

JASPER INVESTMENTS LIMITED
(Company Registration No. 198700983H)

**Financial Statement Announcement for the Fourth Quarter and Financial Year Ended
31/03/2011**

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

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

	Group			
	Fourth Quarter		12 months ended	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	-	2,005	515	78,886
Cost of sales	(3,522)	(4,970)	(21,454)	(65,238)
Gross profit/(loss)	(3,522)	(2,965)	(20,939)	13,648
Interest income	3	43	25	154
Other income	15,068	53,636	22,735	65,410
Other expenses	(925)	(375)	(2,464)	(97,477)
Administrative expenses	(5,851)	(2,595)	(14,721)	(14,834)
Impairment of assets	(22,678)	(62,000)	(22,678)	(80,042)
Interest expenses	(3,265)	(4,503)	(9,572)	(14,007)
Loss before taxation	(21,170)	(18,759)	(47,614)	(127,148)
Taxation	(61)	(18)	94	(25,959)
Loss after taxation from continuing operations	(21,231)	(18,777)	(47,520)	(153,107)
Profit from discontinued operations	-	7	-	2,294
Loss for the period	(21,231)	(18,770)	(47,520)	(150,813)
Attributable to:				
Equity holders of the Company	(19,168)	(7,456)	(39,351)	(72,291)
Non-controlling interests	(2,063)	(11,314)	(8,169)	(78,522)
	(21,231)	(18,770)	(47,520)	(150,813)

From continuing and discontinued operations

Basic EPS (in cents)	(0.984)	(0.429)	(2.021)	(4.164)
Fully diluted EPS (in cents)	(0.984)	(0.429)	(2.021)	(4.163)

Note:-

- Taxation includes taxes withheld at source.

Notes to income statement

Loss after taxation includes the following:

Amortisation of intangible asset

Impairment of intangible asset

Depreciation of plant and equipment

Foreign exchange loss/(gain)

Option share reserve

Group			
Fourth Quarter		12 months ended	
31/03/2011	31/03/2010	31/03/2011	31/03/2010
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	1,569
-	-	-	18,042
57	(147)	292	14,894
640	(562)	1,023	1,376
157	14	157	143

Breakdown on Other expenses

Amortisation of discount on bond

Bond transaction charges

Bank transaction fees

Loss on disposal of drillship

Loss on disposal of assets

Loss on interest rate swaps

Group			
Fourth Quarter		12 months ended	
31/03/2011	31/03/2010	31/03/2011	31/03/2010
US\$'000	US\$'000	US\$'000	US\$'000
(375)	-	(1,000)	-
(375)	-	(1,000)	-
-	(483)	-	(2,615)
-	356	-	(82,237)
-	-	-	(3,000)
-	-	-	(2,581)

Breakdown on Other income

Gain on deconsolidation of subsidiary

Gain on disposal of available-for-sale financial assets

Gain on disposal of associate and joint venture

Gain on dilution of interest in a subsidiary company

Negative goodwill arising from acquisition of additional shares in a subsidiary

Group			
Fourth Quarter		12 months ended	
31/03/2011	31/03/2010	31/03/2011	31/03/2010
US\$'000	US\$'000	US\$'000	US\$'000
(396)	-	5,152	-
15,464	-	16,120	-
-	-	1,410	11,649
-	49,782	-	49,782
-	3,081	-	3,081

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

	Group		Company	
	31/03/2011 US\$'000	31/03/2010 US\$'000	31/03/2011 US\$'000	31/03/2010 US\$'000
<u>Non-Current Assets</u>				
Property, plant and equipment	564,322	540,642	109	188
Others	36	36	36	36
Investment in subsidiaries	-	-	142,577	191,884
	564,358	540,678	142,722	192,108
<u>Current Assets</u>				
Inventory	5,643	2,976	-	-
Trade and other receivables	1,190	1,490	290,698	295,188
Available-for-sale financial assets	12,544	-	-	-
Cash and cash equivalents	29,187	29,442	28,363	19,252
	48,564	33,908	319,061	314,440
Total Assets	<u>612,922</u>	<u>574,586</u>	<u>461,783</u>	<u>506,548</u>
<u>Capital and Reserves</u>				
Share capital	573,467	368,745	573,467	368,745
Reserves	(120,036)	(84,317)	(120,030)	(64,271)
	453,431	284,428	453,437	304,474
Non-controlling interests	631	9,457	-	-
Total equity	454,062	293,885	453,437	304,474
<u>Non-Current Liabilities</u>				
Borrowings	-	190,672	-	190,672
	-	190,672	-	190,672
<u>Current Liabilities</u>				
Trade and other payables	33,713	42,230	2,717	242
Borrowings	124,996	46,160	5,585	11,160
Provision for taxation	151	1,639	44	-
	158,860	90,029	8,346	11,402
Total liabilities	158,860	280,701	8,346	202,074
Total Equity and Liabilities	<u>612,922</u>	<u>574,586</u>	<u>461,783</u>	<u>506,548</u>

