



SBI Offshore Limited

(Incorporated in the Republic of Singapore on 1 October 1994)

(Company Registration Number: 199407121D)

COMPENSATION FOR COMPULSORY LAND ACQUISITION

The Board of Directors (the “**Board**”) of SBI Offshore Limited (“**SBI**” or the “**Company**” together with its subsidiaries and associated companies, the “**Group**”) wishes to announce that the Group will receive a compensation totaling approximately RMB 3.9 million (equivalent to approximately US\$ 0.6 million based on an exchange rate of RMB 6.31468 to US\$ 1.00) (the “**Compensation**”) from the Jiangyin Yuechen Town Authorities in the People’s Republic of China for its compulsory acquisition of 2,693.6m² of the 20,843m² of land owned by the Company’s 98%-owned subsidiary, Jiangyin SBI Offshore Equipment Co. Ltd (“**JSBI**”), for road widening purposes (the “**Compulsory Acquisition**”).

The Group has already received 10% of the Compensation and is expected to receive the remaining Compensation upon the completion of the Compulsory Acquisition. The Compulsory Acquisition will not affect the existing manufacturing operations of JSBI as the land to be acquired is currently not used for any manufacturing purposes.

The Compulsory Acquisition is expected to result in a gain of approximately US\$ 0.4 million to the Group for the financial year ending 31 December 2012.

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 Compulsory Acquisition.

By order of the Board

Jonathan Hui
Executive Chairman and Chief Executive Officer

12 July 2012

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (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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