

PENGUIN INTERNATIONAL LIMITED (CO. REG. NO.: 197600165Z)

ACQUISITION OF ADDITIONAL SHARES IN PMBS

1. Background

The Board of Directors of Penguin International Limited (the "Company" or "Penguin") is pleased to announce that its wholly owned subsidiary, Penguin Marine Offshore Services Pte. Ltd. ("PMOS"), has entered into a Sale & Purchase Agreement (the "Agreement") for the acquisition of an additional 26% of the total number of issued shares of Penguin Marine Boats Service LLC ("PMBS"), a company registered in the United Arab Emirates providing marine and logistics operations in the Arabian Gulf, from an existing shareholder (the "Seller") for a total consideration of US\$ 2,500,000 (the "Consideration").

Currently, PMOS owns 49% of the total number of issued shares of PMBS. Following the completion of the Sale and Purchase Agreement, PMOS' shareholding in PMBS will increase to 75% of the total number of issued shares of PMBS, and PMBS will become a subsidiary of PMOS and the Penguin Group of companies. The remaining 25% will be held by the Seller.

2. Rationale for the acquisition

Since its formation in 2007 as part of Penguin's expansion strategy in the Middle East, PMBS has established itself as a professional owner, operator and manager of work boats in the UAE. PMBS currently owns and/or operates a fleet of 20 vessels that are deployed around the UAE, and manages a third-party fleet of 10 Waterbuses on behalf of Dubai's Roads and Transport Authority.

The acquisition of an additional 26% of the total number of issued shares of PMBS will give Penguin a controlling interest in the joint venture company, which will become a subsidiary of the Penguin Group. PMBS will serve as Penguin's vehicle for growth in the Middle East, with a focus on ship owning, ship operating and ship management, backed by an experienced local partner with strong ties in the regional marine and offshore industry.

As flag bearer of the "Penguin Brand" in the Middle East, PMBS is of strategic and commercial importance to the Penguin Group. Turning PMBS into a subsidiary is a logical step forward in Penguin's Middle East growth strategy.

3. Consideration

The Consideration for the acquisition of an additional 26% of the total number of issued shares of PMBS was based on a willing buyer-willing seller approach and will be satisfied in full by Penguin in cash. The acquisition will be financed by internal resources.

The Consideration is payable in three tranches, comprising two equal payments of US\$1,000,000 each and a final payment of US\$500,000, subject to the fulfillment of specific terms and conditions as set forth in the Sale and Purchase Agreement:

The Net Tangible Asset value of the 26% of the total number of issued shares in PMBS being acquired was approximately S\$123,000 as of 31 December 2008 audited accounts.

4. Financial Effects of the acquisition

The acquisition of the additional 26% of the total number of issued shares of PMBS does not constitute a discloseable transaction under the provisions of Rule 1010 of the Singapore Exchange Securities Trading Limited's Listing Manual.

The acquisition of the additional 26% of the total number of issued shares of PMBS is also not expected to have a significant impact on the Net Tangible Assets and Earnings Per Share of the Penguin Group for the financial year ending 31 December 2009.

5. Interests of Directors and/or Controlling Shareholders

None of the Directors or controlling shareholders or substantial shareholders of the Company has an interest, direct or indirect, in the above transaction.

6. Documents available for inspection

A copy of the Agreement is available for inspection during normal business hours at the registered office of Penguin at 18 Tuas Basin Link, Singapore 638784 for a period of three months from the date hereof.

By Order of the Board

James Tham
Managing Director
6 November 2009