



Financial Statements And Dividends Announcement

**For The Half Year And Second Quarter
Ended 30 September 2011**

JASPER INVESTMENTS LIMITED
(Company Registration No. 198700983H)

UNAUDITED RESULTS FOR HALF YEAR AND SECOND QUARTER ENDED 30 SEPTEMBER 2011.

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 INCOME STATEMENT
FOR THE HALF YEAR AND SECOND QUARTER ENDED 30 SEPTEMBER 2011**

	Group		Group	
	2Q FY2012 US\$'000	2Q FY2011 US\$'000	6M FY2012 US\$'000	6M FY2011 US\$'000
Revenue	3,360	-	3,360	515
Cost of sales	(11,128)	(6,356)	(14,115)	(10,081)
Gross loss	(7,768)	(6,356)	(10,755)	(9,566)
Other income	459	1,392	4,546	1,400
Other expenses	174	(1,797)	(3,559)	(870)
Administrative expenses	(2,912)	(2,538)	(6,422)	(5,817)
Interest expenses	(5,569)	(2,417)	(9,693)	(3,116)
Loss before taxation	(15,616)	(11,716)	(25,883)	(17,969)
Taxation	(17)	-	(17)	-
Loss for the period	(15,633)	(11,716)	(25,900)	(17,969)
Attributable to:				
Equity holders of the Company	(15,354)	(9,222)	(25,391)	(13,661)
Non-controlling interests	(279)	(2,494)	(509)	(4,308)
	(15,633)	(11,716)	(25,900)	(17,969)
Basic EPS (in cents)	(0.385)	(0.496)	(0.636)	(0.735)
Fully diluted EPS (in cents)	(0.385)	(0.496)	(0.636)	(0.735)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR AND SECOND QUARTER ENDED 30 SEPTEMBER 2011**

	Group		Group	
	2Q FY2012	2Q FY2011	6M FY2012	6M FY2011
	US\$'000	US\$'000	US\$'000	US\$'000
Loss for the period	(15,633)	(11,716)	(25,900)	(17,969)
Other comprehensive (loss)/income for the period:				
(Decrease)/increase in other reserve	30	10,857	(3,364)	10,828
Total comprehensive loss for the period	<u>(15,603)</u>	<u>(859)</u>	<u>(29,264)</u>	<u>(7,141)</u>
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(15,324)	1,635	(28,755)	(2,833)
Non-controlling interests	(279)	(2,494)	(509)	(4,308)
Total comprehensive loss for the period	<u>(15,603)</u>	<u>(859)</u>	<u>(29,264)</u>	<u>(7,141)</u>

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.

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

	Group		Group	
	2Q FY2012	2Q FY2011	6M FY2012	6M FY2011
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Charging:</u>				
Depreciation of plant and equipment	(3,959)	(79)	(4,015)	(159)
Foreign exchange (loss)/gain	314	(1,291)	(191)	(408)
Amortisation of discount on bonds	-	(250)	(500)	(250)
Bond transaction charges	(139)	(250)	(685)	(250)
Fees for early redemption of bonds	-	-	(1,244)	-
Loss on disposal of property, plant and equipment	-	-	(938)	-
<u>Crediting:</u>				
Gain on disposal of available-for-sale financial assets	-	-	4,034	-
Gain on disposal of associate	-	1,337	-	1,337
Interest income	5	6	8	13
Reversal of accruals	474	-	474	-
Miscellaneous income	29	49	29	50

