



Financial Statements and Dividend Announcement

For the Half Year and Second Quarter ended 30 September 2014

JASPER INVESTMENTS LIMITED
(Company Registration No. 198700983H)

UNAUDITED RESULTS FOR HALF YEAR AND SECOND QUARTER ENDED 30 SEPTEMBER 2014.

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR AND SECOND QUARTER ENDED 30 SEPTEMBER 2014**

	Group		Group	
	2Q FY2015	2Q FY2014	6M FY2015	6M FY2014
	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	-	23,589	-	32,490
Cost of sales	(4,292)	(9,476)	(13,263)	(17,313)
Depreciation for drilling rig	(5,217)	(5,142)	(10,435)	(10,284)
Gross (loss)/profit	(9,509)	8,971	(23,698)	4,893
Other income	1,202	2,063	1,205	2,141
Administrative expenses	(1,990)	(2,334)	(5,551)	(5,647)
Other operating expenses	(250)	-	(705)	-
Other expenses	(242,109)	(1,738)	(244,448)	(3,433)
Finance costs	(7,289)	(5,553)	(12,880)	(11,116)
(Loss)/profit before taxation	(259,945)	1,409	(286,077)	(13,162)
Taxation	(3)	(21)	(19)	(21)
(Loss)/profit after taxation representing total comprehensive (loss)/income for the period	(259,948)	1,388	(286,096)	(13,183)
Attributable to:				
Equity holders of the Company	(255,038)	1,357	(280,695)	(12,954)
Non-controlling interests	(4,910)	31	(5,401)	(229)
	(259,948)	1,388	(286,096)	(13,183)

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

Profit/(loss) for the period is determined after (charging)/crediting the followings:

	Group		Group	
	2Q FY2015	2Q FY2014	6M FY2015	6M FY2014
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Charging:</u>				
Depreciation of plant and equipment	(5,254)	(5,166)	(10,507)	(10,333)
Foreign exchange	(22)	(136)	(113)	(218)
Amortisation of bond transaction charges	(1,922)	(186)	(2,147)	(383)
Impairment charge on plant and equipment*	(227,583)	-	(227,583)	-
Write-off of deposit	(13,000)	-	(13,000)	-
Loss on disposal of plant and equipment	-	(408)	-	(341)
Repair and maintenance on the drilling rig	-	(878)	-	(2,491)
<u>Crediting:</u>				
Interest income	3	6	6	17
Write-back of impairment of plant and equipment	-	2,009	-	2,009

* Evaluation of indications of impairment disclosed in sections 4 and 8.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014

	Group		Company	
	30/9/2014	31/3/2014	30/9/2014	31/3/2014
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Non-Current Assets</u>				
Plant and equipment	175,063	412,738	-	-
Investment in subsidiaries	-	-	-	-
	175,063	412,738	-	-
<u>Current Assets</u>				
Trade and other receivables	1,044	24,734	89	32
Amount due from subsidiaries	-	-	13,222	364,898
Cash and bank balances	8,385	34,313	1,019	4,296
	9,429	59,047	14,330	369,226
Total Assets	184,492	471,785	14,330	369,226
<u>Capital and Reserves</u>				
Share capital	590,928	590,883	590,928	590,883
Reserves	(576,807)	(296,112)	(589,456)	(290,331)
	14,121	294,771	1,472	300,552
Non-controlling interests	(9,130)	(3,729)	-	-
Total equity	4,991	291,042	1,472	300,552
<u>Non-Current Liabilities</u>				
Borrowings	-	157,913	-	-
	-	157,913	-	-
<u>Current Liabilities</u>				
Trade and other payables	16,762	20,151	535	179
Amount due to subsidiaries	-	-	10,993	67,165
Borrowings	160,060	-	-	-
Provision for taxation	2,679	2,679	1,330	1,330
	179,501	22,830	12,858	68,674
Total liabilities	179,501	180,743	12,858	68,674
Total Equity and Liabilities	184,492	471,785	14,330	369,226

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

<u>As at 30/09/2014</u>		<u>As at 31/03/2014</u>	
<u>US\$'000</u>		<u>US\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
160,060	-	-	-

