



7 November 2012

The Manager
Company Announcements Office
ASX Limited

By facsimile (total number of pages: 59, including this page)

Dear Sir/Madam

**Takeover bid for Neptune Marine Services Limited (ASX: NMS)
First supplementary bidder's statement**

We refer to the off-market takeover bid by Blossomvale Investments Pte. Ltd. (**Blossomvale**), a wholly owned subsidiary of MTQ Corporation Limited, for all the ordinary shares in Neptune Marine Services Limited (ASX: NMS) (ABN 76 105 665 843) (**Neptune**) that it does not already own.

We attach, by way of service pursuant to paragraph 647(3)(b) of the *Corporations Act 2001* (Cth) and ASIC Class Order [CO 00/344], a supplementary bidder's statement dated 7 November 2012 that annexes a copy of Blossomvale's replacement bidder's statement marked to show the changes from Blossomvale's original bidder's statement dated 30 October 2012.

A final clean version of Blossomvale's replacement bidder's statement will be released under a separate announcement.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Dominic Siu', written in a cursive style.

Dominic Siu
Chief Financial Officer and Company Secretary
MTQ Corporation Limited

MTQ Corporation Limited

182 Pandan Loop, Singapore 128373

Tel (65) 6777 7651

Fax (65) 6779 4092

Website www.mtq.com.sg

Co. Reg. No.: 196900057Z

First Supplementary Bidder's Statement
in relation to the takeover bid by
Blossomvale Investments Pte. Ltd.
(a wholly owned subsidiary of MTQ Corporation Limited)
to purchase all your ordinary shares in
Neptune Marine Services Limited
ABN 76 105 665 843

1 Introduction

This document is a supplementary bidder's statement under section 643 of the *Corporations Act 2001* (Cth). It is the first supplementary bidder's statement (**First Supplementary Bidder's Statement**) issued by Blossomvale Investments Pte. Ltd. (**Blossomvale**) in relation to its off-market takeover bid for all the ordinary shares in Neptune Marine Services Limited ABN 76 105 665 843 (**Neptune**). This First Supplementary Bidder's Statement supplements, and should be read together with, Blossomvale's bidder's statement dated 30 October 2012 (**Original Bidder's Statement**).

2 Replacement bidder's statement

A replacement bidder's statement issued by Blossomvale and dated 7 November 2012 (**Replacement Bidder's Statement**) replaces the Original Bidder's Statement.

Attached to this document is a marked up copy of the Original Bidder's Statement showing the changes that have been made as reflected in the Replacement Bidder's Statement.

A clean copy of the Replacement Bidder's Statement is or will be available at www.asx.com.au.

3 Further information

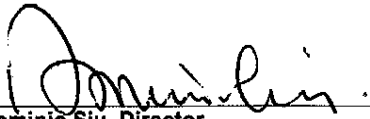
Neptune Shareholders who have queries in relation to the Offer can call Boardroom Pty Limited on 1300 737 760 (within Australia) or +61 2 9290 9600 (from overseas).

4 Other notices

Unless the context otherwise requires, terms defined in the Original Bidder's Statement have the same meaning as in this First Supplementary Bidder's Statement.

A copy of this First Supplementary Bidder's Statement has been lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for its contents.

Signed for and on behalf of Blossomvale Investments Pte. Ltd. following a resolution of the directors of Blossomvale Investments Pte. Ltd.

sign here ▶ 

Dominic Siu, Director

date 7 November 2012

This is an important document and requires your immediate attention.

If you are in any doubt about how to deal with this document, you should contact your broker, financial adviser or legal adviser immediately.

Bidder's Statement

containing an offer by

Blossomvale Investments Pte. Ltd.

(a wholly owned subsidiary of MTQ Corporation Limited)

to purchase all your ordinary shares in

Neptune Marine Services Limited

ABN 76 105 665 843

for

3.2 cents per share

Key dates

Date of <u>this original Bidder's Statement was lodged with ASIC</u>	30 October 2012
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<u>Date replacement Bidder's Statement lodged with ASIC</u>	<u>7 November 2012</u>
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Date of Offer	[*] 2012
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Offer closes (unless extended or withdrawn)	5:00 pm (Perth time) on [*] 2012
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Key contacts

Share registrar for the Offer	Boardroom Pty Limited Level 7, 207 Kent Street Sydney, NSW, 2000 1300 737 760 (within Australia) +61 2 9290 9600 (from overseas)
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Important information

Nature of this document

This document is a replacement Bidder's Statement issued by Blossomvale Investments Pte. Ltd. (**Blossomvale**) under Part 6.5 of the Corporations Act (as amended by ASIC Class Order [CO 00/344]).

This replacement Bidder's Statement is dated 7 November 2012 and a copy of this replacement Bidder's Statement was lodged with ASIC on 7 November 2012. This replacement Bidder's Statement replaces the original Bidder's Statement. A copy of this Bidder's Statement which was lodged with ASIC on 30 October 2012. References in this document to 'the date of this Bidder's Statement' (or similar) should be read as references to 30 October 2012.

Neither ASIC nor its officers take any responsibility for the content of this Bidder's Statement.

Not investment advice

In preparing this Bidder's Statement, neither Blossomvale nor any other member of the MTQ Group has taken into account the individual objectives, financial situation or needs of individual Shareholders. Accordingly, before making a decision whether or not to accept the Offer, you may wish to consult with your financial or other professional adviser.

Disclaimer as to forward looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions or statements of current expectations and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Neptune and Blossomvale and the members of the MTQ Group operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. None of Blossomvale or any other member of the MTQ Group, their officers, any persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Disclaimer as to Neptune information

The information on Neptune, Neptune's securities and the Neptune Group contained in this Bidder's Statement has been prepared by Blossomvale using publicly available information.