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 2011

	Group		Company	
	30/9/2011 US\$'000	31/3/2011 US\$'000	30/9/2011 US\$'000	31/3/2011 US\$'000
<u>Non-Current Assets</u>				
Property, plant and equipment	515,654	527,957	71	109
Rig newbuildings	72,743	36,365	-	-
Other assets	36	36	36	36
Investment in subsidiaries	-	-	143,057	142,577
	588,433	564,358	143,164	142,722
<u>Current Assets</u>				
Inventory	6,793	5,643	-	-
Trade and other receivables	5,352	1,190	331,833	290,698
Available-for-sale financial assets	-	12,544	-	-
Cash and bank balances	24,542	29,187	1,924	28,363
	36,687	48,564	333,757	319,061
Total Assets	625,120	612,922	476,921	461,783
<u>Capital and Reserves</u>				
Share capital	581,234	573,467	581,234	573,467
Reserves	(148,791)	(120,036)	(122,849)	(120,030)
	432,443	453,431	458,385	453,437
Non-controlling interests	122	631	-	-
Total equity	432,565	454,062	458,385	453,437
<u>Non-Current Liabilities</u>				
Borrowings	161,060	-	-	-
	161,060	-	-	-
<u>Current Liabilities</u>				
Trade and other payables	31,344	33,713	18,492	2,717
Borrowings	-	124,996	-	5,585
Provision for taxation	151	151	44	44
	31,495	158,860	18,536	8,346
Total liabilities	192,555	158,860	18,536	8,346
Total Equity and Liabilities	625,120	612,922	476,921	461,783

Notes:

- The deposit and prepaid costs for the "Jasper Adventurer" for the financial year ended 31 Mar 2011 have been reclassified from property, plant and equipment to rig newbuildings.

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 30/09/2011</u>		<u>As at 31/03/2011</u>	
<u>US\$'000</u>		<u>US\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
-	-	124,996	-

Amount repayable after one year

<u>As at 30/09/2011</u>		<u>As at 31/03/2011</u>	
<u>US\$'000</u>		<u>US\$'000</u>	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
161,060	-	-	-

Notes:-

- 1) Borrowings – secured as at 30 Sep 2011

This relates to US\$165 million Senior Secured Bonds (“Bonds”) due 31 May 2016 secured, *inter alia* by: -

- a first priority mortgage over one of the Group's drilling vessel
- an assignment of insurances
- pledge of the shares of certain subsidiaries
- corporate guarantees from certain subsidiaries

There are financial and other covenants typical for bonds of this nature which the Group has to observe. The amount of secured borrowings is shown net of transaction costs which will be amortised over the term of the Bonds.

- 2) During the year, the secured borrowings of US\$50.6 million due to a bank and US\$75 million Senior Secured Second Lien Notes (“Notes”) have been fully repaid and the security relating to the borrowings have been discharged.

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 2011**

	Group		Group	
	2Q FY2012 US\$'000	2Q FY2011 US\$'000	6M FY2012 US\$'000	6M FY2011 US\$'000
<u>Cash flows from operating activities</u>				
Loss before taxation	(15,616)	(11,716)	(25,883)	(17,969)
Adjustments for :				
Depreciation of property, plant and equipment	3,959	79	4,015	159
Interest income	(5)	(6)	(8)	(13)
Interest expenses	5,569	2,417	9,693	3,116
Amortisation of discount on bond	-	250	500	250
Amortisation of bond transaction charges	139	250	685	250
Gain on disposal of available-for-sale financial assets	-	-	(4,034)	-
Loss/(gain) on disposal of property, plant and equipment	-	(26)	938	(70)
Write back of impairment in value of property, plant and equipment	-	-	(1,383)	-
Write-off property, plant and equipment	-	-	3,895	-
Loss on deconsolidation of subsidiary, disposed off (Note B)	-	5	-	5
Issuance of share under shares incentive plan	142	-	1,779	1,176
Share option expenses	30	-	20	-
Operating loss before working capital changes	(5,782)	(8,747)	(9,783)	(13,096)
Changes in working capital				
-increase in inventories	(813)	(534)	(917)	(242)
-increase in operating receivables	(1,424)	(1,498)	(4,162)	(1,989)
-decrease in operating payables	5,587	(1,844)	(6,290)	(13,661)
Cash used in operations	(2,432)	(12,623)	(21,152)	(28,988)
Income taxes paid	(17)	-	(17)	-
Net cash used in operating activities	(2,449)	(12,623)	(21,169)	(28,988)
<u>Cash flows from investing activities</u>				
Interest received	5	6	8	13
Acquisition of property, plant and equipment (Note A)	(10)	(4,596)	(116)	(14,447)
Downpayment for jack-up rigs	465	-	(33,350)	-
Acquisition of available-for-sale financial assets	-	(30,904)	-	(31,932)
Proceeds from disposal of available-for-sale financial assets	-	-	13,194	-
Proceeds from disposal of property, plant and equipment	338	57	4,720	177
Net cash generated from/(used in) investing activities	798	(35,437)	(15,544)	(46,189)
<u>Cash flows from financing activities</u>				
Proceeds from issuance of new shares (Note C)	-	-	5,987	-
Interest paid	(7,058)	(1,298)	(9,078)	(1,335)
Deposits released/(pledged) as security	250	-	(250)	-
Proceeds from/(deposits held in) escrow account	585	-	(11,663)	-
Proceeds from issue of bonds	-	-	160,875	-
(Repayment of)/proceeds from bank loan	-	(1,945)	(50,996)	11,408
(Repayment of)/proceeds from notes	-	72,000	(75,000)	72,000
Repayment of shareholder loan	-	(7,473)	-	(7,200)
Net cash (used in)/generated from financing activities	(6,223)	61,284	19,875	74,873
Net (decrease)/increase in cash and cash equivalents	(7,874)	13,224	(16,838)	(304)
Effect of foreign exchange rate changes	374	73	280	936
Cash and cash equivalents at the beginning	20,129	16,777	29,187	29,442
Cash and cash equivalents at the end (Note D)	12,629	30,074	12,629	30,074

