



## **SBI Offshore Limited**

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

(Company Registration Number: 199407121D)

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SBI Offshore Limited ("**SBI**" or the "**Company**" together with its subsidiaries, the "**Group**") is pleased to announce that its subsidiary, Sea Reef Offshore Pte Ltd ("**SOPL**") had on 5 January 2011 entered into a legally-binding Memorandum of Understanding (the "**MOU**") with Ram Machine Tooling, Inc ("**Ram**") to establish a joint venture company ("**JV Co**") in pursuit of the offshore/marine crane business globally (the "**Products**") (the "**Proposed JV**").

Ram is a company incorporated in the United States of America and is an experienced US-based offshore and marine ("**O&M**") crane specialist which designs, manufactures, services and repairs a wide range of O&M cranes. Ram is API Spec Q1 registered and API Spec 2C authorised-official-monogram-use certified for the design and manufacture of offshore pedestal mounted cranes.

Pursuant to the terms of the MOU, a JV Co is intended to be set up in Singapore with an initial issued and paid-up capital of S\$1,000. SOPL will own seventy per cent. (70%) of the JV Co while Ram will own the remaining thirty per cent. (30%) equity interest of the JV Co. The principal activity of the JV Co is to design, build, sell and service cranes for offshore drilling rigs in the Asia Pacific, the Middle East, Europe and Brazil.

The Proposed JV is expected to create business synergies between Ram's design and engineering skills and its established brand name with the Group's strong Asian marketing network and contract engineering capabilities as well as SOPL's design and engineering capabilities. This collaboration will also strengthen SBI's vision to be the leading integrated provider of offshore equipment in Asia.

The Company's share of investment in the JV Co, beginning with an amount of S\$700, 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 2011. Barring any unforeseen circumstances, the Group expects the Proposed JV to contribute positively to SBI's financial performance in the financial year ending 31 December 2011.

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 Proposed JV. None of the Directors or substantial shareholders of the Company and their respective associates is related to Ram.

The Company will update shareholders in relation to the Proposed JV as and when it may be deemed necessary or appropriate.

By Order of the Board

Jonathan Hui

13 January 2011

*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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