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 31/03/2011</u>		<u>As at 31/03/2010</u>	
<u>US\$'000</u>		<u>US\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
124,996	-	35,000	11,160

Amount repayable after one year

<u>As at 31/03/2011</u>		<u>As at 31/03/2010</u>	
<u>US\$'000</u>		<u>US\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
-	-	-	190,672

Notes:-

(1) Included in the secured borrowings of the Group as at 31 Mar 2011 are the following:

(i) an amount of US\$45 million due to a bank ("Bank Loan") and US\$75 million Senior Secured Second Lien Notes due 3 Aug 2011 ("Notes") sharing a security package comprising, *inter alia*, the following:-

- a first priority mortgage over one of the Group's drilling rig;
- an assignment of insurances;
- corporate guarantees from certain subsidiaries; and
- pledge of the shares of certain subsidiaries ("Shared Security Package").

In addition to the Shared Security Package, the Bank Loan also has a corporate guarantee from the Company.

(ii) an amount of US\$5.6 million due to a bank secured, *inter alia* by :

- a first fixed charge over marketable securities;
- a pledge on the shares of a subsidiary;
- a first fixed charge on the account maintained with the lender;
- a fixed and floating charge on all assets of a subsidiary.

(2) The unsecured loans from Morton Bay (Holdings) Pte Ltd ("Morton Bay"), the controlling shareholder of the Company of approximately US\$194.6 million in FY2011 was fully repaid by offsetting the amount against a subscription by Morton Bay of 1,946,320,563 new ordinary shares in the capital of the Company.

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

	Group			
	Fourth Quarter		12 months ended	
	31/03/2011 US\$'000	31/03/2010 US\$'000	31/03/2011 US\$'000	31/03/2010 US\$'000
<u>Cash flows from operating activities</u>				
Loss before taxation	(21,170)	(18,759)	(47,614)	(127,148)
Profit from discontinued operations	-	8	-	2,923
Adjustments for :				
Depreciation of property, plant and equipment	57	(147)	292	14,894
Exchange difference on translation	-	(134)	-	-
Interest income	(3)	(43)	(25)	(154)
Interest expenses	3,265	4,432	9,572	14,007
Impairment of intangible asset	-	-	-	18,042
Allowance for inventory obsolescence	-	(696)	-	-
Amortisation of intangible asset	-	-	-	1,569
Amortisation of discount on bond	375	-	1,000	-
Amortisation of bond transaction charges	375	-	1,000	-
Write off of property, plant and equipment	1,110	2	1,110	24
Write off of negative goodwill on acquisition	-	(3,081)	-	(3,081)
Loss on disposal of property, plant and equipment	2,720	-	2,650	81,910
Gain on disposal of available-for-sale financial assets	(15,464)	-	(16,120)	-
Gain on disposal of associate and joint venture	-	(6)	-	(11,650)
Gain on dilution of non-controlling interests (Note B)	-	(49,782)	-	(49,782)
(Gain)/loss on disposal/deconsolidation of subsidiaries (Note C)	396	(469)	(5,152)	(469)
Impairment in value of property, plant and equipment	22,678	62,000	22,678	62,000
Issuance of shares under share incentive plan	-	-	1,176	-
Share option expenses	157	-	157	-
Share of loss pertaining to non-controlling interests	-	810	-	-
Share of profit of associate and joint venture	-	-	-	(3,751)
Operating loss before working capital changes	(5,504)	(5,865)	(29,276)	(666)
Changes in working capital				
-(increase)/decrease in inventories	964	(2,556)	(1,290)	1,009
-increase in work-in-progress	-	(578)	-	-
-decrease in operating receivables	3,661	10,219	960	13,192
-decrease in operating payables	(29,289)	(21,124)	(12,049)	(11,970)
Cash (used in)/generated from operations	(30,168)	(19,904)	(41,655)	1,565
Income taxes recovered/(paid)	28	15	236	(25,957)
Net cash used in operating activities	(30,140)	(19,889)	(41,419)	(24,392)
<u>Cash flows from investing activities</u>				
Interest received	3	43	25	154
Dividend from associate and joint venture	-	-	-	2,965
Acquisition of property, plant and equipment (Note D)	(3,484)	(7,408)	(53,091)	(83,749)
Acquisition of available-for-sale financial assets	-	-	(31,932)	-
Acquisition from non-controlling interests in existing subsidiary (Note A)	-	-	(566)	(355)
Proceeds from disposal of available-for-sale financial assets	36,776	-	38,891	-
Proceeds from disposal of property, plant and equipment	1,128	30,000	1,305	150,032
Proceeds from disposal of associate and joint venture	-	5	-	22,353
Net cash inflow from disposal of subsidiaries (Note B)	-	3,418	-	3,418
Net cash (used in)/generated from investing activities	34,423	26,058	(45,368)	94,818
<u>Cash flows from financing activities</u>				
Proceeds from issue of new shares (Note E)	203,546	90	203,546	58,521
Interest paid	(635)	(11,335)	(2,484)	(20,910)
Fixed deposits pledged as security	-	-	(250)	-
Proceeds from hire purchase creditor	-	141	-	-
Proceeds from/(repayment to) bank loan	4,965	1,366	15,996	(269,850)
Proceeds from financial institution loan	-	-	72,000	-
(Repayment to)/proceeds from shareholder loan	(194,632)	3,347	(201,832)	151,832
Net cash generated from/(used in) financing activities	13,244	(6,391)	86,976	(80,407)
Net increase/(decrease) in cash and cash equivalents	17,527	(222)	189	(9,981)
Effect of foreign exchange rate changes	(579)	1,388	(694)	45
Cash and cash equivalents at the beginning	11,989	28,276	29,442	39,378
Cash and cash equivalents at the end (Note F)	28,937	29,442	28,937	29,442