(A) Purchase of property, plant and equipment

In 1H FY2012, the Group acquired plant and equipment with an aggregate cost of approximately US\$0.1 million (2010 - US\$14.4 million) of which cash payments of approximately US\$0.1 million (2010 - US\$14.4 million) were made for the purchases.

(B) Deconsolidation of subsidiary

	Group		Group	
	2Q FY2012 US\$'000	2Q FY2011 US\$'000	6M FY2012 US\$'000	6M FY2011 US\$'000
The assets disposed off and liabilities discharged were as follows:-				
Cash and bank balances	-	2	-	2
Receivables	-	18	-	18
Payables	-	(176,612)	-	(176,612)
Impairment of non-trade balances, from formal subsidiary	-	176,599	-	176,599
	-	7	-	7
Cash and bank balances	-	(2)	-	(2)
Sales proceeds	-	-	-	-
Loss on disposal	-	5	-	5

(C) Issuance of new shares

	Group		Group	
	2Q FY2012 US\$'000	2Q FY2011 US\$'000	6M FY2012 US\$'000	6M FY2011 US\$'000
Issuance of new shares	-	-	5,987	-
Cash consideration	-	-	5,987	-

(D) Cash and Cash Equivalents

	Group	
	6M FY2012 US\$'000	6M FY2011 US\$'000
Fixed deposits	-	26,000
Cash and bank balances	24,542	4,074
	24,542	30,074
Deposits pledged as security	(250)	-
Deposits held in escrow account	(11,663)	-
Cash and cash equivalents shown in consolidated statement of cash flows	12,629	30,074

(E) Review of Cash Flow Statement

Net cash outflow from operating activities for 1H FY2012 of US\$21.2 million was due mainly to operating loss attributed to low revenue generated by the “Jasper Explorer” in 1H FY2012 and a decrease in trade payables.

Net cash outflow in investing activities for 1H FY2012 was US\$15.5 million due mainly to downpayment of US\$33.4 million on the construction of 2nd jack-up rig with Keppel FELS Limited (“KFELS”). This was offset by the proceeds from disposal of available-for-sale financial assets of US\$13.2 million and disposal of equipment of US\$4.7 million arising from the termination of an equipment supply contract.

Net cash inflow from financing activities for 1H FY2012 was US\$19.9 million. Net proceeds of US\$160.9 million was received from the issuance of the US\$165 million Bonds and placement of 81,069,322 new ordinary shares to Hygrove Investments Limited (“Hygrove”). The above cash inflows were partially offset by repayment of bank loans and trust receipt of US\$50.9 million, redemption of the Notes and downpayment on the construction of a 2nd KFELS jack-up rig.

As a result, net cash and cash equivalents decreased to US\$12.6 million for 1H FY2012 as compared to US\$30 million for 1H FY2011.