Information in this Bidder's Statement concerning Neptune, its securities and the Neptune Group, and the business, assets, liabilities, financial position and performance of the Neptune Group, has not been independently verified by Blossomvale. Accordingly Blossomvale does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Further information relating to Neptune's business may be included in Neptune's target's statement which Neptune must provide to Shareholders in response to this Bidder's Statement.

Foreign jurisdictions

The distribution of this Bidder's Statement in jurisdictions outside Australia may be restricted by law, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

Privacy

Blossomvale has collected your information from the Neptune Register for the purpose of making this Offer and, if accepted, administering your holding of Shares. Without this information, Blossomvale would be hindered in its ability to carry out the Offer. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to Blossomvale's related bodies corporate and external service providers, and may be required to be disclosed to regulators such as ASIC. The registered address of Blossomvale is 182 Pandan Loop Singapore 128373.

Defined terms

A number of defined terms are used in this Bidder's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in section 11 of this Bidder's Statement, words and phrases in this Bidder's Statement have the same meaning and interpretation as in the Corporations Act.

Share prices and trading data

All prices and trading data in respect of Neptune Shares presented in this Bidder's Statement are necessarily pre-Share Consolidation.

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Letter to Shareholders



MTQ CORPORATION LIMITED

182 PANDAN LOOP SINGAPORE 128373 TEL: (65) 6774 9332 FAX: (65) 6777 6433

30 October 2012

Dear Neptune shareholders

Takeover bid for Neptune

I am pleased to enclose an offer from Blossomvale Investments Pte. Ltd. (**Blossomvale**), a wholly owned subsidiary of MTQ Corporation Limited (**MTQ Corporation**), to acquire all of your shares in Neptune Marine Services Limited (**Neptune**).

Blossomvale is offering 3.2 cents cash for each of your Neptune shares, subject to the terms and conditions set out in this Bidder's Statement. If the Share Consolidation announced by Neptune on 26 October 2012 is approved and implemented, Blossomvale's offer price will be adjusted accordingly.

As at the date of this Bidder's Statement, Blossomvale is the largest shareholder in Neptune, with a holding of approximately 19.51%.

The reasons why you should accept Blossomvale's offer include:

- it represents an attractive 33% premium to the price of Neptune's shares on ASX on the last trading day prior to the announcement of Blossomvale's offer of 2.4 cents;
- it is a 100% cash offer which gives you, as a Neptune shareholder, an immediate opportunity to realise certain value for your investment;
- Neptune's share price may fall if Blossomvale's offer does not succeed; and
- it is the only takeover offer that currently exists for your Neptune shares.

The offer is not subject to a minimum acceptance condition, but is subject to certain other conditions, including the approval of MTQ Corporation's shareholders under the SGX-ST Listing Manual.

Detailed information in respect of Blossomvale's offer, including the conditions to the offer, is set out in this Bidder's Statement. You should read this Bidder's Statement in its entirety.

Blossomvale's offer is open for acceptance until 5:00pm (Perth time) on [*] 2012 (unless extended or withdrawn).

I urge you to accept as soon as possible. To accept Blossomvale's offer, you should follow the instructions detailed on the enclosed Acceptance Form attached to this Bidder's Statement.

Yours sincerely

Dominic Siu
Chief Financial Officer

1 Why you should accept the Offer

1.1 The Offer Price represents an attractive premium for Your Shares

At 3.2 cents per Share, the Offer represents a:

- 33% premium to the price of Shares on ASX on the last trading day prior to the announcement of the Offer of 2.4 cents; and
- 20% premium to the 1-month VWAP of Shares on ASX prior to the announcement of the Offer of 2.7 cents.

1.2 Blossomvale is offering you the certainty of 100% cash consideration

If you accept the Offer, and the Offer becomes unconditional, you will receive 3.2 cents for each of Your Shares – representing certainty of value for your investment.

In addition, under the Offer, you will transfer Your Shares to Blossomvale, together with the risks and uncertainties inherent in an investment in Neptune and its assets. Among other things, an investment in Neptune Shares is subject to the performance of Neptune's business from time to time, general economic conditions and movements in the share market (which has been highly volatile in recent times).

Accepting the Offer removes these risks and uncertainties in respect of your investment.

1.3 Blossomvale is offering liquidity for Your Shares

The Offer provides you with an opportunity to exit your investment in Neptune at an attractive premium.

The market for Neptune Shares is otherwise illiquid. As an indication of the limited liquidity available to Neptune Shareholders, only 679,705,035 Shares were traded on ASX during the 12 months up to the last trading day prior to the announcement of the Offer. This number represents less than 38% of the total number of Shares on issue at that date. The total number of Neptune Shares traded on ASX during the 12 months up to the last trading day prior to the announcement of the Offer does not take into account the possibility of the same shares being traded more than once. Any such churning would reduce the total number of Neptune Shares traded.

1.4 The Share price may fall if the Offer is not successful

While there are many factors that influence the market price of Shares, if the Offer is unsuccessful, and no other offers are made for the Shares, it is expected that the market price of Neptune Shares will fall below the Offer Price.

1.5 Implications of remaining as a minority Shareholder

If the Offer becomes unconditional, Blossomvale could gain effective control of Neptune but not obtain sufficient acceptances to proceed to compulsory acquisition. If Blossomvale became a controlling Shareholder and Neptune remained listed, the market for Shares may become less liquid or less active than it currently is.

Therefore, if you do not accept the Offer, it might be more difficult for you to sell Your Shares at a later time.

1.6 There is no other offer for Your Shares

As at the date of this Bidder's Statement, there are no competing proposals to acquire Your Shares.

1 Why you should accept the Offer

1.7 No brokerage payable

You will not be required to pay brokerage of any other costs in relation to the sale of Your Shares under the Offer.

