BENG KUANG MARINE LIMITED
Registration No. 199400196M
(Incorporated in the Republic of Singapore)

THE PROPOSED ACQUISITION AND SUBSCRIPTION OF SHARES IN THE CAPITAL OF BANNERLEXXON OFFSHORE PTE LTD

The Board of Directors of Beng Kuang Marine Limited (the "**Company**") wishes to announce that the Company has entered into a non-binding termsheet dated 29 September 2010 (the "**Term Sheet**") with Tan Kee Ju and Peter Tan Soon Lai (collectively, the "**Vendors**") for the proposed acquisition and subscription of shares in BannerLexxon Offshore Pte Ltd ("**BLO**") (the "**Proposed Investment**"), such that the Company will hold an aggregate of 60% of the total enlarged issued share capital in BLO.

BLO is a company engaged in the business of providing engineering services supporting the oil and gas industry, covering seismic survey, offshore hookup and commissioning, platform modification and repair works. Its three vessels and a single point mooring unit provide full logistic support to the engineering team throughout the various stages of each project.

Pursuant to the provisions of the Term Sheet, the Company and the Vendors shall enter into definitive agreements within 90 days from the date of execution of the Term Sheet and shall work towards the completion of such definitive agreements before 31 December 2010.

The total outlay for the Proposed Investment is $10,300,000. There will be two milestones payments for the Proposed Investment. The first milestone payment of S$9,300,000 (comprising S$7,800,000 for the purchase of shares in the capital of BLO from the Vendors and S$1,500,000 for the subscription of new shares in the capital of BLO) is payable on the date of completion of the Proposed Investment. The second milestone payment of S$1,000,000 is payable upon the issue of audited financial statements of BLO for the year ending 31 December 2011, provided that BLO achieves an earnings before interest, taxation, depreciation and amortisation of not less than S$6,000,000 for the year ending 31 December 2011.

The Proposed Investment will be subject to the approval of the Board and the approval of the shareholders in an extraordinary general meeting to be convened.

The Company will make further announcements to update the shareholders from time to time as appropriate.

By Order of the Board

Yong Thiam Fook
Executive Director
29 September 2010