



SBI Offshore Limited

(Incorporated in the Republic of Singapore on 1 October 1994)
(Company Registration Number: 199407121D)

**(1) CLARIFICATION ON SHAREHOLDING OF SEA REEF OFFSHORE PTE LTD; AND
(2) ESTABLISHMENT OF A COMPANY IN BRAZIL**

The Board of Directors (the “Board”) of SBI Offshore Limited (“SBI” or the “Company” and together with its subsidiaries, the “Group”) refers to the announcement dated 13 April 2010 in relation to the incorporation of new subsidiaries (“Announcement”) and all terms as defined in the Announcement shall continue to apply in this announcement.

The Company would like to clarify that due to an inadvertent error, the second paragraph of the Announcement stating that “the Company retains a 60% equity interest in Sea Reef Offshore Pte Ltd (“SOPL”) and has transferred the remaining 40% equity interest to Sea Reef LLC, and SOPL’s management team in equal proportion” shall read as below:

“the Company retains a 60% equity interest in SOPL and will be transferring the remaining 40% equity interest to Sea Reef LLC, and SOPL’s management team in equal proportion”.

The rectification of the error had been underlined as above for ease of reference.

The Board of SBI further wishes to announce that SOPL has on 14 October 2010 registered a company known as Sea Reef do Brazil Ltda (“SRBL”) with an independent third party and has on 22 October 2010 received approval from The Board of Trade of Rio de Janeiro for the registration. SRBL was registered with an issued and paid-up capital of BRL\$1,000.00 comprising 1,000 ordinary shares of BRL\$1.00 each. The shareholding of SRBL is as follows:-

SOPL– 600 ordinary shares (60%)
Independent third party – 400 ordinary shares (40%)

The principal activity of SRBL is to market and manufacture offshore equipment (such as deck machinery and load handling systems) for the fast-growing South American offshore oil and gas industry.

The incorporation of SRBL is in line with SBI’s strategy to offer its offshore equipment design and engineering capabilities to customers in Brazil, which had discovered vast reserves of oil and gas in its territorial waters. Brazil’s national oil and gas company, Petrobras, has earmarked US\$225 billion for investment over the next 5 years.

The Company’s share of investment in the incorporation of SRBL will be funded through the Company’s internal resources and is not expected to have any material impact on the Group’s earnings per share or net tangible assets per share for the financial year ending 31 December 2010.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the above investment.

The Company will make further announcement in due course of any material development of the above investment.

By order of the Board

Jonathan Hui
Executive Chairman and Chief Executive Officer

10 November 2010

SBI Offshore Limited (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 11 November 2009. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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