

- (i) An amount of US\$35 million due to a bank secured, *inter alia*, by:
- a first priority mortgage over one of the Group's drilling rig
 - an assignment of insurances
 - a corporate guarantee given by the Company
 - a pledge on the shares of a subsidiary

(2) The unsecured loans repayable after one year include an interest bearing loan of approximately US\$201.8 million due to the Company's controlling shareholder Morton Bay (Holdings) Pte Ltd ("Morton Bay").

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			
	Fourth Quarter		12 months ended	
	31/03/2010 US\$'000	31/03/2009 US\$'000	31/03/2010 US\$'000	31/03/2009 US\$'000
<u>Cash flows from operating activities</u>				
Loss before taxation	(18,759)	(36,796)	(127,148)	(3,747)
Profit/(loss) from discontinued operations	(1)	620	2,914	7,642
Adjustments for :				
Depreciation of property, plant and equipment	(147)	3,730	14,894	19,098
Exchange difference on translation	(134)	846	-	773
Interest income	(43)	(43)	(154)	(687)
Interest expenses	4,432	2,083	14,007	9,326
Impairment of intangible asset	-	-	18,042	-
Allowance for inventory obsolescence	(696)	409	-	409
Amortisation of intangible asset	-	1,569	1,569	6,275
Write off of property, plant and equipment	2	16	24	54
Write off of negative goodwill on acquisition	(3,081)	-	(3,081)	-
Loss/(gain) on disposal of property, plant and equipment	-	2	81,910	(91)
Gain on disposal of subsidiaries	(469)	-	(469)	-
Gain on disposal of associate and joint venture	(5)	-	(11,649)	-
Gain on dilution of non-controlling interests (Note A)	(49,782)	-	(49,782)	-
Foreign exchange gain - unrealised	(1,375)	(1,213)	98	(2,011)
Impairment in value of property, plant and equipment	62,000	39,553	62,000	39,553
Impairment in value of joint venture	-	(29)	-	-
Share of loss pertaining to non-controlling interests	810	-	-	-
Share of profit of associate and joint venture	-	(1,093)	(3,751)	(7,182)
Operating (loss)/profit before working capital changes	(7,248)	9,654	(576)	69,412
Changes in working capital				
-decrease/(increase) in inventories	(2,556)	(390)	1,009	(3,566)
-(increase)/decrease in work-in-progress	(578)	205	-	(1,073)
-decrease/(increase) in operating receivables	11,594	18,565	13,094	(1,737)
-decrease in operating payables	(21,124)	(6,785)	(11,970)	(38,161)
Cash generated from/(used in) operations	(19,912)	21,249	1,557	24,875
Income taxes (paid)/recovered	23	(62)	(25,949)	136
Net cash (used in)/generated from operating activities	(19,889)	21,187	(24,392)	25,011
<u>Cash flows from investing activities</u>				
Interest received	43	41	154	684
Dividend from associate and joint venture	-	-	2,965	821
Acquisition of property, plant and equipment (Note B)	(7,408)	(24,179)	(83,749)	(225,532)
Acquisition from non-controlling interests in existing subsidiary (Note C)	-	-	(355)	-
Proceeds from :				
-disposal of property, plant and equipment	30,000	(2)	150,032	121
-disposal of associate and joint venture	5	-	22,353	-
Net cash inflow from disposal of subsidiaries (Note D)	3,418	-	3,418	-
Net cash generated from/(used in) investing activities	26,058	(24,140)	94,818	(223,906)
<u>Cash flows from financing activities</u>				
Proceeds from issue of new shares (Note E)	91	-	58,522	280,434
Interest paid	(11,336)	(15,424)	(20,911)	(22,667)
Fixed deposits (pledged)/released as security	-	(23)	-	(2,641)
(Repayment of) / Loan from :				
-hire purchase creditor	141	(56)	-	(194)
-bank loan	1,366	(10,690)	(269,850)	(2,041)
-shareholder loan	3,347	-	151,832	(65,000)
Net cash (used in)/generated from financing activities	(6,391)	(26,193)	(80,407)	187,891
Net decrease in cash and cash equivalents	(222)	(29,146)	(9,981)	(11,004)
Effect of foreign exchange rate changes	1,388	2,011	45	2,011
Cash and cash equivalents at the beginning	28,276	63,872	39,378	45,730
Cash and cash equivalents at the end (Note F)	29,442	36,737	29,442	36,737