2 Summary of the Offer

What Blossomvale is offering to buy	Blossomvale is offering to buy all of the Shares that it does not already hold on the terms set out in this Bidder's Statement. You may only accept this Offer in respect of all Your Shares.
Who is Blossomvale?	Blossomvale is a wholly owned subsidiary of MTQ Corporation. Further information about the MTQ Group is set out in section 3.
What you will receive if you accept the Offer	If you accept the Offer, you will, subject to the conditions to the Offer being fulfilled or freed, receive 3.2 cents for each of Your Shares.
What if the Share Consolidation is approved?	If the Share Consolidation is approved at Neptune's upcoming AGM, the Offer Price will be adjusted to reflect the consolidation of Neptune Shares. See further section 10.1(b).
When you will be paid	Generally, Blossomvale will pay the consideration due to you under the Offer on or before the earlier of: <ul style="list-style-type: none"> • one month after this Offer is accepted or one month after all of the conditions have been freed or fulfilled (whichever is the later); and • 21 days after the end of the Offer Period. Full details of when payments will be made are set out in section 10.6 of this Bidder's Statement.
No brokerage on acceptances	You will not pay brokerage if you accept the Offer. Any such costs will be borne by Blossomvale.
Close of the Offer	The Offer closes at 5:00pm (Perth time) on [*] 2012, unless it is extended under the Corporations Act.
There are some conditions to the Offer	The Offer is subject to a number of conditions, including the following: <ul style="list-style-type: none"> • MTQ Shareholder approval of the Offer; • no material adverse change occurring in relation to Neptune; • no material acquisitions or disposals by Neptune; and • no 'prescribed occurrences' occurring in relation to Neptune. The Offer is not subject to a minimum acceptance condition. Full terms of the conditions are set out in section 10.7 of this Bidder's Statement.

2 Summary of the Offer

How you accept the Offer

You may only accept the Offer for all Your Shares.

Issuer sponsored Shareholders

If Your Shares are held on Neptune's issuer sponsored subregister (such holdings will be evidenced by an 'I' appearing next to your holder number on the enclosed Acceptance Form), to accept this Offer, you must complete and sign the Acceptance Form enclosed with this Bidder's Statement and return it to the address indicated on the form before the Offer closes.

CHESSE sponsored Shareholders

If Your Shares are in a CHESSE Holding (such holdings will be evidenced by an 'X' appearing next to your holder number on the enclosed Acceptance Form), you may accept the Offer by either:

- completing and signing the Acceptance Form enclosed with this booklet and returning it to the address indicated on the form; or
- calling your broker and instructing your broker to accept the Offer on your behalf,

before the Offer closes.

Participants

If you are a Participant, acceptance of this Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the Offer closes.

Full details on how to accept the Offer are set out in section 10.3 of this Bidder's Statement.

Where to go for further information

For queries on how to accept the Offer or in relation to Your Shareholding, see the enclosed Acceptance Form or call Boardroom Pty Limited on 1300 737 760 (within Australia) or +61 2 9290 9600 (from overseas).

For all other queries in relation to the Offer, please call Boardroom Pty Limited on 1300 737 760 (within Australia) or +61 2 9290 9600 (from overseas).

Please note that calls to the above numbers may be recorded. Enquiries in relation to the Offer will not be received on any other telephone numbers of Blossomvale or its advisers.

Important notice

The information in this section 2 is a **summary only** of the Offer and is qualified by the detailed information set out elsewhere in this Bidder's Statement.

You should read the entire Bidder's Statement and the target's statement that Neptune will shortly be sending to you before deciding whether to accept the Offer.

3 Information on Blossomvale and the MTQ Group

3.1 Overview of Blossomvale

The bidder under the Offer is Blossomvale, a member of the MTQ Group.

Blossomvale is a wholly owned subsidiary of MTQ Corporation. MTQ Corporation is incorporated in Singapore and is a service provider in the oilfield engineering and engine services sector.

MTQ Corporation is listed on the SGX-ST.

3.2 Directors

(a) Directors of Blossomvale

Brief profiles of the directors of Blossomvale as at the date of this Bidder's Statement are as follows:

- **Mr Kuah Boon Wee:** See below.
- **Mr Kuah Kok Kim:** See below.
- **Mr Dominic Siu Man Kit:** Mr Siu is a director of Blossomvale and is also the chief financial officer and joint company secretary of MTQ Corporation. Mr Siu commenced working with MTQ Corporation on 18 May 2011.

(b) Directors of MTQ Corporation

Brief profiles of the directors of MTQ Corporation as at the date of this Bidder's Statement are as follows:

- **Mr Kuah Kok Kim (Non-Executive Chairman):** Mr Kuah Kok Kim joined the MTQ Board on 1 January 1997, was appointed Chairman on 9 September 1997 and was the Chief Executive Officer of the Group until 30 June 2010. He served as Executive Chairman until 30 September 2012, when he moved to a Non-Executive Chairman role. He was last re-elected as director at MTQ Corporation's Annual General Meeting on 22 July 2011. Mr Kuah Kok Kim possesses extensive business experience which was accumulated through his many years of involvement in the marine logistics as well as oil and gas related industries.
- **Mr Kuah Boon Wee (Director and Chief Executive Officer):** Mr Kuah Boon Wee joined the MTQ Board on 10 October 2006 and was appointed Chief Executive Officer on 1 July 2010. He was re-elected as director at MTQ Corporation's Annual General Meeting on 23 July 2010. A UK qualified chartered accountant with a university degree in mechanical engineering, he was previously a senior management executive of PSA International Pte Ltd, having served as CEO of PSA Singapore Terminals. Mr Kuah Boon Wee is also a director of Neptune.
- **Mr Christopher Ho Han Siong (Non-Executive Director):** Mr Ho joined the MTQ Board on 30 October 2007 and was last re-elected as director at MTQ Corporation's Annual General Meeting on 22 July 2011. He is a member of the Audit Committee. Mr Ho graduated from the University of Wisconsin at Madison, USA, in 1989, with a double degree in Computer Engineering and Computer Science. Mr Ho is currently the Vice-President for Investments in the Tai Tak Group.
- **Mr Ong Choo Eng (Non-Executive Director):** Mr Ong joined the MTQ Board on 9 September 1997 and was last re-elected as director at MTQ Corporation's Annual General Meeting on 27 July 2012. He is a member of the Remuneration

3 Information on Blossomvale and the MTQ Group

Committee. Mr Ong graduated with a Bachelor of Science (Honours) degree in Civil Engineering and a Master of Science degree in Advance Structural Engineering. Mr. Ong is a member of the Institution of Civil Engineers (UK) and Institution of Engineers (Singapore). Mr Ong is currently the Group Managing director of Hwa Hong Corporation Limited.