(A) Acquisition of additional shares in subsidiary from non-controlling interests

In Nov 2010, the Group acquired an additional 1.55% interest in Jasper Offshore (Cyprus) Ltd ("JOL") for approximately US\$0.57 million in cash, increasing its shareholding from 91.31% to 92.86% based on the then total issued capital of JOL. The net asset value of JOL in the consolidated financial statements on the date of the acquisition was approximately US\$55.7 million. With the increase in its interest in JOL, the Group recognised a reduction in non-controlling interest of approximately US\$0.86 million. This gave rise to a negative goodwill of approximately US\$0.29 million which was recognized as capital reserve.

(B) Gain on dilution of non-controlling interests in a subsidiary

In Mar 2011, the Company and its wholly owned subsidiary, Turquoise Offshore Pte. Ltd subscribed for 203,710,710 new shares ("New Share") in Jasper Offshore (Cyprus) Ltd ("JOL") pursuant to a preferential offering of new shares undertaken by JOL to its shareholders. The non-controlling shareholders did not subscribe for the preferential offer. With the issue and allotment of the New Shares, the Company now holds in aggregate 271,614,280 shares in JOL, representing 98.11% of the total issued share capital. The non-controlling shareholders had been diluted from 7.14% to 1.89% giving rise to dilution of non-controlling interests of US\$206,582.

(C) Disposal/deconsolidation of subsidiaries

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

Bank borrowings	-	(1,071)	-	(1,071)
Deferred taxation	-	(54)	-	(54)
Provision for taxation	-	(244)	(1,629)	(244)
Term loans	-	(209)	-	(209)
Property, plant and equipment	-	2,255	-	2,255
Work-in-progress	-	1,519	-	1,519
Inventories	-	2,535	-	2,535
Cash and bank balances	-	95	15	95
Receivables	-	1,363	34	1,363
Payables	-	(2,782)	(187,265)	(2,782)
Impairment of non-trade balances, from former subsidiaries	396	-	183,708	-
	396	3,407	(5,137)	3,407
Exchange translation differences	-	(314)	-	(314)
Gain/(loss) on disposal/deconsolidation	(396)	469	5,152	469
Sale proceeds	-	3,562	15	3,562
Cash and bank balances disposed of	-	(95)	(15)	(95)
Net cash decrease in cash and cash equivalent	-	(49)	-	(49)
Cash inflow from disposal of subsidiaries	-	3,418	-	3,418

Group			
Fourth Quarter		12 months ended	
31/03/2011 US\$'000	31/03/2010 US\$'000	31/03/2011 US\$'000	31/03/2010 US\$'000
-	(1,071)	-	(1,071)
-	(54)	-	(54)
-	(244)	(1,629)	(244)
-	(209)	-	(209)
-	2,255	-	2,255
-	1,519	-	1,519
-	2,535	-	2,535
-	95	15	95
-	1,363	34	1,363
-	(2,782)	(187,265)	(2,782)
396	-	183,708	-
396	3,407	(5,137)	3,407
-	(314)	-	(314)
(396)	469	5,152	469
-	3,562	15	3,562
-	(95)	(15)	(95)
-	(49)	-	(49)
-	3,418	-	3,418

(D) Purchase of property, plant and equipment

During the financial year, the Group acquired plant and equipment with an aggregate cost of approximately US\$53.1 million (2010 - US\$90.65 million) of which cash payments of approximately US\$53.1 million (2010 - US\$90.65 million) were made for the purchases.