(A) Gain on dilution of non-controlling interests in a subsidiary

On 4 Mar 2010, the Company and its wholly owned subsidiary, Turquoise Offshore Pte Ltd subscribed for 58,425,255 new shares ("New Shares") in Neptune Marine Oil & Gas ("Neptune Marine") pursuant to a preferential offering of new shares undertaken by Neptune Marine to its shareholders. The non-controlling shareholders did not subscribe for the preferential offer. With the issue and allotment of New Shares, the Company now holds in aggregate 66,771,720 shares in Neptune Marine, representing 91.31% of the total issued share capital. The non-controlling shareholders had been diluted from 43.2% to 8.69%. This gave rise to a gain on dilution of non-controlling interests of US\$49.8 million.

(B) Purchase of property, plant and equipment

During the financial year, the Group acquired plant and equipment with an aggregate cost of US\$90.65 million, which included interest paid of approximately US\$6.9 million to fund the acquisition of these plant and equipment (31 Mar 2009 - US\$239.41 million of which US\$13.3 million was interest). Of this, US\$Nil (31 Mar 2009 - US\$533,000) was acquired by means of finance lease. Cash payments of US\$90.65 million (31 Mar 2009 - US\$238.87 million) were made for the remaining purchases.

(C) Acquisition of additional shares in subsidiary from non-controlling interests

On 1 Nov 2009, the Group acquired an additional 1.34% interest in Neptune Marine for approximately US\$0.36 million in cash, increasing its shareholding from 55.44% to 56.78%. The net asset value of Neptune Marine in the consolidated financial statements on the date of the acquisition was approximately US\$256.4 million. With the increase in its interest in Neptune Marine, the Group recognised a decrease in non-controlling interest of approximately US\$3.4 million. This gave rise to a negative goodwill of approximately US\$3 million.

(D) Disposal of subsidiary

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

Bank borrowings	
Deferred taxation	
Provision for taxation	
Term loans	
Property, plant and equipment	
Work-in-progress	
Inventories	
Cash and bank balances	
Receivables	
Payables	
Gain on disposal	
Sales proceeds	
Loss from discontinued operation for the year	
Cash and bank balances	
Cash inflow from disposal of subsidiaries	

Group			
Fourth Quarter		12 months ended	
31/03/2010 US\$'000	31/03/2009 US\$'000	31/03/2010 US\$'000	31/03/2009 US\$'000
(2,372)	-	(2,372)	-
(42)	-	(42)	-
(312)	-	(312)	-
(222)	-	(222)	-
1,988	-	1,988	-
2,585	-	2,585	-
4,165	-	4,165	-
144	-	144	-
1,133	-	1,133	-
(3,138)	-	(3,138)	-
3,929	-	3,929	-
469	-	469	-
4,398	-	4,398	-
(836)	-	(836)	-
(144)	-	(144)	-
3,418	-	3,418	-

(E) Issuance of shares

Issuance of shares

Group			
Fourth Quarter		12 months ended	
31/03/2010 US\$'000	31/03/2009 US\$'000	31/03/2010 US\$'000	31/03/2009 US\$'000
90	-	58,522	280,434

(F) Cash and Cash Equivalents

Group	
As at 31 March	
2010	2009
US\$'000	US\$'000
Fixed deposits	20,738
Cash and bank balances	18,640
	39,378
Fixed deposits pledged to bank	(2,641)
	36,737
29,442	36,737

(G) Review of Cash Flow Statement

The Group's net cash outflow from operating activities for FY2010 of US\$24.4 million was due mainly to withholding tax paid at source.

The net cash inflow of US\$94.8 million in investing activities was mainly attributed to dividends of US\$3 million received from the Group's associated company Resource Holding Limited ("Resource"), US\$0.6 million from the divestment of the Group's joint venture company, US\$21.7 million from the divestment of Resource and US\$150 million from the disposal of the *Neptune Discoverer* ("Discoverer"). This was offset by US\$83.7 million spent on upgrading the *Neptune Explorer* ("Explorer") and acquisition of additional shares in Neptune Marine for approximately US\$0.36 million.

Net cash outflow from financing activities was US\$80.4 million. This was due mainly to funds raised from shareholder loans of US\$151.8 million and net proceeds of US\$58.4 million raised from a rights issue completed on 29 May 2009. The cash inflow was however offset by repayment of bank loans amounting to US\$269.9 million.