- **Mr Huang Yuan Chiang (Non-Executive Director):** Mr Huang joined the MTQ Board on 8 August 2001 and was last re-elected at MTQ Corporation's Annual General Meeting on 27 July 2012. He is Chairman of the Remuneration Committee and a member of the Audit Committee. Mr Huang has degrees in Economics and Law and is a lawyer by training. Mr Huang is a professional company director and serves on the board of several listed companies.
- **Mr Nicholas C Cocks (Non-Executive Director):** Mr Cocks joined the MTQ Board on 1 October 2010 and was last re-elected at MTQ Corporation's Annual General Meeting on 22 July 2011. He is a member of the Remuneration Committee. Mr Cocks graduated from Australian National University, Canberra with a degree in Commerce. Mr Cocks is the Group Managing Director of Readymix Holdings International Pte Limited.
- **Mr Chew Soo Lin (Non-Executive Director):** Mr Chew joined the MTQ Board on 18 May 2012 and was last re-elected at MTQ Corporation's Annual General Meeting on 27 July 2012. He is Chairman of the Audit Committee. Mr Chew is a chartered accountant qualified in UK. Mr Chew is currently the Executive Chairman of Khong Guan Flour Milling Limited.

(c) **Common directors**

Mr Kuah Boon Wee, a director of Blossomvale and a director and the chief executive officer of MTQ Corporation, is also a director of Neptune.

Mr Kuah has advised the Board of Neptune that, to ensure appropriate separation and good corporate governance, he will absent himself from any Board discussion of or voting in relation to the Offer.

3.3 History, structure and ownership of MTQ Group(a) **History**

MTQ Corporation was founded in 1969 as Metalock (Singapore) Private Limited (**Metalock**), specialising in engineering solutions for oilfield equipment. It subsequently expanded and was listed on SGX SESDAQ in 1988 and upgraded to the SGX Mainboard in 1999.

In 1999, Metalock diversified its business through the acquisition of Australian turbocharger and diesel fuel injection company Dynamic Turbocharger Group.

MTQ Corporation adopted its current name in 2003. The MTQ Group has since expanded its business through the development of its Bahrain operations, which commenced operations in late 2011 and the acquisition of a group of Singapore based oilfield equipment services companies, Premier Group in July 2011.

Blossomvale was registered in Singapore on 12 December 2007 as a limited private company.

Blossomvale acquired 200,000,000 Shares in March 2011 as part of the restructuring of Neptune, and has since increased its Shareholding to 355,798,115 Shares as at the date of this Bidder's Statement.

(b) **Structure**

Blossomvale is a wholly owned subsidiary of MTQ Corporation.

The structure of the MTQ Group is below:

3 Information on Blossomvale and the MTQ Group

Entity name	Country of incorporation	Percentage held
MTQ Engineering Pte Ltd	Singapore	100%
MTQ Equipment Rental Pte Ltd	Singapore	100%
MTQ Fabrication Pte Ltd	Singapore	100%
Blossomvale Investments Pte. Ltd.	Singapore	100%
Violetbloom Investments Pte Ltd	Singapore	100%
Everfield Pte. Ltd.	Singapore	100%
MTQ Subsea Technology Pte Ltd*	Singapore	77.5%
MTQ Engine Systems (Aust) Pty Ltd	Australia	100%
MTQ Holdings Pty Ltd	Australia	100%
MTQ Oilfield Services W.L.L.	Bahrain	100%
MTQ Castings Sdn Bhd	Malaysia	100%
Premier Sea & Land Limited	Hong Kong	100%
Dynamic Turbocharger Services Australia Pty Ltd	Australia	100%
Premier Sea & Land Pte Ltd	Singapore	100%
PEMAC Pte Ltd	Singapore	100%
Premier Estate Pte Ltd	Singapore	100%

3 Information on Blossomvale and the MTQ Group

*MTQ Subsea Technology Pte Ltd was placed into Member's Voluntary Liquidation in accordance with Singaporean law with effect from 15 December 2011.

(c) **Ownership of MTQ Corporation**

The substantial MTQ Shareholders are set out below.

Shareholder	MTQ Shares	Voting power
Kuah Kok Kim	24,604,745	26.88%
Kurt R M Lindblad	17,887,652	19.54%
Tai Tak Securities Pte Ltd Christopher Ho Han Siong (deemed interest)	8,105,195	8.85%
Singapore Warehouse Company (Private) Limited (Singapore Warehouse) Hwa Hong Corporation Limited (as the 100% owner of Singapore Warehouse)	5,500,000	6.01%

3.4 Principal activities of Blossomvale and MTQ Group(a) **Blossomvale**

The principal activity of Blossomvale is to acquire and hold investments on behalf of MTQ Corporation, including the Neptune Shares it currently holds and those acquired under the Offer.

(b) **MTQ Group**

MTQ Corporation is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). MTQ Corporation is the parent company of the MTQ Group of companies.

The principal activities of the MTQ Group relate to:

- oilfield engineering;
- rental and sale of oilfield equipment and spare parts;
- provision of oilfield equipment manufacturing and fabrication services; and
- sales and servicing of turbochargers and fuel injection parts.

(c) **Oilfield engineering**

The Oilfield Engineering Business services oilfield equipment and drilling contractor companies around the world.

