

**MTQ CORPORATION LIMITED**  
(Incorporated in Singapore)  
[Co. Registration No. 196900057Z]

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**SUBSCRIPTION FOR NEW SHARES IN NEPTUNE MARINE SERVICES LIMITED**

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The Board of Directors of MTQ Corporation Limited (“**MTQ**”) is pleased to announce that its wholly owned subsidiary, Blossomvale Investments Pte. Ltd. (“**Blossomvale**”), has today subscribed for 200 million new ordinary shares in Neptune Marine Services Limited (“**Neptune**”).

Neptune is a company publicly listed on the Australian Securities Exchange (ASX: NMS) that provides offshore engineering solutions to the global oil and gas, marine and renewable energy industries. Founded in 2003 and headquartered in Perth, Western Australia, Neptune has a comprehensive focus on subsea services with operations spanning Australia and the United Kingdom.

Pursuant to a restructuring plan proposed by its Board, Neptune has made a pro rata non-renounceable entitlement offer to its eligible shareholders of 3.6 new ordinary shares in Neptune for every 1 ordinary share held at an issue price of A\$0.05 per new share (“**Entitlement Offer**”) upon the terms set out in its prospectus dated 31 January 2011. The Entitlement Offer was approved in a general meeting of Neptune held on 01 March 2011.

Under the prospectus, the **Shortfall**, being the difference between the number of new shares offered under the Entitlement Offer and the number of new shares actually applied for by the eligible shareholders in accordance with their entitlement, is offered by Neptune to and may be subscribed for, by other eligible shareholders and other persons (“**Shortfall Offer**”). Blossomvale has subscribed for the shares that constitute part of the Shortfall Offer.

Neptune’s shares were last traded on 16 November 2010 at A\$0.205. The net tangible asset backing per ordinary share as at 31 December 2010 was A\$0.02 and is expected to increase to A\$0.043 after completion of the above Offers.

Following the successful completion of the capital raising exercise, MTQ will have a relevant interest of approximately 12% in Neptune.

**Consideration**

The purchase consideration for the 200 million shares amounts to A\$10 million (approximately S\$12.93 million).

The purchase consideration was satisfied fully by the internal cash resources of MTQ.

## **Investment Rationale**

Neptune is currently undertaking a restructuring of its operations with a view to strengthen its balance sheet and rationalise its businesses to achieve sustainable future growth. On completion of this fund raising exercise, Neptune would have met its obligation to its lenders and vendors, as well as generate additional working capital.

MTQ seeks to participate in Neptune's business as a significant investor and views Neptune's offshore capabilities as a strategic extension of its predominantly workshop-based operations in Singapore and Bahrain. Through Neptune, MTQ looks to gain exposure to a complementary business that is capable of generating long term shareholder value.

## **Financial Effects of the Investment**

Assuming that (i) Blossomvale is finally allotted all the aforesaid 200 million shares in Neptune, and (ii) such final allotment had taken place today, the financial effects of the investment and the relative figures under Rule 1006 of the Listing Manual are as set out below.

### Effect on Net Tangible Asset ("NTA") per share

Based on the audited consolidated results of the Group for the financial year ended 31 March 2010, and assuming that the transaction had been completed at 31 March 2010, there would have been no change in the consolidated NTA per share of 75.87 Singapore cents of the Group.

### Effect on Earnings Per Share ("EPS")

Based on the audited consolidated results of the Group for the financial year ended 31 March 2010, and assuming that the transaction had been effected at 01 April 2009, there would have been no change to the EPS of 13.67 Singapore cents of the Group for the financial year ended 31 March 2010.

## **Rule 704 (15)(b) of the Listing Manual**

Assuming the 200 million shares were fully allotted to Blossomvale and the cost of investment reflects its market value, (i) the investment in Neptune will increase MTQ's aggregate cost of quoted investments from S\$7.18 million to S\$20.11 million, representing 10.75% and 30.10% respectively of its audited consolidated NTA for the financial year ended 31 March 2010; and (ii) the total market value of quoted investments held by MTQ will increase from S\$6.86 million to S\$19.79 million.

## **Relative Figures under Rule 1006 of the Listing Manual**

### Rule 1006(a)

The basis of comparison set out in Rule 1006(a) of the Listing Manual is not applicable.

### Rule 1006(b)

The basis of comparison set out in Rule 1006(b) of the Listing Manual is not applicable.

Rule 1006(c)

The aggregate value of the consideration given for the investment in Neptune is A\$10 million (approximately S\$12.93 million). MTQ's market capitalisation as at 03 March 2011 based on 89,029,974 issued shares (excluding treasury shares) and the latest available transacted weighted average price of S\$0.86 is S\$76,565,778.

From the above, the relative figure calculated based on the aggregate value of the consideration given compared with MTQ's market capitalisation is approximately 16.89%.

Rule 1006(d)

The basis of comparison set out in Rule 1006(d) of the Listing Manual is not applicable.

Based on the computation under Rule 1006(c), the investment in Neptune is a discloseable transaction under Chapter 10 of the Listing Manual.

**Interests of Directors and Substantial Shareholders**

Mr. Kuah Kok Kim is a controlling shareholder of MTQ and a director of MTQ and Blossomvale. Save aforesaid or through their respective shareholdings in MTQ, none of the Directors of MTQ has any direct or indirect interest in the aforesaid investment. The Directors are not aware of any substantial shareholder having any interest, direct or indirect, in the investment and have not received any notification of interest in the investment from any substantial shareholders.

By Order of the Board

KUAH Boon Wee  
Chief Executive Officer

04 March 2011