As a result, net cash and cash equivalent decreased from US\$36.7 million in FY2009 to US\$29.4 million in FY2010.

1(d)(i) Statement of Comprehensive Income

With effect from 1 Jan 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			
	Fourth Quarter		12 months ended	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	US\$'000	US\$'000	US\$'000	US\$'000
(Loss)/profit for the period	(18,770)	(45,193)	(150,813)	(38,514)
Other comprehensive (loss)/income for the period:				
Translation differences relating to financial statements of foreign subsidiaries	(313)	(193)	(1)	(383)
Increase in other reserve	14	-	144	-
Increase in hedging reserve	-	(1,759)	1,759	(1,759)
Other comprehensive income for the period	(299)	(1,952)	1,902	(2,142)
Total comprehensive (loss)/income for the period	(19,069)	(47,145)	(148,911)	(40,656)
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(7,755)	(25,622)	(71,173)	(20,418)
Non-controlling interests	(11,314)	(21,523)	(77,738)	(20,238)
Total comprehensive (loss)/income for the period	(19,069)	(47,145)	(148,911)	(40,656)

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

Statement of Changes in Equity for the financial year ended 31/03/2010

	Share Capital US\$'000	Other Reserve US\$'000	Exchange Translation Reserve US\$'000	(Accumulated Losses)/ Retained Profits US\$'000	Grand Total US\$'000
Company					
12 months ended 31/03/2010					
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 30/06/2009	368,644	-	-	13,261	381,905
Total comprehensive income for the period	-	44	-	1,474	1,518
Balance as at 30/09/2009	368,644	44	-	14,735	383,423
Balance as at 30/09/2009	368,644	44	-	14,735	383,423
Total comprehensive income for the period	11	86	-	(77,405)	(77,308)
Balance as at 31/12/2009	368,655	130	-	(62,670)	306,115
Balance as at 31/12/2009	368,655	130	-	(62,670)	306,115
Total comprehensive income for the period	90	14	-	(1,745)	(1,641)
Balance as at 31/03/2010	368,745	144	-	(64,415)	304,474
12 months ended 31/03/2009					
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
Balance as at 30/06/2008	307,513	-	-	7,495	315,008
Total comprehensive income 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
Total comprehensive income for the period	-	-	-	4,102	4,102
Balance as at 31/12/2008	307,513	-	-	14,611	322,124
Balance as at 31/12/2008	307,513	-	-	14,611	322,124
Issued during the period	2,711	-	-	-	2,711
Total comprehensive income for the period	-	-	-	(5,467)	(5,467)
Balance as at 31/03/2009	310,224	-	-	9,144	319,368

Statement of Changes in Equity for the financial year ended 31/03/2010

	Share Capital US\$'000	Other Reserve US\$'000	Hedging Derivative Reserve S\$'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								
12 months ended 31/03/2010								
Balance as at 01/04/2009	310,224	2,982	(975)	908	2,915	(16,059)	140,413	437,493
Issued during the period	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	(844)	1,100	3,238	(15,583)	138,859	495,158
Balance as at 30/06/2009	368,644	2,982	(844)	1,100	3,238	(15,583)	138,859	495,158
Total comprehensive income for the period	-	44	(9)	84	119	(22,661)	(21,265)	(43,807)
Balance as at 30/09/2009	368,644	3,026	(853)	1,184	3,357	(38,244)	117,594	451,351
Balance as at 30/09/2009	368,644	3,026	(853)	1,184	3,357	(38,244)	117,594	451,351
Issued during the period	11	-	-	-	-	-	-	11
Acquisition from non-controlling interests	-	-	-	-	-	-	(4,247)	(4,247)
Total comprehensive income for the period	-	86	853	36	975	(42,650)	(43,605)	(85,280)
Balance as at 31/12/2009	368,655	3,112	-	1,220	4,332	(80,894)	69,742	361,835
Balance as at 31/12/2009	368,655	3,112	-	1,220	4,332	(80,894)	69,742	361,835
Issued during the period	90	-	-	-	-	-	-	90
Acquisition from non-controlling interests	-	-	-	-	-	-	(48,971)	(48,971)
Total comprehensive income for the period	-	14	-	(313)	(299)	(7,456)	(11,314)	(19,069)
Balance as at 31/03/2010	368,745	3,126	-	907	4,033	(88,350)	9,457	293,885
12 months ended 31/03/2009								
Balance as at 01/04/2008	24,672	2,982	-	3,698	6,680	3,001	160,651	195,004
Issued during the period	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
Balance as at 30/06/2008	307,513	2,982	-	1,353	4,335	4,207	161,184	477,239
Total comprehensive income for the period	-	-	-	(219)	(219)	4,718	1,415	5,914
Balance as at 30/09/2008	307,513	2,982	-	1,134	4,116	8,925	162,599	483,153
Balance as at 30/09/2008	307,513	2,982	-	1,134	4,116	8,925	162,599	483,153
Total comprehensive income for the period	-	-	-	(33)	(33)	(530)	(663)	(1,226)
Balance as at 31/12/2008	307,513	2,982	-	1,101	4,083	8,395	161,936	481,927
Balance as at 31/12/2008	307,513	2,982	-	1,101	4,083	8,395	161,936	481,927
Issued during the period	2,711	-	-	-	-	-	-	2,711
Total comprehensive income for the period	-	-	(975)	(193)	(1,168)	(24,454)	(21,523)	(47,145)
Balance as at 31/03/2009	310,224	2,982	(975)	908	2,915	(16,059)	140,413	437,493

