

**MARCO POLO MARINE LTD**

Incorporated in the Republic of Singapore

(Company Registration Number: 200610073Z)

UPDATE ON TERMINATION OF THE US\$214.3 MILLION RIG CONSTRUCTION CONTRACT WITH PPL SHIPYARD PTE LTD FOR THE CONSTRUCTION OF A HIGH-SPECIFICATION JACK-UP RIG

- **Marco Polo Marine Ltd has successfully obtained a stay of the entirety of the court proceedings instituted by PPL Shipyard Pte Ltd against the Company for payment under the Guarantee**

The Board of Directors (the “**Board**”) of Marco Polo Marine Ltd (the “**Company**”) refers to the Company’s announcements dated 17 November 2015, 24 November 2015, 30 November 2015, 1 December 2015, 2 December 2015 and 7 April 2016 (the “**Earlier Announcements**”) with respect to the termination of the US\$214.3 million rig construction contract dated 26 February 2014 (as amended and supplemented) entered into between Marco Polo Drilling (I) Pte. Ltd. (“**MP Drilling**”) with PPL Shipyard Pte Ltd (“**PPL**”) for the construction of a high-specification jack-up rig (the “**New Rig**”) based on PPL’s proprietary Pacific Class 400 design (the “**Rig Construction Contract**”).

Unless otherwise defined herein, capitalized terms and expressions used in this announcement shall bear the same meanings ascribed to them in the Earlier Announcements in relation to the Rig Construction Contract. Copies of these announcements can be found at the official website of The Singapore Exchange (www.sgx.com).

Background

On 1 December 2015, the Board announced that PPL has commenced legal action against the Company, demanding that the Company, in its capacity as guarantor under the Guarantee, makes immediate payment of the second 10% of the contract price (amounting to US\$21.43 million) and interest alleged to have accrued thereon. The Board had then stated its position that neither the Company nor MP Drilling is under any obligation to make the payments claimed by PPL whether under the Rig Construction Contract or the Guarantee. The Board had also stated in its announcement of 1 December 2015 that under the terms of the Guarantee, PPL has no basis to commence legal action against the Company in the Singapore courts. The Board maintains its aforesaid position.

A copy of the aforesaid announcement of 1 December 2015 (the “**1 December 2015 Announcement**”) is attached for Shareholders’ easy reference.

In response to the commencement by PPL of the above-mentioned legal action against the Company in the High Court of Singapore, the Company applied, among others, for a stay of the court proceedings in favour of arbitration.

Grant of Stay of the Proceedings

The Board is pleased to inform Shareholders that the Court has on 22 April 2016 granted the Company's application for a stay of the entirety of the court proceedings instituted by PPL in favour of arbitration. In addition, the Court has ordered costs of the application to be paid by PPL to the Company on an indemnity basis.

As announced on 7 April 2016, arbitration proceedings in relation to the dispute have been commenced.

Further announcements on this matter will be made as and when appropriate.

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

BY ORDER OF THE BOARD

Sean Lee Yun Feng
Chief Executive Officer

25 April 2016