Amount repayable after one year

<u>As at 30/09/2014</u>		<u>As at 31/03/2014</u>	
<u>US\$'000</u>		<u>US\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
-	-	157,913	-

Notes:-

Borrowings – secured as at 30 Sep 2014

This relates to US\$165 million Senior Secured Bonds ("Bonds") due on 27 May 2016, secured *inter alia* by: -

- a first priority mortgage over the drilling rig
- an assignment of insurances
- pledge of shares of certain subsidiaries
- corporate guarantees granted by certain subsidiaries
- an assignment of drilling contracts with duration of more than twelve months

There are financial and other covenants typical for bonds of this nature which the Group has to observe.

The Group had since bought back Bonds of aggregate principal amount of US\$6 million for which cash consideration of US\$4.9 million had been paid. The amount of secured borrowings is shown net of repurchased Bonds and transaction costs which will be amortised over the term of the Bonds.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR AND SECOND QUARTER ENDED 30 SEPTEMBER 2014**

	Group		Group	
	2Q FY2015	2Q FY2014	6M FY2015	6M FY2014
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
(Loss)/profit before taxation	(259,945)	1,409	(286,077)	(13,162)
Adjustments for :				
Depreciation of plant and equipment	5,254	5,166	10,507	10,333
Interest income	(3)	(6)	(6)	(17)
Interest expenses	5,367	5,367	10,733	10,733
Amortisation of bond transaction charges	1,922	186	2,147	383
Impairment charge on plant and equipment	227,583	-	227,583	-
Loss on disposal of plant and equipment	-	408	-	341
Loss on deconsolidation of subsidiaries (Note B)	-	-	1	-
Gain on disposal of investment	-	(39)	-	(39)
Write-back of impairment in value of plant and equipment	-	(2,009)	-	(2,009)
Write-off of deposit	13,000	-	13,000	-
Issuance of shares under shares incentive plan	-	37	45	1,010
Operating (loss)/gain before working capital changes	(6,822)	10,519	(22,067)	7,573
Changes in working capital				
-decrease/(increase) in operating receivables	1,179	(12,677)	10,691	(16,765)
-(decrease)/increase in operating payables	(2,503)	(273)	(3,418)	1,214
Cash used in operations	(8,146)	(2,431)	(14,794)	(7,978)
Income taxes paid	(3)	(30)	(19)	(30)
Net cash used in operating activities	(8,149)	(2,461)	(14,813)	(8,008)
Cash flows from investing activities				
Interest received	3	6	6	17
Acquisition of plant and equipment (Note A)	(134)	(2,939)	(491)	(4,528)
Proceeds from disposal of plant and equipment	-	-	76	74
Proceeds from disposal of investment	-	76	-	76
Net cash outflow from deconsolidation of subsidiaries (Note B)	-	-	(20)	-
Net cash used in investing activities	(131)	(2,857)	(429)	(4,361)
Cash flows from financing activities				
Interest paid	202	202	(10,733)	(10,733)
Net cash generated from/(used in) financing activities	202	202	(10,733)	(10,733)
Net decrease in cash and cash equivalents	(8,078)	(5,116)	(25,975)	(23,102)
Cash and cash equivalents at the beginning	16,428	46,049	34,313	64,213
Effect of foreign exchange rate changes	35	(49)	47	(227)
Cash and cash equivalents at the end	8,385	40,884	8,385	40,884

(A) Acquisition of property, plant and equipment

In 1HFY2015, the Group acquired for cash plant and equipment with an aggregate cost of approximately US\$0.5 million (1HFY2014 - US\$4.5 million).