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.

On 8 Jan 2010, the Company issued and allotted 980,000 new shares pursuant to the Company's Share Incentive Scheme, thereby increasing its share capital from 1,845,702,160 shares as at 31 Dec 2009 to 1,846,682,160 shares as at 31 Mar 2010.

Employee Share Option Plan

During the financial period, the Company granted certain directors and employees share options pursuant to the Company's Share Option Plan. The number of unissued ordinary shares under options are as follows:-

	31 Mar 2010	31 Mar 2009
Total number of outstanding option shares	20,000,000	Nil

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 Mar 2010 was 1,846,682,160 compared to 1,186,171,830 as at 31 Mar 2009.

		No. of shares
1 Apr 2009	Balance at beginning	1,186,171,830
29 May 2009	Rights issue during the year	659,530,330
8 Jan 2010	Issue of shares pursuant to Share Incentive Scheme	980,000
31 Mar 2010	Balance at end	<u>1,846,682,160</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 ended 31 Mar 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 Apr 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.

Basic earnings per share ("EPS") is calculated by dividing the net loss after taxation and non-controlling interest attributable to shareholders of US\$72.291 million (31 Mar 2009: loss US\$19.059 million) by the weighted average number of 1,736,025,438 shares (31 Mar 2009: 1,085,667,187 shares) outstanding during the financial year.

Diluted earnings per share is calculated by dividing the net loss after taxation and non-controlling interest attributable to shareholders of US\$72.291 million (31 Mar 2009: loss US\$19.059 million) by the weighted average number of shares and the weighted average number of dilutive options, equivalent to 1,736,427,224 shares (31 Mar 2009: 1,085,667,187) outstanding during the financial period.

	<u>Group</u>			
	<u>Fourth Quarter</u>		<u>12 Months Ended</u>	
	<u>FY2010</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2009</u>
From continuing and discontinued operations				
Basic EPS (in cents - US\$)	(0.429)	(2.252)	(4.164)	(1.756)
Fully diluted EPS (in cents - US\$)	(0.429)	(2.252)	(4.163)	(1.756)
<u>From continuing operations</u>				
Basic EPS (in cents - US\$)	(0.430)	(2.297)	(4.296)	(2.345)
Fully diluted EPS (in cents - US\$)	(0.430)	(2.297)	(4.295)	(2.345)

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>31/03/2010</u>	<u>31/03/2009</u>	<u>31/03/2010</u>	<u>31/03/2009</u>
Net Assets Value ("NAV") per share (in cents - US\$)	15.40	25.05	16.49	26.92

NAV per share is calculated by dividing the net assets by the existing issued share capital of 1,846,682,160 shares (31 Mar 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 25 Mar 2010, the company had completed the sale of its entire 100% equity interest in its subsidiary ECI Corporation Pte Ltd ("ECI") for a consideration of S\$5 million. As a result, the Group had deconsolidated the accounts of ECI during this financial year.

For The Twelve Months Ended 31 March 2010 (FY2010)

As a result of the sale of the *Discoverer* by Neptune Marine and the assignment of the drilling contract between Neptune Marine and Petroleos de Venezuela S.A. ("PdVSA") to PetroSaudi International, Group revenue for FY2010 dropped significantly to US\$78.9 million from US\$127.2 million in FY2009.

