

**JASPER INVESTMENTS LIMITED**  
(Company Registration No. 198700983H)

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**SALE OF THE “NEPTUNE DISCOVERER”**

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**INTRODUCTION**

The Company wishes to announce that its subsidiaries, the Neptune Group of companies (“Neptune Group”), had on 20 January 2010, sold its drillship the “*Neptune Discoverer*” pursuant to an agreement entered into with PetroSaudi International and its subsidiaries (“**PetroSaudi**”). Concurrent with the sale of the *Neptune Discoverer* and with the agreement of Petroleos de Venezuela, S.A. (“**PdVSA**”), the drilling contract between the Neptune Group with PdVSA (the “**Drilling Contract**”) has also been assigned to PetroSaudi (together with the sale of the drillship, the “**Transaction**”). The total consideration for the purchase of the *Neptune Discoverer* of US\$150 million, has been received.

In addition, PetroSaudi has also retained the Neptune Group to manage the *Neptune Discoverer* on its behalf for a period of 3 months under a temporary service agreement.

PetroSaudi International is a privately owned oil exploration and production company, which is involved in oil and gas projects in energy-producing regions around the world. It has offices in Saudi Arabia, United Kingdom and Switzerland.

**RATIONALE FOR THE TRANSACTION**

Subsequent to the Company’s announcement on 30 November 2009 (the “**30 November Announcement**”), the Drilling Contract was terminated by the security agent/lenders and a demand was made on the SBLC (as defined in the 30 November Announcement). The sum of US\$120 million was paid under the SBLC to the security agent/lenders. PdVSA disagreed with the Neptune Group on the termination of the Drilling Contract and the demand made on the SBLC. Arising from this, the Neptune Group then negotiated a commercial settlement with PdVSA involving the sale of *Neptune Discoverer* and the assignment of the Drilling Contract (upon its reinstatement) to PetroSaudi, whereby the sum of US\$120 million paid under the SBLC would be treated as part of the consideration for the Transaction. Pursuant to the settlement, the Neptune Group and PdVSA agreed not to pursue any legal actions against each other.

After the sale, the Group owns two drilling rigs; the “*Neptune Explorer*” and the “*Neptune Finder*”. The *Neptune Explorer* has completed its upgrading as a dynamically positioned (DP2) drillship with 5<sup>th</sup> generation drilling equipment which is capable of drilling up to water depths of 5,000 feet. The *Neptune Finder*, a “Sedco 700” series semi-submersible, can be upgraded to a deepwater rig.

The Transaction will enable the Group to reduce its gearing with the repayment of a substantial part of its bank borrowings. This will better position the Company to look for other acquisitions and opportunities to increase its fleet.

### USE OF PROCEEDS FROM TRANSACTION

The total consideration from the Transaction, which was conducted in the ordinary course of the Group’s business, was arrived on after taking into account the current market value of rigs of similar age and condition.

The Group will reap approximately US\$149 million of net proceeds from the Transaction (after deducting expenses), which has been used to fully repay the bank loan secured against the *Neptune Discoverer* (“**Discoverer Bank Loan**”) as well as reduce other liabilities of the Neptune Group.

With the full repayment of the Discoverer Bank Loan, the default and other matters set out in the 30 November Announcement have been resolved.

### FINANCIAL EFFECTS OF THE TRANSACTION

For illustrative purposes only, the financial effects of the Transaction on the Net Asset Value (“**NAV**”) and the Earnings Per Share (“**EPS**”) of the Company, based on the audited financial statements of the Group and the Company for the financial year ended 31 March 2009 are set out below, and assuming the following:

- (a) the Transaction had been effected on 31 March 2009;
- (b) the renounceable non-underwritten rights issue as approved by shareholders of the Company at its extraordinary general meeting held on 17 March 2009 is assumed to have been completed on 1 March 2009; and
- (c) net proceeds of US\$149 million (after deducting expenses) has been assumed in the calculation below.

#### NAV

	<u>Before the Transaction</u>	<u>After the Transaction</u>
NAV (in US\$’000)	354,717	300,692
Number of Shares	1,845,702,160	1,845,702,160
NAV per share (in US\$ cents)	19.22	16.29

**EPS**

	<b><u>Before the Transaction</u></b>	<b><u>After the Transaction</u></b>
Loss attributable to shareholders (in US\$'000)	19,059	73,084
Weighted average number of shares	1,140,628,048	1,140,628,048
Loss per share (in US\$ cents)	1.67	6.41

Based on the book value of the *Neptune Discoverer* as at 31 December 2009, the Company will realize a loss from the sale amounting to approximately US\$46.9 million. This will have a negative impact on the Group's NAV and profitability for the current financial year.

**INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect in the Transaction.

By Order of the Board

Lee Mee Kium  
Company Secretary

22 January 2010