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 2011

	Share Capital US\$'000	Other Reserve US\$'000	(Accumulated Losses)/ Retained Profits US\$'000	Grand Total US\$'000
Company				
<u>6 months ended 30 September 2011</u>				
Balance as at 01/04/2011	573,467	300	(120,330)	453,437
Issued during the period	7,624	-	-	7,624
Total comprehensive loss for the period	-	(9)	(2,069)	(2,078)
Balance as at 30/06/2011	<u>581,091</u>	<u>291</u>	<u>(122,399)</u>	<u>458,983</u>
Balance as at 30/06/2011	581,091	291	(122,399)	458,983
Issued during the period	143	-	-	143
Total comprehensive income/(loss) for the period	-	30	(771)	(741)
Balance as at 30/09/2011	<u>581,234</u>	<u>321</u>	<u>(123,170)</u>	<u>458,385</u>
<u>6 months ended 30 September 2010</u>				
Balance as at 01/04/2010	368,745	144	(64,415)	304,474
Issued during the period	1,176	-	-	1,176
Total comprehensive income/(loss) for the period	-	34	(1,867)	(1,833)
Balance as at 30/06/2010	<u>369,921</u>	<u>178</u>	<u>(66,282)</u>	<u>303,817</u>
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	<u>369,921</u>	<u>183</u>	<u>(65,322)</u>	<u>304,782</u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2011

	Share Capital US\$'000	Other Reserve US\$'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							
<u>6 months ended 30 September 2011</u>							
Balance as at 01/04/2011	573,467	6,667	1,266	7,933	(127,969)	631	454,062
Issued during the period	7,624	-	-	-	-	-	7,624
Total comprehensive loss for the period	-	(3,394)	-	(3,394)	(10,037)	(230)	(13,661)
Balance as at 30/06/2011	<u>581,091</u>	<u>3,273</u>	<u>1,266</u>	<u>4,539</u>	<u>(138,006)</u>	<u>401</u>	<u>448,025</u>
Balance as at 30/06/2011	581,091	3,273	1,266	4,539	(138,006)	401	448,025
Issued during the period	143	-	-	-	-	-	143
Total comprehensive income/(loss) for the period	-	30	-	30	(15,354)	(279)	(15,603)
Balance as at 30/09/2011	<u>581,234</u>	<u>3,303</u>	<u>1,266</u>	<u>4,569</u>	<u>(153,360)</u>	<u>122</u>	<u>432,565</u>
<u>6 months ended 30 September 2010</u>							
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 loss for the period	-	(29)	-	(29)	(4,439)	(1,814)	(6,282)
Balance as at 30/06/2010	<u>369,921</u>	<u>3,097</u>	<u>1,266</u>	<u>4,363</u>	<u>(93,148)</u>	<u>7,643</u>	<u>288,779</u>
Balance as at 30/06/2010	369,921	3,097	1,266	4,363	(93,148)	7,643	288,779
Total comprehensive income/(loss) for the period	-	10,857	-	10,857	(9,222)	(2,494)	(859)
Balance as at 30/09/2010	<u>369,921</u>	<u>13,954</u>	<u>1,266</u>	<u>15,220</u>	<u>(102,370)</u>	<u>5,149</u>	<u>287,920</u>

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 2Q FY2012 the Company issued and allotted 2,640,000 new ordinary shares at S\$0.065 per new share pursuant to the Company's share incentive plan ("Share Incentive Plan").

As a result, the share capital of the Company increased from 3,931,196,879 shares as at 31 Mar 2011 to 4,040,139,966 shares as at 30 Sep 2011.

Movements in the Company's issued and fully paid up share capital during FY2012 were as follows:

	<u>No. of Shares</u>
As at 1 Apr 2011	3,931,196,879
1 Jun 2011 – Issue of shares pursuant to the Share Incentive Plan	25,233,765
21 Jun 2011 – Issue of shares to fund the downpayment on the new rig construction	81,069,322
15 Aug 2011- Issue of shares pursuant to the Share Incentive Plan	2,640,000
As at 30 Sep 2011	<u>4,040,139,966</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>30 Sep 2011</u>	<u>31 Mar 2011</u>
Number of outstanding options	11,000,000	17,000,000

The options are not included in the calculation of dilution of earnings per share.