(B) Deconsolidation of subsidiaries

The assets disposed of and liabilities discharged were as follows:-

Cash and bank balances
Payables

Loss on deconsolidation
Sale proceeds
Cash and bank balances disposed of
Cash outflow from deconsolidation of subsidiaries

Group		Group	
2QFY2015 US\$'000	2QFY2014 US\$'000	6M FY2015 US\$'000	6M FY2014 US\$'000
-	-	20	-
-	-	(19)	-
-	-	1	-
-	-	(1)	-
-	-	-	-
-	-	(20)	-
-	-	(20)	-

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	Share Capital US\$'000	Other Reserve US\$'000	Accumulated Losses US\$'000	Grand Total US\$'000
<u>Company</u>				
<u>6 months ended 30 September 2014</u>				
Balance as at 01/04/2014	590,883	168	(290,499)	300,552
Issued during the period	45	-	-	45
Total comprehensive loss for the period	-	-	58,263 *	58,263
Balance as at 30/06/2014	590,928	168	(232,236)	358,860
Balance as at 30/06/2014	590,928	168	(232,236)	358,860
Reclassification of reserve	-	(168)	168	-
Total comprehensive loss for the period	-	-	(357,388) **	(357,388)
Balance as at 30/09/2014	590,928	-	(589,456)	1,472
<u>6 months ended 30 September 2013</u>				
Balance as at 01/04/2013	589,731	168	(155,184)	434,715
Issued during the period	973	-	-	973
Total comprehensive loss for the period	-	-	(958)	(958)
Balance as at 30/06/2013	590,704	168	(156,142)	434,730
Balance as at 30/06/2013	590,704	168	(156,142)	434,730
Issued during the period	37	-	-	37
Total comprehensive loss for the period	-	-	(364)	(364)
Balance as at 30/09/2013	590,741	168	(156,506)	434,403

* In 1QFY2015, the Company recognised a return of investment of US\$58.6 million arising from the deemed disposal of two subsidiaries.

** In 2QFY2015, the Company assessed the recoverability of the amount due from subsidiaries and made an impairment loss of US\$356.9 million.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	Share Capital US\$'000	Other Reserve US\$'000	Exchange Fluctuation Reserve US\$'000	Total Reserve US\$'000	Accumulated Losses US\$'000	Non- controlling Interests US\$'000	Grand Total US\$'000
Group							
6 months ended 30 September 2014							
Balance as at 01/04/2014	590,883	3,241	1,266	4,507	(300,619)	(3,729)	291,042
Issued during the period	45	-	-	-	-	-	45
Reclassification of reserve	-	-	(1,266)	(1,266)	1,266	-	-
Total comprehensive loss for the period	-	-	-	-	(25,657)	(491)	(26,148)
Balance as at 30/06/2014	590,928	3,241	-	3,241	(325,010)	(4,220)	264,939
Balance as at 30/06/2014	590,928	3,241	-	3,241	(325,010)	(4,220)	264,939
Reclassification of reserve	-	(168)	-	(168)	168	-	-
Total comprehensive loss for the period	-	-	-	-	(255,038)	(4,910)	(259,948)
Balance as at 30/09/2014	590,928	3,073	-	3,073	(579,880)	(9,130)	4,991
6 months ended 30 September 2013							
Balance as at 01/04/2013	589,731	3,241	1,266	4,507	(267,096)	(3,166)	323,976
Issued during the period	973	-	-	-	-	-	973
Total comprehensive loss for the period	-	-	-	-	(14,311)	(260)	(14,571)
Balance as at 30/06/2013	590,704	3,241	1,266	4,507	(281,407)	(3,426)	310,378
Balance as at 30/06/2013	590,704	3,241	1,266	4,507	(281,407)	(3,426)	310,378
Issued during the period	37	-	-	-	-	-	37
Total comprehensive income for the period	-	-	-	-	1,357	31	1,388
Balance as at 30/09/2013	590,741	3,241	1,266	4,507	(280,050)	(3,395)	311,803

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the financial period ended 30 Sep 2014, the Company's issued and paid up share capital increased by 1,400,000 new ordinary shares as shown in the following table:-

	<u>No. of Shares</u>
As at 1 Apr 2014	4,226,796,724
30 Jun 2014 - Issue of shares pursuant to the Share Incentive Plan	1,400,000
As at 30 Sep 2014	<u>4,228,196,724</u>

Outstanding Options under the Share Option Plan

The Company had previously granted share options pursuant to the Company's Share Option Plan. As at 30 Sep 2014, there are no outstanding options as shown in the following table:-