The Oilfield Engineering Business is supported by the following businesses:

- **MTQ engineering, MTQ Fabrication and MTQ Pemac:** Provide repairs, refurbishment and manufacturing of oil and gas drilling equipment for OEMs

3 Information on Blossomvale and the MTQ Group

and drilling contractors mainly in the Asia Pacific and North Asia regions from facilities located in Singapore.

- **MTQ Equipment Rental:** Provides oilfield equipment and tools globally on a rental basis.
- **Premier Sea & Land:** Sole agent and Singapore regional service provider for a number of international oilfield equipment manufacturers.
- **MTQ Bahrain:** In late 2011, MTQ commenced operations at its new Bahrain facility to allow MTQ Group to replicate its engineering services for the oilfield and gas industry in Bahrain and the Gulf states.

(d) **Engine systems**

MTQ Group's engine systems business provides sales and servicing of turbochargers used in a wide range of vehicles and machinery, including trucks, earthmoving equipment, agricultural machinery, marine vessels, generator sets and railway equipment. The business also distributes and services fuel injection parts and automotive performance parts.

This business operates mainly in Australia and has a nationwide branch network covering all the major cities in 10 different locations.

3.5 MTQ Shareholder approval condition

Companies listed on SGX-ST, such as MTQ Corporation, are required to seek shareholder approval of 'major transactions', as defined in the SGX-ST Listing Manual.

The acquisition of the Shares by Blossomvale under the Offer constitutes a 'major transaction' requiring MTQ Shareholder approval for the purposes of Chapter 10 of the SGX-ST Listing Manual.

MTQ Corporation has convened a general meeting to seek the required shareholder approval. The meeting is currently scheduled for 20 November 2012.

Further information about the MTQ Shareholder approval condition is set out in section 9.2 of this Bidder's Statement.

3.6 Publicly available information about Blossomvale

MTQ Corporation is listed on the SGX-ST. As a listed company, MTQ Corporation is subject to the reporting and continuing disclosure obligations contained in the SGX-ST Listing Manual and under applicable Singapore law. In particular, MTQ Corporation is subject to the rules in the SGX-ST Listing Manual which may require announcement of information that is known to MTQ Corporation concerning it or its subsidiaries or its associated companies which would be likely to materially affect the price or value of its securities (subject to certain exceptions).

Additionally, MTQ Corporation is required to lodge various documents with SGX-ST. Copies of such documents lodged with SGX-ST by MTQ Corporation may be viewed in electronic form on the SGX-ST website: www.sgx.com.

A substantial amount of information about the MTQ Group is available in electronic form from: www.mtq.com.sg. Information on this website does not constitute part of this Bidder's Statement.

3.7 Announcement by MTQ Corporation in relation to the Offer

On 30 October 2012, MTQ Corporation made a public announcement to ASX in relation to the Offer. A copy of that announcement is contained in Attachment 1 of this Bidder's Statement.

4 Information on Neptune and Neptune Group

4.1 Important notice

The following information about Neptune and the Neptune Group is based on public information and has not been independently verified. Accordingly, neither Blossomvale nor any other member of the MTQ Group make any representation or warranty (express or implied) as to the accuracy or completeness of this information.

Shareholders should refer to Neptune's target's statement for further information about Neptune and the Neptune Group.

4.2 Overview of Neptune

Neptune is the holding company of the Neptune Group.

Neptune is listed on the ASX (ASX: NMS) and headquartered in Perth, Australia. Neptune provides engineering services to offshore oil and gas, marine and renewable energy industries.

Neptune had a market capitalisation of approximately \$43.8 million, as at 29 October 2012.

4.3 Directors

As at the date of this Bidder's Statement, there are five directors of Neptune:

- Mr Peter Wallace (Chairman);
- Mr Ross Kennan (Non-Executive Director);
- Mr John Cooper (Non-Executive Director);
- Mr Jeff Dowling (Non-Executive Director); and
- Mr Boon Wee Kuah (Non-Executive Director).

4.4 History, structure and ownership

(a) History

Neptune was founded in 2003 to acquire the patents and intellectual property rights relating to the Neptune Marine Dry Welding System (NEPSYS[®]) from Mr Clive Langley. During 2011, Neptune commenced a restructure which involved the divestment of non-core or non-performing assets to enable Neptune to focus on businesses which offer greater growth prospects. As part of this program, Neptune divested its US business on 13 February 2012 for approximately \$0.5 million.

(b) Structure

Entity name	Country of incorporation	Percentage held
Neptune Diving Services Pty Ltd	Australia	100%
Neptune Marine Services International Pty Ltd	Australia	100%

4 Information on Neptune and Neptune Group

Entity name	Country of incorporation	Percentage held
Neptune Fabrication Services Pty Ltd	Australia	100%
Neptune Subsea Engineering Pty Ltd	Australia	100%
Neptune Asset Integrity Services Pty Ltd	Australia	100%
Neptune Subsea Stabilisation Pty Ltd	Australia	100%
Neptune Geomatics Pty Ltd	Australia	100%
Neptune Underwater Services (USA) LLC	United States of America	100%
Neptune Delaware Holdings Inc	United States of America	100%
Neptune Scotland Holdings Ltd	United Kingdom	100%
Neptune Offshore Services Ltd	United Kingdom	100%
Neptune Deeptech Symons Ltd	United Kingdom	100%
Neptune Subsea Engineering Ltd	United Kingdom	100%
Neptune ROV Services Holdings Ltd	United Kingdom	100%
Neptune ROV Services Ltd	United Kingdom	100%
Neptune Asia Holdings Pte Ltd	Singapore	100%
Neptune Marine Pacific Pte Ltd	Singapore	100%
Neptune Subsea Stabilisation Pte Ltd	Singapore	100%

4 Information on Neptune and Neptune Group

Entity name	Country of incorporation	Percentage held
PT Neptune Subsea Stabilisation	Indonesia	100%
Neptune Access IRM Pte Ltd	Singapore	100%
Neptune Marine Offshore Pte Ltd	Singapore	100%
Neptune Subsea Services Sdn Bhd	Malaysia	100%
Neptune ROV Services Pte Ltd	Singapore	100%
Neptune ROV Services Sdn Bhd	Malaysia	100%
Neptune ROV Services (Middle East S.P.C.)	Bahrain	100%

(c) **Ownership**

MTQ Corporation's holding in Neptune is set out in section 5.5.