The Group incurred an operating loss before tax and non-controlling interests of US\$127.1 million for FY2010 as compared to a loss of US\$3.7 million posted in FY2009. After taking into consideration tax amounting to US\$26 million, of which US\$25.8 million was withholding tax for income derived by Neptune Marine in Venezuela, the Group incurred a net loss after tax and non-controlling interest of US\$72.3 million in FY2010 against a net loss of US\$19.1 million in FY2009. This was a result of a decline in revenue, as well as an impairment loss of US\$18 million provided on intangible assets, impairment loss of US\$62 million for its fixed assets and a loss on the disposal of the *Discoverer* amounting to US\$82.2 million. This was however partially mitigated by the gain of US\$11.6 million arising from the disposal of Resource, a gain on dilution of interest in a subsidiary company of US\$49.8 million and negative goodwill of US\$3.1 million which arose from the acquisition of an additional 197,475 shares in a subsidiary company.

Offshore Drilling

Revenue for FY2010 decreased from US\$127.2 million in FY2009 to US\$ 78.9 million. The decrease in revenue for FY2010 over the same period last year was due to the *Discoverer* going off service for repairs in May and Jul 2009 and the consequent disposal in Dec 2009.

Offshore drilling division generated negative earnings before interest, impairment, depreciation and amortisation of US\$105.7 million for FY2010.

The Neptune Marine group suffered operating loss of US\$211.5 million in FY2010 after deducting depreciation of US\$14.8 million, amortisation of intangible asset of US\$1.6 million, impairment of intangible asset of US\$18 million, impairment of *Explorer* of US\$62 million, interest expense of US\$35.2 million and loss on disposal of *Discoverer* of US\$82.2 million.

Additionally, offshore drilling division had withholding taxes deducted from income derived from Venezuela at a rate of 30.6%. After deducting US\$25.8 million of withholding taxes expenses, the division recorded a loss US\$237.3 million. Non-controlling interests' share of the division's loss was US\$78.5 million.

Discontinued operations

Discontinued operations reflect the Group's activities in building services which were disposed during the financial year.

The Group had divested its non-core 45% equity interest in its associate Resource which is engaged in foundation engineering and piling works, 100% stake in ECI which manufactures precast building components and 55% stake in Zhejiang Econ Foundation Engineering Co. Ltd, its joint venture which is engaged in foundation engineering works.

Discontinued operations generated a profit of US\$2.3 million in FY2010 as compared to profit of US\$6.4 million in FY2009. Discontinued operations also generated net cash outflow of US\$118,000 in FY2010 (US\$50,000 in FY2009).

Statement of Financial Position

Non-current assets

The Group's fixed assets were moderately lower this year mainly due to the disposal of the *Discoverer* which had a net book value of US\$228.9 million, disposal of subsidiary's assets of US\$2 million. Impairment loss which amounted to US\$62 million was partially offset by an increase in the value of the *Explorer* of US\$75.5 million resulting from upgrading work. Compared to the previous financial year, total fixed assets reduced by US\$220.2 million from US\$760.8 million as at 31 Mar 2009 to US\$540.6 million as at 31 Mar 2010.

Intangible assets, which is the value of the long term drilling contract for the *Discoverer*, of US\$19.6 million as at 31 Mar 2009 was amortised and impaired during FY2010.

Investment in associate comprised net investment in Resource. The decrease in investment in associate was due to sale of Resource during the financial year.

Current assets

Group current assets was down by US\$31 million from US\$65 million as at 31 Mar 2009 to US\$34 million as at 31 Mar 2010. This was due mainly to a US\$13.3 million decrease in trade and other receivables, US\$7.8 million decrease in inventory resulting from the disposal of the *Discoverer* and ECI. Decrease in cash balance of US\$ 9.9 million was due to cash used for Group working capital.

Equity attributable to equity holders of the Group

Equity attributable to shareholders of the Group decreased by US\$12.7 million from US\$297.1 million as at 31 Mar 2009 to US\$284.4 million as at 31 Mar 2010. Share capital rose by US\$58.5 million as the result of a rights issue completed on 29 May 2009. Negative reserve increased from US\$13.1 million as at 31 Mar 2009 to US\$84.3 million as at 31 Mar 2010 due mainly to a loss of US\$72.3 million registered for FY2010.