	<u>30 Sep 2014</u>
Balance as at 1 April	5,000,000
Number of option shares forfeited	<u>(5,000,000)</u>
Balance as at 30 Sep	<u>-</u>

Share Incentive Plan

As at 30 Sep 2014, there are no outstanding shares to be issued under the company's Share Incentive Plan (31 Mar 2014: 1,400,000 shares). The Company does not intend to make further grant under the Share Incentive Plan.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares, excluding treasury shares, as at 30 Sep 2014 was 4,228,196,724 compared to 4,226,796,724 as at 31 Mar 2014.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The financial statements presented above have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

As the Group continues to seek a drilling contract for "Jasper Explorer" and was financially unable to take delivery of "Jasper Cosmopolitan" and in view of the default situation under the Bonds and the challenging industry conditions the Group faces as described in this announcement and other relevant recent announcements, the Company considered that there were appropriate circumstances to review the carrying amounts of these assets of the Group and assess the indications of impairment for these assets, with the assistance of an independent third party qualified professional valuer. Following the report of such professional valuer, the carrying amount of "Jasper Explorer" was reduced to a recoverable amount based on the valuation given by the professional valuer and adjusted for the outstanding balance due under the Bonds should the bondholders choose to exercise their rights under the terms of the Bonds. For "Jasper Cosmopolitan", the carrying amount was reduced to the estimated net sale proceeds receivable by the Group from a sale agreement signed with an interested buyer. Please refer to the Company's announcement dated 3 November 2014 for further details.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted the new/revised Financial Reporting Standard ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 Apr 2014. Changes to the Group's accounting policies have been made as required, in accordance with the respective FRS and INT FRS.

The adoption of these new standards, amendments and interpretations has no significant impact to the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Basic earnings per share ("EPS") is calculated by dividing the net loss after taxation and non-controlling interests attributable to shareholders of approximately US\$280.7 million (30 Sep 2013: loss of approximately US\$13 million) by the weighted average number of 4,227,496,724 shares (30 Sep 2013: 4,214,765,957 shares) outstanding during the financial period.

Diluted earnings per share is calculated by dividing the net loss after taxation and non-controlling interests attributable to shareholders of approximately US\$280.7 million (30 Sep 2013: loss of approximately US\$13 million) by the weighted average number of shares and the weighted average number of dilutive options, equivalent to 4,227,496,724 shares (30 Sep 2012: 4,214,765,957 shares) outstanding during the financial period.

	<u>Group</u>		<u>Group</u>	
	<u>2Q FY2015</u>	<u>2Q FY2014</u>	<u>6M FY2015</u>	<u>6M FY2014</u>
Basic EPS (in US cents)	(6.033)	0.032	(6.640)	(0.307)
Diluted EPS (in US cents)	(6.033)	0.032	(6.640)	(0.307)

7. Net assets value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the :-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	<u>Group</u>		<u>Company</u>	
	<u>30/09/2014</u>	<u>31/03/2014</u>	<u>30/09/2014</u>	<u>31/03/2014</u>
Net Assets Value ("NAV") per share (in US cents)	0.33	6.97	0.03	7.11

NAV per share is calculated by dividing the net assets by the existing issued share capital of 4,228,196,724 shares (31 Mar 2014: 4,226,796,724 shares).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

For Six Months Ended 30 Sep 2014 (1HFY2015)

Revenue and expenses

The Group did not record any drilling revenue in 1HFY2015 as compared to US\$32.5 million comprising mobilisation fees and drilling income from the "Jasper Explorer" recorded in 1HFY2014 from drilling operations in offshore Republic of Congo. During the financial period under review, "Jasper Explorer" is being positioned in Offshore Pointe Noire, Congo. The Group is still actively seeking drilling contract opportunities for the rig.

Consequently, the Group suffered a gross loss of US\$23.7 million in 1HFY2015, attributed primarily to operating costs for the "Jasper Explorer".

Other operating expenses comprised consumables and contract labour cost for the "Jasper Cosmopolitan" in Shekou, China.

