



Neptune Signs Letter of Intent with Singapore's Core IRM

Perth, Western Australia: Neptune Marine Services Ltd (ASX: NMS) today announced that it has signed a Letter of Intent ("LOI") for the acquisition of Singapore based Core IRM Pte Ltd ("Core IRM"), a major provider of inspection, repair & maintenance (IRM) services to the oil & gas and petrochemical industries.

Under the terms of the LOI Neptune proposes to acquire the entire issued capital of Core IRM for SGD\$13 million (AUD\$11.35 million*) with the added consideration of a SGD\$1 million (AUD\$872,000*) conditional payment that will be based on Core IRM's EBIT performance for the 12 month period to 31 December 2009. The acquisition will be funded 90% by way of equity funds raised via the share placement that was announced on 5 June, 2009, and 10% via the issue of Neptune's ordinary shares to the vendors.

Core IRM has been operating in the Asia Pacific region since 1995. Over that time the company has built a reputation with its blue chip client base as a provider of safe, reliable, cost effective IRM services across the disciplines of subsea, survey, inspection, NDT, engineering and fabrication.

Neptune's Managing Director and CEO, Christian Lange, said he expected the acquisition would add approximately 10% to the Group's annual revenue, would be earnings accretive from inception and would further enhance and add value to Neptune's comprehensive suite of services that is available to its expanding global clientele.

"Core IRM's reputable experience, track record and presence in the Asia Pacific region will provide us with the opportunity to leverage off our well established operations in Singapore and Indonesia and drive the migration of Neptune's proven integrated services model into Asia," he explained. "The company's additional presence in the Middle East and West Africa provides further scope for expansion into these established markets.

The proposed transaction is subject to the completion of satisfactory due diligence and contractual documentation.

** Foreign exchange rate of \$1.1460 as at 15 July 2009 for AUD\$: SGD\$ equivalent*

Further information:

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About Neptune Marine Services Limited

Neptune Marine Services (ASX:NMS) is one of Australia's leading providers of integrated solutions to the international oil and gas, marine and renewable energy industries. The company employs more than 600 people in Australia, the UK, USA and Asia and provides a full suite of innovative services including subsea and pipeline engineering; commercial diving; specialist fabrication; inspection, repair and maintenance; pipeline stabilisation and protection; ROV and vessel supply; hydrographic surveying and geophysical services; project management; rope access and tension netting IRM; and the patented NEPSYS® dry underwater welding technology. For more information visit www.neptunems.com