

**MARCO POLO MARINE LTD**

Incorporated in the Republic of Singapore

(Company Registration Number: 200610073Z)

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**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**

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**- CONTRACTUAL DISPUTE RESOLUTION PROCESS INITIATED BY MARCO POLO DRILLING (I) PTE. LTD. AGAINST PPL SHIPYARD PTE LTD**

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The Board of Directors (the “**Board**”) of Marco Polo Marine Ltd (the “**Company**”) refers to the Company’s announcement dated 17 November 2015 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 our subsidiary, 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 Company’s announcements dated 26 February 2014 and 17 November 2015 in relation to the Rig Construction Contract. Copies of these two announcements can be found at the official website of the Singapore Exchange ([www.sgx.com](http://www.sgx.com)).*

On 17 November 2015, MP Drilling had issued PPL, the builder of the New Rig, a notice of termination of the Rig Construction Contract following the latter’s failure to comply with certain of its material contractual obligations. In arriving at this decision to terminate the Rig Construction Contract, MP Drilling has taken into account various factors including cracks found on all three legs of the New Rig during two rounds of tests, notwithstanding repair works carried out by PPL after the first round of tests.

In view of this termination, MP Drilling will not be taking delivery of the New Rig. In addition, it is seeking, among others, a refund from PPL of the initial amount of 10% of the contract price (approximately US\$21.4 million) as well as all other payments made by MP Drilling under the Rig Construction Contract (collectively, “**Initial Payment**”) previously made to PPL pursuant to the Rig Construction Contract together with interest.

The consequence of termination is that MP Drilling is discharged from its obligations under the Rig Construction Contract and is under no further obligation to perform the same. This includes a discharge of its obligation to make any further payment of the contract price or any other sum under the Contract to PPL.

Following the notice of termination of the Rig Construction Contract served on PPL on 17 November 2015, PPL, through its legal counsel, has not acceded to MP Drilling’s demand for, among others, the refund of the Initial Payment.

Accordingly, MP Drilling has, through its legal counsel, initiated the contractual dispute resolution process against PPL, as provided for under the Rig Construction Contract, to seek the refund of the Initial Payment.

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

24 November 2015