Administrative expenses maintained at US\$5.6 million as compared to the same period last year.

Other expenses of US\$244.4 million were recorded in 1HFY2015, comprising mainly an impairment charge of US\$227.6 million for the "Jasper Explorer" and the "Jasper Cosmopolitan", a US\$3.8 million paid to shipyard for "Jasper Cosmopolitan" and write-off of US\$13 million deposit paid to shipyard.

Finance costs increased by US\$1.8 million from US\$11.1 million in 1HFY2014 to US\$12.9 million in 1HFY2015. This was mainly due to bond transaction fees being fully amortised as a result of the breach of financial obligations.

Other Income comprised mainly of an insurance payout on damage to drilling equipment on "Jasper Explorer" of US\$0.97 million and a reversal of an accrued expense of US\$0.2 million no longer required.

The Group recorded a net loss after tax and non-controlling interest of US\$280.7 million in 1HFY2015 against a net loss of US\$13 million in 1HFY2014.

Statement of Financial Position

Non-current assets

Group non-current assets were US\$175.1 million as at 30 Sep 2014, a decrease of US\$237.6 million from US\$412.7 million as at 31 Mar 2014. This decrease was due mainly to recording impairment loss of aggregate US\$227.6 million on "Jasper Explorer" and "Jasper Cosmopolitan" and depreciation of US\$10.5 million charged for "Jasper Explorer". This was offset by an increase of US\$0.3 million in the book value of the "Jasper Explorer" attributed to improvement made to the power monitor system.

Following the Company's recent announcements on 5 September 2014 and 11 September 2014 concerning the Group's financial obligations to holders of the US\$165 million Senior Secured Bonds and to Yulian Shipyard respectively, and having regard to the ongoing situations with those parties and weakening industry conditions (see Section 10), the Company decided to assess whether there are any indications of impairment for the assets of the Group with the assistance of an independent third party qualified professional valuer. This assessment led to the recognition of a total impairment loss of US\$227.6 million for "Jasper Explorer" and "Jasper Cosmopolitan". This impairment loss is recognized in the profit and loss during 1HFY2015.

Current assets

Group current assets were US\$9.4 million as at 30 Sep 2014, a decrease of US\$49.6 million from US\$59 million as at 31 Mar 2014. This was primarily due to a decrease in cash and bank balances of US\$25.9 million incurred for the warm stacking of the Jasper Explorer and trade receivables of US\$23.7 million. Trade receivables decreased as a result of payment received from CNOOC for “Jasper Explorer” drilling operations in offshore Republic of Congo for the month of February 2014 and write-off of deposit paid to shipyard.

Equity attributable to equity holders of the Group

Equity attributable to shareholders of the Group decreased from US\$294.8 million as at 31 Mar 2014 to US\$14.1 million as at 30 Sep 2014 due to an increase in negative reserve of US\$280.7 million.

Non-current liabilities and current liabilities

The Group had reclassified the US\$165 million Senior Secured Bonds to current liabilities as a result of the breach of financial obligations, notwithstanding a standstill agreement reached with the bondholders. As at 31 Mar 2014, the amount was recorded at US\$157.9 million.

Group total current liabilities were US\$179.5 million as at 30 Sep 2014, an increase by US\$156.7 million from US\$22.8 million as at 31 Mar 2014. The increase in current liabilities was mainly due to the reclassification of US\$160.1 million Senior Secured Bonds from Non-Current Liabilities.

For the Second Quarter Ended 30 Sep 2014 (2QFY2015)

For the quarter ended 30 Sep 2014, the Group did not record any revenue due to non-employment of “Jasper Explorer”.

The Group recorded a gross loss of US\$9.5 million in 2QFY2015 attributed primarily to operating costs of the “Jasper Explorer”.

Other operating expenses comprised mainly of consumables and contract labour cost for “Jasper Cosmopolitan” in Shekou, China.

Administrative expenses stood at US\$2.0 million in 2QFY2015 as compared to US\$2.3 million in 2QFY2014.