(E) Issuance of shares

	Group			
	Fourth Quarter		12 months ended	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	US\$'000	US\$'000	US\$'000	US\$'000
Issuance of shares	203,546	89	203,546	58,521

(F) Cash and Cash Equivalents

	Group	
	As at 31 March	
	2011 US\$'000	2010 US\$'000
Fixed deposits	717	3,935
Cash and bank balances	28,470	25,507
	29,187	29,442
Fixed deposits pledged to bank	(250)	-
	28,937	29,442

(G) Review of Cash Flow Statement

Net cash outflow from operating activities for FY2011 of US\$41.4 million was due mainly to operating loss attributed to lower revenue after the disposal of the drilling vessel the "Discoverer" and decrease in trade payables

Net cash outflow in investing activities was US\$45.4 million. Cash outflow for acquisition of equipment, plant & machinery was US\$53.1 million, of which US\$36.4 million was for the construction of new jack-up rig. The Group also purchased listed equity securities which was classified as available-for-sale financial assets for approximately US\$31.9 million but was offset by subsequent partial disposal of these assets of US\$38.9 million.

Net cash inflow from financing activities of US\$87 million was due mainly to US\$72 million net proceeds received from the issuance of the US\$75 million 1 year Senior Secured Second Lien Notes and an additional loan of US\$16 million from banks.

At the close of the financial year ended 31 Mar 2011, net cash and cash equivalent totalled US\$28.9 million as compared to US\$29.4 million for FY2010.

1(d)(i) Statement of Comprehensive Income

	Group			
	Fourth Quarter		12 months ended	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	US\$'000	US\$'000	US\$'000	US\$'000
Loss for the year	(21,231)	(18,770)	(47,520)	(150,813)
Other comprehensive (loss)/income for the year:				
Translation differences relating to financial statements of foreign subsidiaries	-	(313)	-	(1)
Increase in other reserve	(18,161)	14	3,541	144
Increase in hedging reserve	-	-	-	1,759
Other comprehensive income for the period	(18,161)	(299)	3,541	1,902
Total comprehensive (loss)/income for the year	(39,392)	(19,069)	(43,979)	(148,911)
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(37,329)	(7,755)	(35,810)	(71,173)
Non-controlling interests	(2,063)	(11,314)	(8,169)	(77,738)
Total comprehensive (loss)/income for the year	(39,392)	(19,069)	(43,979)	(148,911)

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.

Statement of Changes in Equity for the financial year ended 31/03/2011

	Share Capital US\$'000	Other Reserve US\$'000	(Accumulated Losses)/ Retained Profits US\$'000	Grand Total US\$'000
Company				
12 months ended 31/03/2011				
Balance as at 01/04/2010	368,745	144	(64,415)	304,474
Issued during the period	1,176	-	-	1,176
Total comprehensive income for the period	-	34	(1,867)	(1,833)
Balance as at 30/06/2010	369,921	178	(66,282)	303,817
Balance as at 30/06/2010	369,921	178	(66,282)	303,817
Total comprehensive income for the period	-	5	960	965
Balance as at 30/09/2010	369,921	183	(65,322)	304,782
Balance as at 30/09/2010	369,921	183	(65,322)	304,782
Total comprehensive income for the period	-	63	(459)	(396)
Balance as at 31/12/2010	369,921	246	(65,781)	304,386
Balance as at 31/12/2010	369,921	246	(65,781)	304,386
Issued during the period	203,546	-	-	203,546
Total comprehensive income for the period	-	54	(54,549)	(54,495)
Balance as at 31/03/2011	573,467	300	(120,330)	453,437
12 months ended 31/03/2010				
Balance as at 01/04/2009	310,224	-	9,144	319,368
Issued during the period	58,420	-	-	58,420
Total comprehensive income for the period	-	-	4,117	4,117
Balance as at 30/06/2009	368,644	-	13,261	381,905
Balance as at 30/06/2009	368,644	-	13,261	381,905
Total comprehensive income for the period	-	44	1,474	1,518
Balance as at 30/09/2009	368,644	44	14,735	383,423
Balance as at 30/09/2009	368,644	44	14,735	383,423
Total comprehensive income for the period	11	86	(77,405)	(77,308)
Balance as at 31/12/2009	368,655	130	(62,670)	306,115
Balance as at 31/12/2009	368,655	130	(62,670)	306,115
Total comprehensive income for the period	90	14	(1,745)	(1,641)
Balance as at 31/03/2010	368,745	144	(64,415)	304,474