Performance Shares

As at 30 Sep 2011, the number of shares comprised in contingent awards granted under the Company's Share Incentive Plan which has not been released was 73,202,000 shares (31 Mar 2011: 33,001,000).

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 30 Sep 2011 was 4,040,139,966 compared to 3,931,196,879 as at 31 Mar 2011.

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 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.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as those applied in the audited financial statement for the year ended 31 Mar 2011, except where new or amended Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") became effective from this financial year.

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 FRS and INT FRS that are effective for annual periods beginning on or after 1 Jan 2011. Changes to the Group's accounting policies have been made as required, in accordance to the transitional provisions in the respective FRS and INT FRS.

The adoption of the new/revised FRS and INT FRS did not result in any substantial changes to the Group's accounting policies nor any significant impact on the Group's financial statements.

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\$25.4 million (30 Sep 2010: loss of approximately US\$13.7 million) by the weighted average number of 3,989,214,050 shares (30 Sep 2010: 1,858,171,493 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\$25.4 million (30 Sep 2010: loss of approximately US\$13.7 million) by the weighted average number of shares and the weighted average number of dilutive options, equivalent to 3,989,214,050 shares (30 Sep 2010: 1,858,171,493 shares) outstanding during the financial period.

	<u>Group</u>		<u>Group</u>	
	<u>2Q FY2012</u>	<u>2Q FY2011</u>	<u>6M FY2012</u>	<u>6M FY2011</u>
<u>From continuing and discontinued operations</u>				
Basic EPS (in US cents)	(0.385)	(0.496)	(0.636)	(0.735)
Fully diluted EPS (in US cents)	(0.385)	(0.496)	(0.636)	(0.735)
<u>From continuing operations</u>				
Basic EPS (in US cents)	(0.385)	(0.496)	(0.636)	(0.735)
Fully diluted EPS (in US cents)	(0.385)	(0.496)	(0.636)	(0.735)

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>30/09/2011</u>	<u>31/03/2011</u>	<u>30/09/2011</u>	<u>31/03/2011</u>
Net Assets Value ("NAV") per share (in US cents)	10.70	11.53	11.35	11.53

NAV per share is calculated by dividing the net assets by the existing issued share capital of 4,040,139,966 shares (31 Mar 2011: 3,931,196,879 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 Developments

The Group has a contract with AGR Well Management Ltd ("AGR") for the "Jasper Explorer" to drill two wells in offshore Republic of Guinea in West Africa for Hyperdynamics Corporation.

The "Jasper Explorer" departed Singapore on 20 Aug enroute to offshore Guinea and arrived on location on 1 Oct 2011. On 13 Oct 2011, the "Jasper Explorer" commenced drilling operations at the first well, the Sabu-1. The duration of the drilling programme is expected to be around 90 days.

On 8 Nov 2011, the Group awarded a US\$73.6 million contract to China Merchant Industry Holding Co. Ltd ("CMIH") to retrofit and convert the Neptune Finder ("Finder") semi-submersible into an accommodation vessel/floatel. The floatel is scheduled for delivery in 2nd Quarter 2013. Under the terms of the contract, the conversion cost will only be payable upon delivery of the floatel.

For The Six Months Ended 30 Sep 2011 (1H FY2012)

Revenue

The Group recorded revenues of US\$3.4 million as compared with US\$0.5 million in 1H FY2011. The revenue was attributable to the mobilisation fee received from AGR for the "Jasper Explorer".

Profitability

The Group suffered a gross loss of US\$10.8 million in 1H FY2012 as compared to US\$9.6 million for 1H FY2011. This was attributed to operating costs which included mobilisation related costs and commencement of depreciation for the "Jasper Explorer".

Included in administrative expenses were charges attributed to new shares issued pursuant to the Company's Share Incentive Plan. For 1H FY2012, this amounted to US\$1.8 million as compared to US\$1.2 million for 1H FY2011. Excluding these, administrative expenses stood at US\$4.6 million in 1H FY2012 which was consistent with US\$4.6 million in 1H FY2011.