Based on substantial holder notices lodged with the ASX up to and including 29 October 2012, the substantial shareholders in Neptune other than MTQ Corporation are as set out in the table below:

Shareholder	Shares	Voting power
Thorney Holdings Pty Ltd (ACN 006 262 835)	193,873,000	10.68%
Thorney International Pty Ltd (ACN 132 886 698)		
Thistle Custodians Pty Ltd (ACN 078 027 193)		

However, the list of substantial holders in Neptune's annual report, stated to be as at 30 June 2012, does not include these entities.

4.5 Principal activities of Neptune and Neptune Group

The principal activities of the consolidated Neptune Group comprise:

- commercial diving;
- dry underwater welding using the Neptune Group's patented NEPSYS® technology;

4 Information on Neptune and Neptune Group

- hydrographic surveying;
- positioning and geophysical services;
- NDT (Non-Destructive Testing) and inspection services;
- pipeline stabilisation and grouting;
- ROV (Remotely Operated Vehicles) services;
- specialist fabrication;
- subsea and pipeline engineering, testing and assembly services; and
- end to end project management.

These services are provided via the two divisions of 'Offshore Services' and 'Engineering Services' to the offshore oil and gas, marine and renewable energy industries, and are regionally spread between:

- Australia, New Zealand and Papua New Guinea;
- Europe, the Mediterranean and Africa;
- Asia and the Middle East; and
- North and South America.

The Neptune Group's primary focus is the offshore oil and gas sector, where its subsea and topside services can be tailored to provide solutions for both new 'greenfield' construction projects and existing 'brownfield' inspection, repair and maintenance (IRM) projects.

4.6 Publicly available information about Neptune Group

Neptune is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Neptune is subject to the listing rules of ASX which require continuous disclosure of any information Neptune has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

ASX maintains files containing publicly disclosed information about all listed companies. Neptune's file is available for inspection on ASX's website at www.asx.com.au.

In addition, Neptune is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Neptune may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about Neptune is available in electronic form from: www.neptunems.com. Information on this website does not constitute part of this Bidder's Statement.

5 Information on Neptune's securities

5.1 Neptune's issued securities

According to documents provided by Neptune to ASX, as at the date of this Bidder's Statement, Neptune's issued securities consisted of:

- 1,823,476,234 Shares;
- 5,164,850 Options;
- 17,000,000 Performance Rights; and
- 22,687,822 Retention Rights.

5.2 Share Consolidation

On 26 October 2012, Neptune announced plans to undertake a share consolidation by converting every 30 Shares into 1 Share, subject to Shareholder approval at its upcoming AGM.

If Shareholders approve the Share Consolidation, then, in accordance with the Listing Rules that apply to options, the number of Options will be consolidated in the same ratio and the exercise price of each Option will be amended in inverse proportion to that ratio.

In addition, if Shareholders approve the Share Consolidation, then, in accordance with the terms of the Performance Rights and Retention Rights (see below), the number of Performance Rights and Retention Rights will be consolidated in the same ratio.

Where, as a result of the Share Consolidation, a person would be entitled to a fraction of a Share, Option, Performance Right or Retention Right, Neptune will round up to the nearest whole number.

If the Share Consolidation is approved by Shareholders at the AGM, Blossomvale will not rely on the condition in section 10.7(i)(1) of this Bidder's Statement in respect of the Share Consolidation.

5.3 Neptune Share and Option Plans

According to documents provided by Neptune to ASX, as at the date of this Bidder's Statement, Neptune currently has the following share and option plans in operation:

(a) **Non-Executive Director Share Plan ('NED Share Plan')**

Under the NED Share Plan, the Board is authorised to issue Shares to Neptune's non-executive directors in lieu of payment of cash for their director remuneration. The NED Share Plan is to facilitate sacrifice of Neptune's non-executive directors' remuneration in cash for shares and is not intended nor does it constitute any form of incentive.

Shares issued under the under NED Share Plan are subject to restrictions preventing the non-executive directors who hold Shares from transferring or encumbering their Shares.

These disposal restrictions apply until the earlier of:

- the date that the non-executive director ceases to be a director; or
- the date three years from the date that the Shares were allocated under the NED Share Plan.

The Board can release any Shares held by non-executive directors subject to disposal restrictions from those disposal restrictions on the occurrence of a change of control event, defined as where:

5 Information on Neptune's securities

- a person obtains voting power in Neptune of at least 30% pursuant to a takeover bid for all or a proportion of all the voting shares of Neptune which is or becomes unconditional;
- a scheme of arrangement or other merger proposal in relation to Neptune becomes binding on the holders of all of the voting shares of Neptune and by reason of such scheme or proposal a person obtains voting power in the Company of at least 30%; or
- a person becomes beneficial owner of at least 30% of the voting shares of Neptune on issue other than under the two paragraphs above.

The NED Share Plan was approved by Shareholders on 19 November 2007 at Neptune's annual general meeting and re-approved by Shareholders on 30 November 2011 at Neptune's annual general meeting.

Neptune's Remuneration Report for the financial year ended 30 June 2012 indicates that it has ceased operating the NED Share Plan. Instead, from 2011/2012, except for the Chairman, each non-executive director of Neptune has given an undertaking to purchase shares to a value of \$30,000 (at the time of acquisition) within a three year period since their appointment date. The Chairman's undertaking is to purchase shares to a minimum value of \$60,000 (at the time of acquisition) over the three year timeframe. These shares will not be subject to escrow restrictions.