Statement of Changes in Equity for the financial year ended 31/03/2011

	Share Capital US\$'000	Other Reserve US\$'000	Hedging Derivative Reserve S\$'000	Exchange Fluctuation Reserve US\$'000	Total Reserve US\$'000	(Accumulated Losses/ Retained Profits US\$'000	Non- controlling Interests US\$'000	Grand Total US\$'000
Group								
12 months ended 31/03/2011								
Balance as at 01/04/2010	368,745	3,126	-	907	4,033	(88,350)	9,457	293,885
Issued during the period	1,176	-	-	-	-	-	-	1,176
Reclassification of exchange translation reserve	-	-	-	359	359	(359)	-	-
Total comprehensive income for the period	-	(29)	-	-	(29)	(4,439)	(1,814)	(6,282)
Balance as at 30/06/2010	369,921	3,097	-	1,266	4,363	(93,148)	7,643	288,779
Balance as at 30/06/2010	369,921	3,097	-	1,266	4,363	(93,148)	7,643	288,779
Total comprehensive income for the period	-	10,857	-	-	10,857	(9,222)	(2,494)	(859)
Balance as at 30/09/2010	369,921	13,954	-	1,266	15,220	(102,370)	5,149	287,920
Balance as at 30/09/2010	369,921	13,954	-	1,266	15,220	(102,370)	5,149	287,920
Acquisition from non-controlling interests	-	-	-	-	-	298	(864)	(566)
Total comprehensive income for the period	-	10,874	-	-	10,874	(6,522)	(1,798)	2,554
Balance as at 31/12/2010	369,921	24,828	-	1,266	26,094	(108,594)	2,487	289,908
Balance as at 31/12/2010	369,921	24,828	-	1,266	26,094	(108,594)	2,487	289,908
Issued during the period	203,546	-	-	-	-	-	-	203,546
Acquisition from non-controlling interests	-	-	-	-	-	(207)	207	-
Total comprehensive income for the period	-	(18,161)	-	-	(18,161)	(19,168)	(2,063)	(39,392)
Balance as at 31/03/2011	573,467	6,667	-	1,266	7,933	(127,969)	631	454,062
12 months ended 31/03/2010								
Balance as at 01/04/2009	310,224	2,982	(975)	908	2,915	(16,059)	140,413	437,493
Issued during the period	58,420	-	-	-	-	-	-	58,420
Total comprehensive income for the period	-	-	131	192	323	476	(1,554)	(755)
Balance as at 30/06/2009	368,644	2,982	(844)	1,100	3,238	(15,583)	138,859	495,158
Balance as at 30/06/2009	368,644	2,982	(844)	1,100	3,238	(15,583)	138,859	495,158
Total comprehensive income for the period	-	44	(9)	84	119	(22,661)	(21,265)	(43,807)
Balance as at 30/09/2009	368,644	3,026	(853)	1,184	3,357	(38,244)	117,594	451,351
Balance as at 30/09/2009	368,644	3,026	(853)	1,184	3,357	(38,244)	117,594	451,351
Issued during the period	11	-	-	-	-	-	-	11
Acquisition from non-controlling interests	-	-	-	-	-	-	(4,247)	(4,247)
Total comprehensive income for the period	-	86	853	36	975	(42,650)	(43,605)	(85,280)
Balance as at 31/12/2009	368,655	3,112	-	1,220	4,332	(80,894)	69,742	361,835
Balance as at 31/12/2009	368,655	3,112	-	1,220	4,332	(80,894)	69,742	361,835
Issued during the period	90	-	-	-	-	-	-	90
Acquisition from non-controlling interests	-	-	-	-	-	-	(48,971)	(48,971)
Total comprehensive income for the period	-	14	-	(313)	(299)	(7,456)	(11,314)	(19,069)
Balance as at 31/03/2010	368,745	3,126	-	907	4,033	(88,350)	9,457	293,885

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.

In Q4 FY2011, the Company placed 120,715,156 new ordinary shares to Hygrove Investments Limited at S\$0.096 cents per new share. The proceeds raised of approximately US\$8.9 million was used to partially pay for the construction of a new jack-up rig. In addition, 1,946,320,563 new ordinary shares was also issued and allotted to Morton Bay, the controlling shareholder of the Company pursuant to the capitalisation of shareholder loans.

