



1H2010 Results Press Release

**SGX-CATALIST LISTED SBI OFFSHORE REPORTS 1H2010
REVENUE OF US\$4.7 MILLION**

- *Order book of US\$8.14 million as at 31.7.2010; US\$30 million in outstanding sales quotations to customers for its new Sea Reef brand proprietary offshore equipment*
- *Continued investments in design & manufacturing and contract engineering businesses to drive future growth*
- *FY2010 to remain a year of investments as the Group continues to expand into new business segments; contributions from new business segments to commence from FY2011*

Financial Highlights

US\$ ('mil)	1H2010	1H2009	Change (%)
Revenue	4.7	6.0	(21.6)
Cost of sales	(3.2)	(4.0)	(19.1)
Gross profit	1.4	2.0	(26.6)
Gross profit margin (%)	30.8	32.9	(2.1 % points)
Profit attributable to shareholders	0.39	1.4	(71.8)
Earnings per share (cents)	0.35	1.25	(72.0)
Net asset value (cents)	7.63	2.42	215.3

SINGAPORE, 11 August 2010 – Singapore Exchange Catalist-listed SBI Offshore Limited (“SBI Offshore” or the “Group”), a leading specialist in the marine and offshore (“O&M”) industry announced today net profit of US\$0.4 million for the first six months of the financial period ended 30 June 2010 (“1H2010”), as the Group continued to invest and grow its new design & manufacturing and contract engineering businesses.



Our financial performance in 1H2010 was tested by the volatile market conditions as rig builders and owners remained cautious about committing to new orders,” said Mr. Jonathan Hui, Executive Chairman and CEO of SBI Offshore. “While the European debt crisis and the oil spill in the Gulf of Mexico impacted short term demand and customer confidence, the long term outlook for the O&M industry remains positive, supported by positive industry dynamics and strong demand for crude oil.”

The Group’s revenue declined 21.6% to US\$ 4.7 million in 1H2010 from US\$ 6.0 million for the first six months of the financial period ended 30 June 2009 (“1H2009”), largely due to lower commission income and fewer deliveries to customers. In tandem with the lower revenue, cost of sales declined 19.1%, from US\$4.0 million in 1H2010 to US\$3.2 million in 1H2009, while net profit decreased 71.3% from US\$1.3 million in 1H2009 to US\$0.38 million in 1H2010.

General and administrative expenses rose 174.1% to US\$1.16 million in 1H2010 from US\$0.42 million in 1H2009 as the Group continues to strategically deploy funds and resources for the expansion of its new contract design and engineering businesses.

Basic and fully diluted earnings per share based on the weighted average number of shares in issue of 112,009,770 shares was 0.35 US cent in 1H2010 compared to 1.25 US cents in 1H2009 (based on post placement weighted average number of shares in issue of 110,680,100 pursuant to the Company’s listing on 11 November 2009).

The Group’s balance sheet remains healthy with cash and cash equivalents of US\$4.2 million. Net asset value per share increased to 7.63 US cents as at 30 June 2010 (based on post-placement issued share capital of 121,680,100) from 6.12 US cents as at 31 December 2009 (based on an issued share capital of 110,680,100).

Outlook & Recent Developments

Already a leader in the marketing and distribution of major equipment to the O&M industry in Asia, SBI Offshore embarked in 2010 on a mission to become a leading integrated engineering solutions provider to offshore drilling and production units and offshore construction and support vessel owners and builders.



In line with this vision, its facility in China was qualified in March 2010 by Norwegian drilling equipment packages specialist Aker MH AS (“Aker MH”). This month, the Group marked its first milestone in its strategic foray into contract manufacturing by receiving its first project from Aker MH – the modification of a BOP skid. The Group expects to receive additional orders from Aker MH and targets to commence manufacturing its own offshore equipment in the second half of the financial year ending 31 December 2010 (“2H2010”).

In addition, in April 2010, SBI Offshore entered into a joint venture with Houston-based design & engineering specialist – Sea Reef LLC (“Sea Reef”) – to accelerate growth for its design and engineering division. The Group has since been active in marketing its own range of Sea Reef deck equipment and load handling equipment to owners and builders of offshore drilling and production units and also to a new target market – owners and builders of offshore construction and support vessels.

The Group currently has over US\$30 million in outstanding sales quotations to customers across Asia, Europe and the USA for its new Sea Reef brand proprietary offshore equipment compared to none last financial year. The Board of Directors of SBI Offshore is optimistic in finalizing some of these orders in 2H2010. However, as detailed design and manufacturing of such equipment takes between 3 to 12 months, contributions from any such orders are expected to commence only from the financial year ending 31 December 2011.

“Financial year ending 31 December 2010 is a year of investments for SBI Offshore as we continue to expand our new business segments,” said Mr. Hui. “With the O&M industry set for renewed growth in 2H2010, we are well-positioned to capitalize on the expected pickup in orders from our customers and principals.”

In line with the its development plans, the Group expects operating costs of its Sea Reef joint venture to continue increasing in 2H2010 as it adds more engineering and project staff to cope with the significant new sales enquiries.

In view of the above, the Group expects contributions from its new business segments to commence in the financial year ending 31 December 2011.

End of Release



Issued on behalf of SBI Offshore Limited by WeR1 Consultants Pte Ltd

About SBI Offshore Limited

Established since 1994, SBI Offshore has been primarily engaged in the marketing and distribution of offshore equipment to builders of offshore drilling and production units in Asia. However, in 2010, SBI Offshore embarked on a mission to become a leading integrated engineering solutions provider to offshore drilling and production units as well as offshore construction and support vessel owners and builders. It now has its own Sea Reef brand range of offshore equipment such as deck equipment and load handling equipment.

The Group's customer base extends beyond Asia to Europe and the U.S.

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 press release 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 press release.

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

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