JASPER INVESTMENTS LIMITED (SGX: FQ7)
(Company Registration No. 198700983H)

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SALE OF RIGHTS AND OBLIGATIONS UNDER CONSTRUCTION CONTRACT AND GRANT OF OPTION

The Board of Directors of Jasper Investments Limited wishes to announce that its wholly-owned subsidiaries, Jasper Adventurer Pte. Ltd. ("**JAPL**") and Jasper Beacon Pte. Ltd. ("**JBPL**") had entered into an agreement ("**Agreement**") with Integradora De Servicios Petroleros Oro Negro, S.A.P.I de CV ("**ON**") whereby (i) JAPL will sell the rights and obligations under an agreement for the construction of a jack-up rig (Hull No. B328) currently under construction with Keppel FELS Limited ("**KFELS**") and (ii) JBPL grants an option to ON for the sale of its rights and obligations under an agreement for the construction of a second jack-up rig (Hull No. B336) also currently under construction with KFELS (the sale and option granted will collectively be known as the "**Transactions**").

The Agreement became effective on 6 August 2012 (the "**Effective Date**") upon receipt of (i) an initial payment of US$10.8 million for Hull No. B328 (the "**Initial Instalment**") and (ii) an option fee of US$10.8 million for Hull No. B336 ("**Option Fee**").

INFORMATION RELATING TO THE TRANSACTIONS

The Company had previously signed agreements with KFELS (the "**Construction Agreements**") for the construction of two jack-up rigs. Under the terms of the construction agreement for Hull No. B328 ("**Construction Agreement No. 1**") and construction agreement for Hull B336 ("**Construction Agreement No. 2**"), approximately US$35.66 million and US$36.06 million had been paid to KFELS respectively. Construction Agreement No. 1 and Construction Agreement No. 2 were subsequently assigned to JAPL and JBPL respectively.

Pursuant to the Agreement, ON will acquire from JAPL all of its rights and obligations of JAPL under Construction Agreement No. 1 for a total consideration of approximately US$73.4 million (including the Initial Instalment). Upon completion of the acquisition, Construction Agreement No. 1 will be novated to ON and consequently ON will be solely responsible for paying any remaining balance due to KFELS for Hull No. B328 and to perform any other liabilities and obligations under Construction Agreement No. 1.

Concurrent with the sale of the contract rights under Construction Agreement No. 1 and pursuant to the terms of the Agreement, JBPL has granted an option to ON to purchase its rights and obligations of JBPL under Construction Agreement No. 2 upon payment of the Option Fee ("**Option**"). In the event ON exercises the Option, ON shall acquire from JBPL all of the rights and obligations of JBPL under Construction Agreement No. 2 for a total consideration of approximately US$71.8 million (including the Option Fee and any Option Extension Fee as described below). Upon completion of the acquisition, Construction Agreement No. 2 will be novated to ON and ON will be solely responsible for paying any remaining balance due to KFELS for Hull No. B336 and to perform any other liabilities and obligations under Construction Agreement No. 2.

Completion for the sale of Hull No. B328 shall take place no later than 45 days from the date of the Agreement upon satisfaction of conditions precedent including, *inter alia,* (i) JAPL obtaining KFELS' approval for the novation of Construction Agreement No. 1 and consent from its lender to release any encumbrances over Construction Agreement No. 1; and (ii) ON having paid to JAPL an aggregate of approximately US$73.4 million, which amount includes the Initial Instalment.

Salient terms of the Option

Option Period:	up to 31 October 2012.
Option extension:	ON has the right to extend the Option for up to two additional successive 30-day periods upon payment of a fee of US$2.5 million for each 30-day period ("**Option Extension Fee**"). In the event the Option is not exercised by the end of the Option Period, as may be extended, the Option Fee and the Option Extension Fee(s) shall be forfeited to JBPL.
Completion:	Upon exercise of the Option by ON, completion of the acquisition of JBPL's rights and obligations under Construction Agreement No. 2 shall be no later than 10 business days after the exercise of the Option by ON and shall be subject to the satisfaction of conditions precedent including, *inter alia,* (i) JBPL obtaining KFELS' approval for the novation of Construction Agreement No. 2; and (ii) ON having paid to JBPL an aggregate of approximately US$71.8 million, which amount includes the Option Fee and any Option Extension Fee(s).
Right of First Refusal:	After 31 October 2012 and in the event that the Option is extended by ON, if JBPL receives an unsolicited firm bid from a third party for a purchase price greater than being offered by ON under the Agreement ("**Unsolicited Bid**"), then (i) ON shall have the right of first refusal to match the Unsolicited Bid, provided that ON completes the acquisition within 10 business days after being notified of the Unsolicited Bid and (ii) if ON does not exercise its right of first refusal, the Option shall terminate, and JBPL will have to pay to ON (by way of refund) one payment of the Option

Extension Fee, upon successful closing of the Unsolicited Bid. If the Unsolicited Bid does not successfully close, then ON shall have 10 business days following such failure to complete the acquisition of JBPL's rights and obligations under Construction Agreement No. 2 subject to the satisfaction of the conditions precedent listed in the preceding paragraph.

RATIONALE FOR THE TRANSACTIONS

Since the signing of the Construction Agreements in December 2010 and April 2011, the demand and price for such rigs have increased substantially due largely to the buoyant offshore market. The Transactions thus present a good opportunity for the Company to realize its investments. Upon completion of the Transactions, the Company will have a strong net cash position which will be used to reduce borrowings and to fund working capital.

FINANCIAL EFFECTS OF THE TRANSACTIONS

The consideration for the Transactions will be satisfied wholly in cash by ON. The consideration was arrived at on a willing buyer-willing seller basis taking into account sale prices of similar or comparable types of rigs.

Based on the audited consolidated accounts of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 March 2012 and assuming the Transactions had been completed on 31 March 2012, the Company would have realized a gain on disposal of approximately US$60 million, after taking into consideration the book value of the rig newbuildings as at 31 March 2012 as well as project costs and other costs related to the Transactions.

In addition, net asset value of the Group would have increased from US$375.80 million to US$439.10 million (or from US9.1 cents per share to US10.6 cents per share) while losses for the Group would have reduced from US$87.24 million to US$23.94 million (or from US2.16 cents per share to US0.59 cents per share).

The analyses above have been prepared solely for illustrative purposes and do not purport to be indicative or a projection of the results and financial position of the Company and/or the Group after the completion of the Transactions.

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Transactions (save through their shareholding interests in the Company).

BY ORDER OF THE BOARD

7 August 2012