



SBI Offshore Limited

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

(Company Registration Number: 199407121D)

APPOINTMENT AS LEAD PROCUREMENT CONTRACTOR FOR SEMI-SUBMERSIBLE RIG TO BE BUILT IN CHINA

The Board of Directors ("**Board**") of SBI Offshore Limited ("**SBI Offshore**" or "the **Company**" together with its subsidiaries ("the **Group**") wishes to announce that China Sunrise Group Co. Ltd. ("**CSG**") has appointed the Company as the lead contractor responsible for procurement of drilling equipment systems ("**DES**") of a CS70 semi-submersible offshore rig. Designed by Moss Maritime of Norway, the rig will be built in China. Guangzhou-based CSG, which will own the proposed rig, has entered into a memorandum of intent with the Company in relation to the exclusive appointment (the "**Appointment**").

Intended for deployment in the North Sea (Norsok Compliance) at up to 3,600 meters water depth, the dual drilling semi-submersible will be the largest of its kind to be built in China to date. CSG has short-listed three state-owned shipyards in China to construct the rig. Work is expected to commence in the first half of 2015 for completion in 42 months.

The Company has signed technical agreements with two of the three short-listed yards and is expected to conclude a signed technical agreement with the third yard by mid-January 2015. Upon appointment by CSG, the successful shipyard is expected to enter into an engineering, procurement and commissioning ("**EPC**") agreement by the first half of 2015 with the Company with respect to DES package.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Appointment, other than through their shareholdings in the Company.

Due to the nature of the Appointment, the financial impact to the Group cannot be currently quantified. Assuming that CSG's appointment of the yard and the latter's EPC agreement with the Company are concluded as scheduled, the Company expects to recognise some initial revenue in the financial year ending 31 December 2015 ("**FY2015**"), and the bulk of the project revenue over FY2016 to FY2018.

The Company will provide updates to shareholders as and when there are material developments.

By Order of the Board of

Tan Woo Thian
Chief Executive Officer

29 December 2014

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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