(b) **Employee Share Option Plan ('Employee Option Plan')**

Under the Employee Option Plan, the Board may from time to time, in its absolute discretion, offer to grant options to eligible participants under the Employee Option Plan.

Each Option is issued for no consideration and carries the right in favour of the option holder to subscribe for one Share.

The Board may determine the exercise price of the Options in its absolute discretion.

Full time employees, part time employees and directors of Neptune or an associated body corporate are eligible to participate in the Employee Option Plan.

The Employee Option Plan was approved by Shareholders at Neptune's annual general meeting on 20 November 2008.

According to documents provided by Neptune to ASX, Options have been issued by Neptune under the Employee Option Plan.

(c) **Options on issue**

So far as is known to Blossomvale, the exercise prices and expiry dates for the Options on issue as at the date of this Bidder's Statement are as follows:

Exercise price	Expiry date	Number issued
\$0.40	28 February 2016	1,000,000
\$0.50	29 May 2017	3,000,000
\$1.10	12 December 2012	300,000

5 Information on Neptune's securities

\$0.54	16 April 2013	319,850
\$0.69	30 June 2013	125,000
\$0.65	14 August 2013	100,000
\$0.78	14 August 2013	100,000
\$0.51	25 June 2014	100,000
\$0.49	10 March 2015	120,000

5.4 Neptune Performance Rights and Retention Rights

According to documents provided by Neptune to ASX, as at the date of this Bidder's Statement, Performance Rights and Retention Rights have been issued by Neptune.

So far as is known to Blossomvale, the details of the Performance Rights and Retention Rights on issued as at the date of this Bidder's Statement are as follows:

Number granted	Type
17,000,000	Performance Rights
22,687,822	Retention Rights

(a) Performance Rights

According to documents provided by Neptune to ASX, Neptune granted the Performance Rights under a Performance Rights Plan as ratified by Shareholders at Neptune's annual general meeting on 30 November 2011.

The Performance Rights were granted subject to performance conditions: some measured against total shareholder return, some measured against absolute total shareholder return.

The rules of the Performance Rights Plan, as disclosed to ASX, allow Neptune's Board to determine, in its absolute discretion, that on the occurrence of a Change of Control Event, some or all of the unvested Performance Rights on issue vest immediately.

A **Change of Control Event** is defined in the rules of the Performance Rights Plan to include:

- where a person acquires voting power in Neptune of 50% or more (or, in the case of a takeover bid, would acquire such voting power if any Shares accepted into an acceptance facility arranged by the bidder were accepted into the bid):

5 Information on Neptune's securities

- as a result of a takeover bid where the takeover bid is, or has been declared, unconditional; or
- otherwise than under a takeover bid or scheme of arrangement;
- where a court order approving a scheme of arrangement under the Corporations Act is lodged with ASIC, in respect of a scheme of arrangement which will result in a person acquiring voting power in Neptune of 50% or more;
- where a person (alone or together with associates) acquires sufficient Shares to give it or them the ability, and that ability is successfully exercised in a general meeting, to replace all or a majority of the Board; or
- where an event occurs, whether specified above or not and whether at a different percentage to that specified above or not, which the Board determines, in its absolute discretion, to be a Change of Control Event.

Neptune has also disclosed that in respect of Performance Rights granted to the chief executive officer and the chief financial officer, Neptune's Board has already exercised this discretion so that those Performance Rights will vest on a Change of Control Event.

(b) Retention Rights

According to documents provided by Neptune to ASX, Neptune granted the Retention Rights to executives and key management personnel separately to the Performance Rights Plan.

The key terms of the Retention Rights, as disclosed to ASX, include a term giving Neptune's Board the discretion to accelerate the vesting of all unvested Retention Rights upon a change of control event occurring.

Neptune has also disclosed that in respect of Retention Rights granted to the chief executive officer and the chief financial officer, Neptune's Board has already exercised its discretion so that those Retention Rights will vest on a change of control event.

The Retention Rights were approved by Shareholders at Neptune's annual general meeting on 30 November 2011.

5.5 Interests in Neptune securities

As at the date of this Bidder's Statement:

- Blossomvale's voting power in Neptune was 19.51%; and
- Blossomvale had a relevant interest in 355,798,115 Shares.

As at the date of the Offer:

- Blossomvale's voting power in Neptune was [*]%; and
- Blossomvale had a relevant interest in [*] Shares.

5.6 Dealings in Shares**(a) Previous 4 months**

Neither Blossomvale nor any associate of Blossomvale has provided, or agreed to provide, consideration for Shares under any purchase or agreement during the 4 months before the date of this Bidder's Statement, except as described below.

Holder of relevant interest	Date of dealing	Description of dealing
Blossomvale	16/07/2012	On-market purchase of 2,778,496 Shares at

5 Information on Neptune's securities

\$0.0220 per Share.

Blossomvale	17/07/2012	On-market purchase of 3,421,504 Shares at \$0.0226 per Share.
Blossomvale	18/07/2012	On-market purchase of 935,000 Shares at \$0.0249 per Share.
Blossomvale	19/07/2012	On-market purchase of 700,000 Shares at \$0.0250 per Share.
Blossomvale	20/07/2012	On-market purchase of 2,165,000 Shares at \$0.0240 per Share.
Blossomvale	23/07/2012	On-market purchase of 2,000,000 Shares at \$0.0233 per Share.
Blossomvale	24/07/2012	On-market purchase of 53,948 Shares at \$0.0220 per Share
Blossomvale	07/09/2012	On-market purchase of 1,100,000 Shares at \$0.0250 per Share.
Blossomvale	10/09/2012	On-market purchase of 1,994,786 Shares at \$0.0250 per Share.
Blossomvale	11/09/2012	On-market purchase of 2,444,521 Shares at \$0.0250 per Share.
Blossomvale	12/09/2012	On-market purchase of 460,693 Shares at \$0.0250 per Share.
Blossomvale	13/09/2012	On-market purchase of 6,944,463 Shares at \$0.0250 per Share.
Blossomvale	14/09/2012	On-market purchase of 4,000,000 Shares at \$0.0250 per Share.
Blossomvale	17/09/2012	On-market purchase of 304,262 Shares at \$0.0250 per Share.
Blossomvale	19/09/2012	On-market purchase of 964,973 Shares at \$0.0250 per Share.