Other expenses for 1H FY2012 comprised mainly US\$0.9 million loss on disposal of property, plant and equipment and US\$2.4 million for redemption and transaction fees due to early termination of Notes.

Interest expenses of US\$9.7 million were US\$6.6 million higher as compared to 1H FY2011 due mainly to an increase in borrowings.

The Group turned in a net loss after tax and non-controlling interests of US\$25.4 million in 1H FY2012 against a net loss of US\$13.7 million in 1H FY2011.

Statement of Financial Position

Non-current assets

The Group's non-current assets were US\$588.4 million as at 30 Sep 2011, an increase of US\$24 million from US\$564.4 million as at 31 Mar 2011. The increase was due mainly to an increase in rig newbuildings of US\$36.4 million attributed to deposits and prepaid costs for the two jack-up rigs. This was offset by a disposal of equipment and termination of an equipment supply contract of US\$8.4 million and depreciation of the "Jasper Explorer" amounting to US\$4 million.

Current assets

Group current assets decreased by US\$11.9 million from US\$48.6 million as at 31 Mar 2011 to US\$36.7 million as at 30 Sep 2011. The decrease was the result of disposal of available-for-sale financial assets.

Equity attributable to equity holders of the Group

Group shareholders' funds decreased by US\$21 million from US\$453.4 million as at 31 Mar 2011 to US\$432.4 million as at 30 Sep 2011. Share capital rose by US\$7.7 million as a result of the issuance of new shares pursuant to the Share Incentive Plan and issuance of new shares to fund the downpayment on the construction of the 2nd KFELS jack-up rig. Negative reserve increased from US\$120 million as at 31 Mar 2011 to US\$148.8 million as at 30 Sep 2011 due mainly to the loss of US\$25.4 million registered for 1H FY2012.

Non current liabilities

Group non-current liabilities increased by US\$161 million. The increase was due to the issuance of the Bonds.

Current Liabilities

Group current liabilities were US\$31.5 million as at 30 Sep 2011, a decrease of US\$127.4 million from US\$158.9 million as at 31 Mar 2011. The decrease was due to repayment of bank loans and redemption of the Notes.

For the Second Quarter Ended 30 Sep 2011 (2Q FY2012)

For the quarter ended 30 Sep 2011, Group revenue stood at US\$3.4 million. The increase was primarily attributable to the mobilisation fee received for the "Jasper Explorer" on commencement of its contract with AGR.

The Group recorded a gross loss of US\$7.8 million in 2Q FY2012. This was attributed to mobilisation related costs and commencement of depreciation for the "Jasper Explorer".

Administrative expenses were higher this quarter, increasing from US\$2.5 million in 2Q FY2011 to US\$2.9 million in 2Q FY2012. Interest expenses increased by US\$3.2 million from US\$2.4 million in 2Q FY2011 to US\$5.6 million in 2Q FY2012. This was due to an increase in borrowings.

At the close of 2Q FY2012, the Group incurred a net loss after tax and non-controlling interest of US\$15.4 million against a net loss of US\$9.2 million in 2Q 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 second quarter results are consistent 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.

There are encouraging signs that the long-term fundamentals of oil and gas exploration remain intact. With oil prices hovering at current levels, demand for offshore drilling vessels are expected to continue to be good.

The “Jasper Explorer” has commenced drilling operations in offshore Republic of Guinea on 13 Oct 2011.

The two B Class 400 ft jack-up rigs, the “Jasper Adventurer” and the “Jasper Beacon” are under construction and are contractually scheduled for delivery in Nov 2012 and in May 2013 respectively.

The Group has awarded a contract to a China Merchants Group shipyard at Shekou in Shenzhen, China for the conversion of the “Neptune Finder” into a 500 men accommodation unit.

The conversion of the “Neptune Finder” will increase the Group’s fleet size of commercially marketable vessels to four. By 2013, the Group will have one deepwater drilling vessel, two premium jack-up rigs and one floatel available for charter.

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 received a general mandate from shareholders for IPT on 29 July 2011. There is no IPT for the financial period under review.

14. 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 2011 to be false or misleading, in any material respect.

BY ORDER OF THE BOARD

Lee Mee Kium
Company Secretary
11 November 2011