MTQ CORPORATION LIMITED

ASSET PURCHASE AGREEMENT

The Directors of MTQ Corporation Limited ("**MTQ**") hereby announce that a conditional asset purchase agreement ("**Agreement**") has been entered into among (i) Oceaneering International AG ("**Buyer**"), (ii) Oceaneering International, Inc. ("**Buyer Parent**"), (iii) MTQ, (iv) MTQ's 77.51% owned Singapore subsidiary, MTQ Subsea Technology Pte Ltd ("**MTQST**"), and (v) MTQST's wholly owned UK subsidiary, MTQ Subsea Limited ("**MTQSL** and, collectively with MTQST, the "**Sellers**") on 28 July 2005 for the sale by MTQST and MTQSL of their entire fleet of remotely operated vehicles ("**ROVs**") and related assets (together, the "**Assets**") to the Buyer for an aggregate consideration of US$5.0625 million.

The sale includes contracts related to the Sellers' hire and operation of the remotely operated vehicles.

The Buyer Parent, the parent company of the Buyer, has agreed to indemnify MTQ, the Sellers, the Sellers' affiliates and their respective directors, officers and employees ("**Seller Group**") against any breach by the Buyer Parent or the Buyer of its representations, warranties or obligations under the Agreement as well as claims against the Seller Group arising out of the Buyer's ownership and use of the Assets and assumption of certain other obligations after completion of the sale and purchase of the Assets.

Similarly, MTQ has agreed to indemnify the Buyer, the Buyer's affiliates (including the Buyer Parent) and their respective directors, officers and employees ("**Buyer Group**") against any breach by a Seller or MTQ of its representations, warranties or obligations under the Agreement as well as claims against the Buyer Group arising out of the Sellers' business, ownership and use of the Assets on or before completion of the sale and purchase of the Assets.

The Sellers form MTQ's Subsea Robotics Division which specialises in designing, building and the operation of remotely operated vehicles and their peripherals.

The Buyer Parent is listed on the New York Stock Exchange, Inc.. The Buyer is part of the Oceaneering group of companies which provides engineered services and hardware to customers who operate in marine, space and other harsh environments. Oceaneering's services and products are marketed worldwide to oil and gas companies, government agencies, and firms in the telecommunications, aerospace and marine engineering and construction industries.

Under the Agreement, the Sellers will sell the Assets to the Buyer for a cash consideration of US$5.0625 million (approximately S$8.432 million). On completion of the sale and purchase, the Buyer will pay a sum of US$4,843,750 to the Sellers with the balance US$218,750 to be paid upon delivery of the replacement for the subsea unit of one Super Mohawk 1 ROV system.

The total consideration for the sale of the Assets was agreed between the parties on a "willing-buyer and willing-seller" basis after negotiations.

The ROVs are highly specialised machinery and there is no market for obtaining comparative price quotes. The sale consideration took into account their past and prospective utilization levels, their estimated realisable value based on indicative offers received by the Sellers from time to time from other parties operating in the same field and their state and condition at the time of the sale.

If there is a material breach by the Sellers of their representation on the condition of a ROV (which breach is not curable or is not cured within the agreed period), the Buyer may elect not to buy such ROV and the final consideration payable will be adjusted accordingly.

For a period of 3 years from the date of completion, the Sellers will not, among other things, engage in any business involving hiring or operating of submersible vehicles to support offshore oil and gas exploration, production and construction activities in areas where they have conducted business in the past or presently using the Assets or any other oil and gas producing areas in South East Asia and Australia. There is however no prohibition against the Sellers constructing submersible vehicles for sale or hiring out or selling ROV peripherals, related accessories and tooling to any party in any part of the world.

Completion of the sale of the Assets is subject to, inter alia, the following conditions precedent: -

(a) the approval of the shareholders of MTQ being obtained;

(b) the Buyer being satisfied in all material respects with the results of its due diligence of the Assets;

(c) (i) each party's representation and warranty being true and accurate in all material respects on and as of completion date; and (ii) each party having performed in all material respects their covenants;

(d) no applicable law prohibiting the consummation of the transactions contemplated by the Agreement; and

(e) necessary approvals of all governmental bodies or agencies (if required) for the sale and purchase of the Assets being obtained.

If any of the above conditions precedent is not fulfilled or waived by 31 October 2005, the relevant party may terminate the Agreement in which event, save as expressly provided otherwise in the Agreement, the Agreement shall be void and of no effect and none of the parties shall have any claims against the others for costs, damages, fees or expenses.

The book value of the Assets as at 31 March 2005 is S$7.970 million after provision for impairment of the fleet of ROVs. Accordingly, the sale consideration of US$5.0625 million (approximately S$8.432 million) represents a surplus of S$0.462 million to the book value of the Assets.

The proceeds of sale will be used to repay existing loans and borrowings of the Sellers, which will reduce the gearing for MTQ and its subsidiaries (together, the "MTQ Group"), and fund working capital requirements.

The net loss attributable to the Subsea Robotics division is S$7.024 million for the financial year ending 31 March 2005 compared against the MTQ Group's net loss of S$1.964 million.

Assuming that the transaction has been completed on 31 March 2005, being the most recent financial year, the net tangible asset per share of MTQ Group will increase from 28.70 cents to 28.98 cents.

Assuming that the transaction had been completed on 1 April 2004, the beginning of the most recent financial year, the loss per share of MTQ Group will reduce from 2.07 cents to 1.82 cents.

The net book value of the Assets is S$7.970 million, constituting 23.60% of the MTQ Group's net asset value of S$33.773 million. Using the S$ equivalent above of the sale consideration, the sale consideration to be received constitutes 25.98% of MTQ's market capitalization as at 27 July 2005.

MTQ will be issuing a circular to the shareholders to give further details of the proposed transactions under the Agreement.

In line with MTQ's previous announcement on 26 May 2005 that the Subsea Robotics Division will include as one of its business options, the divestment of the fleet of remotely operated vehicles, the Board of Directors of MTQ is of the view that the sale of the Assets provides an opportune and appropriate exit. The Division is unlikely, in the foreseeable future, to achieve a turnaround with its existing operations of remotely operated vehicles, given the limitations in its ability to provide integrated subsea engineering services. The Division has also been unable, despite its efforts, to secure any suitable strategic partners or alliances to enlarge its range of operations. The Board of Directors of MTQ is of the view that the disposal of the Assets would be in the interest of the MTQ Group. The Division is looking into the feasibility of undertaking the design and manufacture of equipment and accessories for the subsea engineering sector, capitalizing on its existing engineering expertise and intellectual property. The Directors further noted that the disposal will release resources and allow the MTQ Group to focus on building up the Oilfield Engineering and Engine Systems Divisions which are enjoying good growth prospects.

The Buyer may, on completion offer employment to 8 of the crew involved in the operation of the remotely operated vehicles. The administrative staff, engineers and workshop staff of the Sellers will not be affected by the disposal.

Mr. Kuah Kok Kim is a controlling shareholder of MTQ and a director of MTQ, MTQST and MTQSL. Mr. Huang Yuan Chiang and Mr. Ian Wayne Spence are directors of MTQ and MTQST. Save aforesaid, none of the Directors or controlling shareholders of MTQ have any interest in the transactions.

A copy of the Agreement is available for inspection during normal business hours at MTQ's registered office at 182 Pandan Loop, Singapore 128373 for a period of 3 months from today.

By Order of the Board
MTQ CORPORATION LIMITED

Submitted by Fong Choon Seng, Company Secretary on 28 July 2005 to the SGX