



Neptune confirms sale of the Neptune Trident vessel

PERTH, Western Australia: Neptune Marine Services Limited (ASX: NMS – Neptune or the Company) today announced that its wholly owned Singapore subsidiary, Neptune Marine Pacific Pte Ltd (Neptune Pacific), has signed a Memorandum of Agreement with PT Wintermar, of the Indonesian listed PT Wintermar Offshore Marine group, for the sale of the *Neptune Trident* vessel.

Under the terms of the agreement Neptune Pacific will sell the vessel for a total consideration of USD\$14,025,000 million. The proceeds will allow Neptune to eliminate outstanding term debt.

Neptune's Acting CEO, Robin King, said the sale of the Neptune Trident was an important component of the company's ongoing restructuring initiatives that are focused on returning the business to profitability.

"Two primary elements of our restructuring plan are a reduction in debt levels and a move away from the capital burden associated with vessel ownership. The Trident sale is a significant step forward in both regards and is in line with our evaluation that ownership of the vessel is no longer a strategic fit for the company moving forward," he said.

"The emerging potential for ongoing operational losses against the vessel following the cancellation of anticipated work scopes resulted in the decision to sell being brought forward.

"Concurrently, we are investigating the establishment of an operational agreement with Wintermar that would provide for collaboration and the potential for Neptune to utilise the vessel on future projects," he added.

The sale value achieved for the Neptune Trident falls within the \$12-\$15 million valuation range that is indicative of current market rates. The Neptune Trident has a written down value of \$21.5 million giving rise to a loss on sale of approximately \$7.5 million that will be recorded in the current half year report.

Completion of the sale is scheduled for May 2011.

The Neptune restructuring program remains ongoing with further asset and business sales, reductions in overheads and additional strengthening/renewal of the Board expected.

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About Neptune

Neptune is one of Australia's leading providers of engineered solutions to the international oil and gas, marine and renewable energy industries. The company has operations in Australia, the UK, USA, Asia and the Middle East, providing a range of innovative services including DP construction support vessels; subsea and pipeline engineering; offshore asset integrity management; ROV services; hydrographic surveying, positioning and geophysical services; commercial diving; specialist fabrication; pipeline stabilisation and grouting; NDT and inspection services; testing and assembly services; end to end project management; and the patented NEPSYS® dry underwater welding technology. For more information visit www.neptunems.com