Movements in the Company's issued and fully paid up share capital during FY2011 were as follows:

	<u>No. of Shares</u>
As at 1 Apr 2010	1,846,682,160
1 Jun 2010 – Issue of shares pursuant to the share incentive plan	16,499,000
30 Jun 2010 – Issue of shares pursuant to the share incentive plan	980,000
16 Mar 2011 – Issue of shares to Hygrove Investments Limited	120,715,156
16 Mar 2011 – Issue of shares pursuant to capitalisation of shareholder's loans	<u>1,946,320,563</u>
As at 31 Mar 2011	<u>3,931,196,879</u>

Outstanding Options under the Share Option Plan

During the financial period, the Company granted certain employees share options pursuant to the Company's Share Option Plan. The number of outstanding options is as follows:-

	<u>31 Mar 2011</u>	<u>31 Mar 2010</u>
Number of outstanding options	17,000,000	20,000,000

Performance Shares

As at 31 Mar 2011, the number of shares comprised in contingent awards granted under the Company's share incentive plan ("Share Incentive Plan") which has not been released was 33,001,000 shares (31 Mar 2010: 51,460,000).

Under the Share Incentive Plan, the final number of shares to be released will depend on the achievement of certain prescribed performance targets (if any) and upon expiry of the prescribed vesting periods (where applicable).

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 31 Mar 2011 was 3,931,196,879 compared to 1,846,682,160 as at 31 Mar 2010.

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.

These figures have not been audited nor reviewed by the 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.

Except as disclosed in Part 5 below, the Group has applied the same accounting policies and methods of computation as those applied for the audited financial statements for the ended 31 Mar 2010.

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.

Interpretations and amendments to published standards effective in 2010

The Group adopted the new/revised FRS and Interpretations to FRS ("INT FRS") that are effective for annual periods beginning on or after 1 Jan 2010. Changes to the Group's accounting policies have been made, in accordance to the transitional provision in the respective FRS and INT FRS.

The following are the new or amended FRS and INT FRS that are relevant to the Group:

FRS 27 (Revised)	Consolidated and Separate Financial Statements
FRS 103 (Revised)	Business Combinations
Amendment to FRS 102	Group Cash-settled Share-based Payment Transactions
Improvements to FRSs 2009	

The adoption of the above new or amended FRS and INT FRS did not have any significant impact on the financial statements of 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 interest attributable to shareholders of US\$39.351 million (31 Mar 2010: loss US\$72.291 million) by the weighted average number of 1,947,292,815 shares (31 Mar 2010: 1,736,025,438 shares) outstanding during the financial year.

Diluted earnings per share is calculated by dividing the net loss after taxation and non-controlling interest attributable to shareholders of US\$39.351 million (31 Mar 2010: loss US\$72.291 million) by the weighted average number of shares and the weighted average number of dilutive options, equivalent to 1,947,292,815 shares (31 Mar 2010: 1,736,427,224) outstanding during the financial period.

	<u>Group</u>			
	<u>Fourth Quarter</u>		<u>12 Months Ended</u>	
	<u>FY2011</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2010</u>
From continuing and discontinued operations				
Basic EPS (in cents - US\$)	(0.984)	(0.429)	(2.021)	(4.164)
Fully diluted EPS (in cents - US\$)	(0.984)	(0.429)	(2.021)	(4.163)
<u>From continuing operations</u>				
Basic EPS (in cents - US\$)	(0.984)	(0.430)	(2.021)	(4.296)
Fully diluted EPS (in cents - US\$)	(0.984)	(0.430)	(2.021)	(4.295)

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>31/03/2011</u>	<u>31/03/2010</u>	<u>31/03/2011</u>	<u>31/03/2010</u>
Net Assets Value ("NAV") per share (in cents - US\$)	11.53	15.40	13.02	16.49

NAV per share is calculated by dividing the net assets by the existing issued share capital of 3,931,196,879 shares (31 Mar 2010: 1,846,682,160 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.

General Development

The Group's drillship, the "Explorer" completed its rebuilding program with the commissioning of its drilling equipment in the early part of FY2011. "The Explorer" is a fully retrofitted dynamically positioned drillship capable of drilling up to water depths of 5,000 ft and equipped with new or upgraded 5th generation drilling equipment. The BP oil spill accident in the Gulf of Mexico in the 2nd Q, FY2011, dampened drilling activities globally and this reduced opportunities for the "Explorer" to find drilling work. As a result, no revenue was generated by the "Explorer" for FY2011 and with the sale of the Group's other drillship, the "Discoverer" in FY2010, consequently the Group did not record any meaningful revenue for FY2011.

In order to expand its offshore drilling rig fleet, the Group placed orders with Keppel FELS Ltd ("KFELS") to build KFELS proprietary B Class jack-ups. The B Class jack-ups are premium jack-ups which are capable of operating in 400 ft water depth, having drilling capability of 30,000 ft and can accommodate 150 crew members. In Dec 2010, the Company signed a contract with KFELS to build one KFELS B Class jack-up rig for approximately US\$180 million with an option for second jack-up. In April 2011, the Company exercised its option for the second jack-up. The 1st jack-up rig is scheduled for delivery in Nov 2012 and the 2nd jack-up in May 2013.

