



SBI Offshore Limited

Press Release

**SGX-CATALIST LISTED SBI OFFSHORE RAISES S\$3.19 MILLION TO
FUND EXPANSION OF CONTRACT ENGINEERING DIVISION**

*11 million new ordinary shares placed out to corporate and high net worth investors at
S\$0.29 each*

SINGAPORE, 22 May 2010 SBI Offshore Limited (“SBI Offshore” or the “Group”) said that it has on 21 May 2010 placed out 11 million new shares at 29 cents each to raise net proceeds of S\$3.17 million. The proceeds will be used as working capital and to expand its offshore equipment contract engineering business.

In its first fund-raising since its IPO on Singapore Exchange Catalist in November 2009, SBI Offshore said that the new shares were placed to corporate and high net worth investors, enlarging the Group’s share capital base from 110.7 million ordinary shares before the placement to 121.7 million ordinary shares after the placement.

Since its IPO, SBI Offshore has outlined a strategic thrust to make contract engineering as one of its main revenue and profit contributors. It wants to fabricate and assemble in its China facility some offshore equipment and/or their components that were previously manufactured in Europe or the U.S. – saving costs and delivery lead time for shipyards in Asia, in particular those in China.

Part of the placement proceeds will be used to expand its facility in Jiangyin in Jiangsu province. In March 2010, the Jiangyin facility – under its subsidiary Jiangyin SBI Offshore Equipment Co., Ltd. – was audited and qualified by Aker MH AS (“Aker”) – one of the world’s largest providers of drilling equipment packages.

SBI Offshore’s Chairman and Chief Executive Officer, Mr. Jonathan Hui said, “Backed by the technical support and certification from our largest principal, Aker, our contract engineering business segment is poised to grow significantly as one of our key business drivers. The placement proceeds will ensure that our production facilities are ready to take on anticipated orders from Aker and other offshore equipment OEMs.”



In line with its plans to aggressively expand contract engineering operations, the Group recently entered into a joint-venture with Sea Reef LLC (a Houston-based design and engineering house for winches), which has collaborations with Veristic Technologies (Houston-based designer and fabricator of derricks), DTi (Houston-based designer and fabricator for tensioners) and PoelTec (Rotterdam-based design and engineering house for offshore cranes). Part of the proceeds from the share placement will also be used for working capital for these projects, including expenses for its newly established design/engineering offices in Houston (USA) and Singapore.

“We continue to actively seek out synergistic business alliances that will generate mutual benefits for both SBI Offshore and our business partners. Capitalizing on our strong manufacturing potential, established relationships with offshore rig owners and builders and strong design competencies of our partners, we are confident in securing an advantageous edge in the offshore market,” Mr. Hui added.

SBI Offshore achieved profit after tax of US\$2.0 million on revenue of US\$12.2 million in FY2009, from US\$1.6 million and US\$ 8.3 million, respectively, in FY2008. In line with its growth strategy, the Group expects its contract engineering and design & manufacture divisions to each account for approximately 40% of total revenue by FY2012.

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 shipyards and builders of jack-up rigs, semi-submersibles, drillships, and mobile offshore production platforms in Asia.

SBI Offshore has since carved out a niche position as a significant player in Asia's growing offshore equipment market and currently represents major offshore equipment OEMs in the world, such as Aker Solutions (Norway), Wilhelmsen Callenberg (Norway), Techdrill (UK) and Jiangyin Neptune (PRC).

The Group's customer base includes Jurong Shipyard and PPL Shipyard of the Sembcorp Marine Group – which have provided SBI Offshore with repeat business since 2000.

Other customers include COSCO (Nantong), CNOOC, China Merchants Heavy Industry (Shenzhen) and Jutal Engineering Co, as well as Baker Hughes, a leading global oil services company.

The Group's current distribution network currently encompasses Singapore, the People's Republic of China ("PRC"), Malaysia, Indonesia, the Philippines and Vietnam.

SBI Offshore Limited (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited ("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.

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 1 Raffles Place, #30-03 OUB Centre, Singapore 048616, telephone (65) 6229 8088.

Media & Investor Relations Contact:

WeR1 Consultants Pte Ltd
29 Scotts Road Singapore 228224
Tel: (65) 6737.4844 Fax: (65) 6737.4944
Lai Kwok Kin, laikkin@wer1.net; Tel: (65) 67374844
Ng Chung Keat, ngck@wer1.net; Hp: (65) 9437 3462