Other expenses for 2QFY2015 comprised mainly of impairment of drillship and accommodation vessel totaling US\$227.6 million, US\$1.5 million paid to shipyard for “Jasper Cosmopolitan” and a write-off of US\$13 million deposit paid to shipyard.

Finance costs increased by US\$1.7 million as a result of bond transaction fees being fully amortised.

Other Income comprised mainly of insurance payout of US\$0.97 million and reversal of an accrual of US\$0.2 million.

At the close of 2QFY2015, the Group recorded a net loss after tax and non-controlling interest of US\$255 million.

Consolidated Statements of Cash Flows

In 1HFY2015, the Group’s net cash used in operating activities amounted to US\$14.8 million. This comprised operating cash flow before working capital changes of US\$22.1 million, adjusted for net working capital inflow of US\$7.3 million. The net working capital inflow was mainly the result of a decrease in trade receivables of US\$10.7 million.

In 1HFY2015, the Group’s net cash used in investing activities amounted to US\$0.4 million mainly due to improvement made to the power monitor system of “Jasper Explorer”.

In 1HFY2015, the Group recorded a net cash outflow from financing activities of US\$10.7 million which relates mainly to interest payment on the bonds.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement had been disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Amid a declining oil price and every economic indicator projecting a weak and uncertain global outlook, the oil and gas industry is preparing for the worst by cutting capital and operating budgets which will adversely affect future day rates and rig utilization. The Group continues to market “Jasper Explorer” for drilling contracts in very challenging conditions. As at the date of this announcement, whilst the Group is in pre-tender discussions with an oil and gas company for a potential drilling contract, there is no assurance that such discussions will result in a contract being procured or commenced within the remaining reporting periods in FY2015.

As disclosed in the Company’s announcement dated 22 August 2014, payment of an aggregate of US\$11.1m in interest will be due to the bondholders of the US\$165 million Senior Secured Bonds on 27 November 2014 (the “Interest Payment Obligation”). It is anticipated that the relevant subsidiaries of the Group will be unable to meet the Interest Payment Obligation by 27 November 2014. In this regard, the trustee has, on behalf of the bondholders, granted a standstill in respect of, *inter alia*, the Interest Payment Obligation and certain other obligations under the Bonds (as disclosed in the Company’s announcement dated 11 September 2014). Following the standstill, the Company is still in discussions with the bondholders towards a restructuring or settlement of the Bonds. In this process and to allow the bondholders to evaluate the financial condition and value of the relevant assets of the Group, information that has been provided to the bondholders included, *inter alia*, (i) the valuation report for “Jasper Explorer” from the independent third party professional valuer upon which the impairment of the “Jasper Explorer” in the Group’s financial statements was based, and (ii) an unsolicited conditional offer of US\$40m for the “Jasper Explorer”.

A memorandum of agreement has been entered into for the sale of the Jasper Cosmopolitan. Please refer to the Company’s announcement dated 3 November 2014 for further details.

Based on management’s cash flow projections and assuming that, *inter alia*, no revenue is recorded by the Group, it is anticipated that the Group will experience tight cash flow for the remainder of FY2015 and management will continue with its programme of strict costs control.

11. Dividend

(a) Current Financial Period Reported On

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared / recommended, a statement to that effect.

No interim dividend has been recommended.

13. Interested Person Transaction ("IPT")

The Group has been granted a general mandate from shareholders for IPTs entered into between the Group and certain interested persons of the Company on 25 Jul 2014 ("IPT Mandate"). For 1HFY2015, there was no IPT of S\$100,000 or more in value that was conducted under the IPT Mandate.

In 1HFY2015, the Group had incurred US\$320,000 for services rendered by AIML, a substantial shareholder of the Company and its related company. The services rendered are IPTs that fall outside the IPT Mandate.

14. Persons occupying managerial position

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company during the period under review.

15. Negative confirmation

The Board of Directors confirms that, to the best of its knowledge, nothing has come to its attention which may render the first half financial results as at 30 Sep 2014 to be false or misleading, in any material respect.

BY ORDER OF THE BOARD

Ng Joo Khin
Company Secretary
4 November 2014