In order to support the Company's new rig building programme and strengthen the capital structure of the Company, in Mar 2011, unsecured loans of US\$194.6 million from Morton Bay, were fully extinguished in exchange for the issuance of 1,946,320,563 new ordinary shares in the capital of the Company.

For The Twelve Months Ended 31 March 2011 (FY2011)

Revenue

For FY2011, Group revenue decreased from US\$78.9 million in FY2010 to US\$515,000 in FY2011 due mainly to absence of drilling income from the "Discoverer" which was disposed of in FY2010.

Profitability

The Group recorded a gross loss of US\$20.9 million in FY2011 against a gross profit of US\$13.6 million in FY2010 due to the lack of operating income as a result of the disposal of the "Discoverer". The Group also incurred operating costs of US\$20 million for the drilling vessel the "Explorer" which was not generating income during the financial period.

Included in administrative expenses for FY2011 was US\$1.2 million being attributed to new shares issued pursuant to the Company's Share Incentive Plan and US\$3.6 million loss on disposal of property, plant and equipment. Excluding these, administrative expenses stood at US\$9.9 million in FY2011 as compared to US\$14.8 million in FY2010. The main factors contributing to lower administrative expenses were decrease in personnel expenses and head count, lower travelling expenses and consultant fees as a result of lower volume of work in offshore drilling.

Interest expenses reduced US\$4.4 million from US\$14 million in FY2010 to US\$9.6 million in FY2011. This was due mainly to a waiver of interest on shareholder loans from Morton Bay where interest on these loans was reduced from US\$8.4 million in FY2010 to US\$0.4 million in FY2011. The decrease of interest expense was however, offset by interest incurred on additional loans obtained from banks and imputed interest for the Senior Secured Second Lien Notes.

The Group incurred an operating loss before tax and non-controlling interests of US\$47.6 million for FY2011 of which US\$22.7 million was attributable to an impairment charge for certain equipment relating to the "Finder". In FY 2010, the Group had a loss of US\$127.1 million which comprise an impairment loss of US\$18 million on intangible asset, impairment loss of US\$62 million for its fixed assets and a loss of US\$82.2 million on disposal of "Discoverer". This was however partially mitigated by the gain of US\$11.6 million on disposal of associate, gain on dilution of interest in a subsidiary company of US\$49.8 million and negative goodwill of US\$3.1 million which arose from the acquisition of additional shares in a subsidiary company. Excluding these charges and gains, the Group recorded a loss of US\$29.4 million in FY2010. The Group incurred a net loss after tax and non-controlling interests of US\$39.4 million in FY2011 against a net loss of US\$72.3 million in FY2010.

Statement of Financial Position

Non-current assets

The Group's non-current assets were US\$564.4 million as at 31 Mar 2011, an increase of US\$23.7 million from US\$540.7 million as at 31 Mar 2010. This increase was due mainly to net increase in plant and equipment of US\$46.4 million attributed to work-in-progress for the jack-up rig, further outfitting costs for the "Explorer" and capitalisation of towing costs for the "Finder". This was offset by impairment loss of US\$22.7 million on "Finder".

Current assets

Group current assets were US\$48.6 million as at 31 Mar 2011, an increase of US\$14.7 million from US\$33.9 million as at 31 Mar 2010. This increase was due mainly to the increase in available-for-sale financial assets.

Equity attributable to equity holders of the Group

Equity attributable to shareholders of Company was US\$453.4 million as at 31 Mar 2011, an increase of US\$169 million from US\$284.4 million as at 31 Mar 2010. Share capital rose by US\$204.7 million due to issuance of new shares pursuant to the Share Incentive Plan, issuance of shares to partially fund the construction of the jack-up rig and issuance of shares against full settlement of shareholder's loan. Negative reserve increased from US\$84.3 million as at 31 Mar 2010 to US\$120 million as at 31 Mar 2011 due mainly to a loss of US\$39.4 million registered for FY2011, offset by a fair value gain of US\$3.4 million on the available-for-sale financial assets.

Non-Current Liabilities

Group non-current liabilities which consist of Morton Bay's loans of US\$190.7 million as at 31 Mar 2010 was fully extinguished as at 31 Mar 2011 due to the capitalisation of the loans against an issue of 1,946,320,563 new ordinary shares in the capital of the Company.

Current Liabilities

Group current liabilities rose by US\$68.9 from US\$90 million as at 31 Mar 2010 to US\$158.9 million as at 31 Mar 2011. This increase was attributed to current borrowings increasing by US\$78.8 million, resulting from the issuance of US\$75 million Notes and additional loans obtained from banks. This was offset by a decrease in trade and other payable of US\$8.5 million.