Non-Current liabilities

Non-current liabilities rose by US\$86.6 million from US\$115.2 million as at 31 Mar 2009 to US\$201.8 as at 31 Mar 2010 due to reclassification of US\$201.8 million of borrowing from current liabilities, ameliorated by the repayment of a US\$50 million bridge loan from Morton Bay and US\$63.2 million of bank loans. Interest rate swaps entered into by the Company to hedge bank borrowings decreased to nil from US\$1.8 million in FY2010 due to the termination of hedging agreements on 23 Dec 2009 resulting from early settlement of bank borrowings.

Current Liabilities

Group current liabilities decreased by US\$224.4 million from US\$303.3 million as at 31 Mar 2009 to US\$78.9 million as at 31 Mar 2010 due to reclassification of borrowing to non-current liabilities and the repayment of a bank loan. Trade and other payables decreased by US\$14.6 million due to the deconsolidation of a subsidiary and also in line with business activities.

For The Fourth Quarter Ended 31March 2010 (4QFY2010)

For the quarter ended 31 Mar 2010, Group revenue stood at US\$2 million which comprise fee received for the management of the *Discoverer* after it was sold as compared to drilling income of US\$ 24.3 million in FY2009. The decrease in revenue was due mainly to the drilling contract being assigned to PetroSaudi pursuant to the sale of the *Discoverer*.

The Group incurred a loss after tax and non-controlling interests of US\$7.5 million in 4QFY2010 compared to a loss of US\$24.5 million in 4QFY2009. The loss in 4QFY2010 was mainly attributable to impairment loss on fixed asset US\$62 million offset by gain on dilution of non-controlling interests and negative goodwill on acquisition of additional shares of Neptune Marine of US\$52.9 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 fourth quarter results are consistent with the commentary issued in its 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.

Oil prices have firmed around a range of US\$70 – US\$80 per barrel. This has brought about an increase in spending in oil and gas exploration and production activities. The Group expects a gradual increase in drilling activity in the offshore sector.

The Neptune Marine group is in the process of being renamed the Jasper Offshore group to reflect its association with the Group. Jasper Offshore has completed the upgrading of the *Explorer*, a DP2 drillship capable of up to 5,000 ft water depth. Jasper Offshore is actively sourcing for drilling opportunities for the *Explorer*. The Group will not be generating any revenues until the *Explorer* is commercially deployed.

The Group is also exploring means to upgrade the semisubmersible, *Neptune Finder*.

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>	Aggregate value of all interested person transactions conducted under shareholders' mandate for FY2010 pursuant to Rule 920 of the Listing Manual <u>(excluding transactions of less than S\$100,000)</u>
Morton Bay (Holdings) Pte Ltd	US\$12.1 million
Ashmore Global Special Situations Fund 2 Limited	US\$1.06 million

The above transaction values represent interest expense and front end fees on loans from interested persons. There was no transaction which was not conducted under the shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual for the financial period under review.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business segments

	Offshore Drilling		Building Services		Others		Consolidated	
	31/03/2010 US\$'000	31/03/2009 US\$'000	31/03/2010 US\$'000	31/03/2009 US\$'000	31/03/2010 US\$'000	31/03/2009 US\$'000	31/03/2010 US\$'000	31/03/2009 US\$'000
<u>Segment Revenue</u>								
Sales to external customers	78,886	127,182	-	-	-	-	78,886	127,182
Total revenue	78,886	127,182	-	-	-	-	78,886	127,182
Segment result	(176,381)	4,691	-	-	63,086	(657)	(113,295)	4,034
Finance cost (net)	(35,111)	(7,192)	-	-	21,258	(589)	(13,853)	(7,781)
Profit / (loss) before tax	(211,492)	(2,501)	-	-	84,344	(1,246)	(127,148)	(3,747)
Taxation							(25,959)	(41,162)
Discontinued operations							2,294	6,395
Non-controlling interests, net of taxes							78,522	19,455
Net loss for the year							(72,291)	(19,059)

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Note 8.

16. A breakdown of sales.

	Group		
	31/03/2010 US\$'000	31/03/2009 US\$'000	Change %
Turnover			
1st half year	39,370	68,603	-43%
2nd half year	39,516	58,579	-33%
Total	78,886	127,182	-38%
Profit / (loss) before taxation, non-controlling interests and discontinued operations			
1st half year	(34,163)	25,467	n/m
2nd half year	(92,985)	(29,214)	218%
Total	(127,148)	(3,747)	n/m

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

BY ORDER OF THE BOARD

Lee Mee Kium
Company Secretary

27 May 2010