



PENGUIN BOAT INTERNATIONAL LTD  
(Company Registration No. 197600165Z)

**FOR IMMEDIATE RELEASE**

## **Pelican Offshore to Build Fast Supply Vessels for the Middle East in US\$23 million contract**

- **Innovative supply boat design integrates steel hull with high-speed engines and special storage tanks**
- **Penguin's first Middle East shipbuilding contract and single largest contract paves the way for repeat orders in a new market**
- **Order further affirms Penguin's reputation as a builder of specialized offshore support vessels**
- **Penguin to capitalize on shipbuilding and offshore support services for future growth**

**Singapore, 26 February 2007** – Pelican Offshore Services Pte. Ltd. (“Pelican”), the offshore chartering arm of Penguin Boat International Ltd. (“Penguin”), has signed a major shipbuilding contract worth about US\$23 million with the Abu Dhabi National Oil Company (“ADNOC”) on behalf of Penguin Shipyard International Pte. Ltd. (“PSI”).

The contract with ADNOC calls for Pelican to manage the construction of three units of 55-metre high-speed *Fast Supply Intervention Vessels* (“FSIV”) at PSI for delivery commencing in the third quarter of 2008, with an option for one additional unit.

The vessels will be operated by ADNOC's wholly owned subsidiary, ESNAAD, which recently launched a US\$200-million Fleet Replacement Plan. ESNAAD has interests in offshore vessels, oilfield services and supply bases.

Barring any unforeseen circumstances, this contract is expected to have a positive impact on the net tangible assets and earnings per share of the group for the financial year ending 31 December 2007.

This is the single largest shipbuilding contract entered into by Penguin and the company's first Middle East contract. It also marks Penguin's first foray into the construction of steel vessels, following an international tender.

The US\$23 million contract (US\$31 million if the option is exercised) follows a US\$14 million contract signed between PSI and a Malaysian shipowner in January for four aluminium FSIV, bringing the total shipbuilding contracts secured in the first two months of FY2007 to US\$37 million – three times more than the orders in FY2006.

Unlike conventional FSIV, the ESNAAD vessels will be built of steel and equipped with 7000 BHP turbo-charged diesel engines to enable the vessel to run at speeds of over 18 knots – more than 20% faster than conventional supply boats.

In addition to transporting workers to offshore facilities, these FSIV will also carry water and diesel in dedicated tanks below deck, and conventional cargo and portable bulk tanks on a reinforced back deck.

*Through a groundbreaking design, these vessels will feature specially built under-deck tanks to carry liquid mud and brine, as well as petrol and Jet A1 fuel for refueling helicopters on rigs and platforms.*

Commenting on the landmark contract, Penguin's Executive Chairman and Founder, Mr. Heng Kheng Seng, said: "We have the necessary experience and expertise to build such sophisticated FSIV for ESNAAD and we look forward to repeat orders as demand for such vessels continue to rise in the Middle East."

"We won this tender by tapping the collective talents of our business units." said Mr. Heng. "Our shipyard has been building aluminium commercial vessels since 1995 and FSIV from 2000 in partnership with Pelican. Since 2005, we have changed our business model to further enhance this partnership."

"The ESNAAD contract represents a major milestone for Penguin and a big vote of confidence in our capabilities," Mr. Heng added.

FSIV (which are more sophisticated versions of conventional crewboats) are traditionally used in the offshore oil and gas industry to complement helicopters and supply boats as a mode of transportation for offshore workers and cargo. They are also used for regular supply runs between production platforms and as emergency standby and security vessels.

Pelican owns and operates a fleet of six FSIV and has two under construction at PSI. The company's General Manager and Director, Captain John Price, said:

“FSIV form an integral part of a marine spread supporting major oil and gas production activities. Their dayrates and utilisation are rising in tandem with oil prices and rig rates.”

“Our winning formula is the close cooperation between PSI and Pelican, a builder and an operator,” Captain Price explained.

Penguin is an integrated marine and offshore services company based in Singapore, specializing in the construction, repair and operation of high-speed commercial and offshore vessels.

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**About Penguin Boat International Limited.**

*Penguin Boat International Limited comprises six business units offering integrated marine and offshore services ranging from high-speed passenger and cargo transportation to ship repair and shipbuilding, industrial services, offshore support services and bunkering. Penguin owns and operates a fleet of more than 50 vessels, as well as two shipyards in Singapore and a start-up shipyard in Batam.*

Issued for and on behalf of Penguin Boat International Limited.

**By Financial PR Pte Ltd**

For more information please contact:

James Koh, [james@financialpr.com.sg](mailto:james@financialpr.com.sg)

Tel: (65) 6438 2990

HP: (65) 9757 3438

Mark Lee, [marklee@financialpr.com.sg](mailto:marklee@financialpr.com.sg)

Tel: (65) 6438 2990

HP: (65) 9272 9601