For The Fourth Quarter Ended 31 March 2011 (Q4 FY2011)

For the quarter ended 31 Mar 2011, no revenue was recorded by the Group as compared to fees received for managing the "Discoverer" of US\$2 million in Q4 FY2010.

The Group recorded a gross loss of US\$3.5 million in Q4 FY2011, attributed to operating costs for the "Explorer" and the "Finder" offset by a write back of accruals of approximately US\$1.3 million.

Administrative expenses were higher this quarter, increasing from US\$2.6 million in Q4 FY2010 to US\$5.9 million in Q4 FY2011. Included in administrative expenses for Q4 FY2011 was a disposal loss amounting to US\$3.6 million on property, plant and equipment. Excluding this loss, administrative expenses for Q4 FY2011 was US\$2.3 million compare to US\$2.6 million.

Interest expenses decreased by US\$1.2 million from US\$4.5 million in Q4 FY2010 to US\$3.3 million in Q4 FY2011. This was due mainly to a waiver of interest on shareholder loans from Morton Bay in Q4 FY2011 as compared to US\$4.5 million in Q4 FY2010. The decrease of interest expense was however offset by interest incurred on additional loans obtained from banks and interest on the Senior Secured Second Lien Notes.

The Group recorded a net loss after tax and non-controlling interests of US\$19.2 million in Q4 FY2011 as compared to a loss of US\$7.5 million in Q4 FY2010. Included in the results of Q4 FY2011 was a gain on disposal of available-for-sale financial assets of US\$15.5 million, offset by impairment loss of US\$22.7 million on equipment arising from cancellation of an equipment supply contract. Excluding these, the Group recorded a loss of US\$12 million for Q4 FY2011.

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

The Group's performance for fourth quarter results was in line with the commentary issued in the announcement of its results for the previous quarter.

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.

The Group remains positive on the outlook of the oil and gas sector. The Group had exercised the option with KFELS for the construction of the second jack-up rig, which is in line with the Group's strategy of expanding the Company's core business.

The Group had entered into a contract with AGR Peak Well Management Limited ("AGR") to deploy the drillship, "Explorer" for a drilling program in Republic of Guinea. Under the contract "Explorer" will drill one firm well with an option to drill another well. AGR has an option to contract the drillship for another five-well drilling programme. Commencement of drilling is expected to be October 2011.

The Group continues to explore commercial opportunities for the "Finder".

11. Dividend

Current Financial Period Reported On

None.

Corresponding Period of the Immediately Preceding Financial Year

None.

Date payable

Not applicable.

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

<u>Name of interested person</u>	Aggregate value of all interested person transactions conducted under shareholders' mandate for FY2011 pursuant to Rule 920 of the Listing Manual <u>(excluding transactions of less than S\$100,000)</u>
Morton Bay (Holdings) Pte Ltd	US\$406,166

The above transaction value represents the interest expense on loans from interested persons. There was no transaction which was not conducted under the shareholders' mandate in pursuant to Rule 920 of the SGX-ST Listing Manual in FY2011.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
 (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business segments

	Offshore Drilling		Others		Consolidated	
	31/03/2011 US\$'000	31/03/2010 US\$'000	31/03/2011 US\$'000	31/03/2010 US\$'000	31/03/2011 US\$'000	31/03/2010 US\$'000
<u>Segment Revenue</u>						
Sales to external customers	515	78,886	-	-	515	78,886
Total revenue	515	78,886	-	-	515	78,886
Segment result	(51,741)	(176,381)	13,674	63,086	(38,067)	(113,295)
Finance cost (net)	(9,141)	(35,111)	(406)	21,258	(9,547)	(13,853)
Profit / (loss) before tax	(60,882)	(211,492)	13,268	84,344	(47,614)	(127,148)
Taxation					94	(25,959)
Discontinued operations					-	2,294
Non-controlling interests, net of taxes					8,169	78,522
Net loss for the year					(39,351)	(72,291)

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Note 8.

16. A breakdown of sales.

	Group		
	31/03/2011 US\$'000	31/03/2010 US\$'000	Change %
Turnover			
1st half year	515	39,370	-99%
2nd half year	-	39,516	n/m
Total	515	78,886	-99%
Loss before taxation, non-controlling interests and discontinued operations			
1st half year	(17,969)	(34,163)	-47%
2nd half year	(29,645)	(92,985)	-68%
Total	(47,614)	(127,148)	-63%

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

BY ORDER OF THE BOARD

Lee Mee Kium
 Company Secretary

26 May 2011