5 Information on Neptune's securities

Blossomvale	20/09/2012	On-market purchase of 21,000 Shares at \$0.0250 per Share.
Blossomvale	24/09/2012	On-market purchase of 23,000 Shares at \$0.0250 per Share.
Blossomvale	25/09/2012	On-market purchase of 328,477 Shares at \$0.0250 per Share.
Blossomvale	26/09/2012	On-market purchase of 8,662,550 Shares at \$0.0250 per Share.

(b) **Period before Offer**

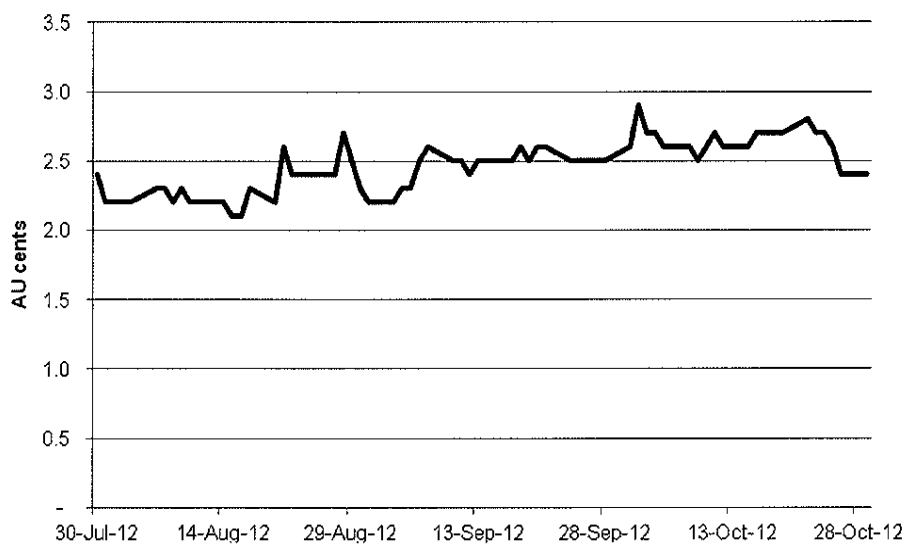
Neither Blossomvale nor any associate of Blossomvale has provided, or agreed to provide, consideration for Shares under any purchase or agreement during the period starting on the date of this Bidder's Statement and end on the date immediately before the date of the Offer, except as described below.

[*]

5.7 Recent share price performance of Neptune

The latest recorded sale price of Shares on ASX before the Announcement Date and the date on which this Bidder's Statement was lodged with ASIC was 2.4 cents, as at close of trading on ASX on 29 October 2012.

The following chart shows the last sale price of Shares on ASX in the 3 months prior to the Announcement Date.



Source: IRESS

5.8 Effect of the Offer on Options and Performance Rights

The Offer extends to Shares that are issued on the exercise of Options or vesting of Performance Rights or Retention Rights during the period from the Register Date to the end of the Offer Period.

Subject to the qualifications in section 7.1, if Blossomvale and its associates have relevant interests in at least 90% of the Shares during, or at the end of the Offer Period, Blossomvale intends to (if it and its associates have a relevant interest in more than 90% of Shares at the time) give a notice of compulsory acquisition to all outstanding Shareholders, even if the Shares to which those notices relate are issued:

- after the Offer closes but before the notices are given (pursuant to section 661A(4)(b) of the Corporations Act); or
- on exercise of Options or vesting of Performance Rights or Retention Rights, up to 6 weeks after the notices are given (pursuant to section 661A(4)(c) of the Corporations Act).

5.9 No pre-Offer benefits

During the period of 4 months before the date of this Bidder's Statement, neither Blossomvale nor any associate of Blossomvale gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- accept the Offer; or
- dispose of Shares,

and which is not offered to all holders of Shares under the Offer.

During the period from the date of this Bidder's Statement to the date before the date of the Offer, neither Blossomvale nor any associate of Blossomvale gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- accept the Offer; or
- dispose of Shares,

and which is not offered to all holders of Shares under the Offer.

5.10 No escalation agreements

Neither Blossomvale nor any associate of Blossomvale has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

6 Sources of consideration

6.1 Total cash consideration

The consideration for the acquisition of the Shares to which the Offer relates will be satisfied wholly in cash.

The aggregate cash consideration payable by Blossomvale under the Offer if acceptances are received in respect of Shares on issue as at the date of this Bidder's Statement (other than those Shares in which Blossomvale has a relevant interest) would be approximately \$46,965,700.

As at the date of this Bidder's Statement, all Options had exercise prices greater than the Offer Price. Accordingly, no additional consideration is expected to be payable under the Offer in respect of the Options.

In addition, if the Board exercises its discretion to vest all Performance Rights and Retention Rights outstanding as at the date of this Bidder's Statement on a change of control resulting from the Takeover Bid, then an additional \$1,270,010 will be payable by Blossomvale under the Offer.

Accordingly, the maximum amount that Blossomvale could be required to pay under the Offer is \$48,235,710, together with transaction costs.

Although the Offer Price will be adjusted to reflect the Share Consolidation if approved and implemented, this maximum amount will not materially change.

6.2 Sources of cash consideration

(a) Overview of Blossomvale's funding sources

In order to meet its funding obligations under the Offer, Blossomvale has available to it:

- a binding funding commitment from United Overseas Bank Limited (**UOB**) for up to A\$37 million (the **UOB Commitment**); and
- an intra-group facility with MTQ Corporation (**Intra-Group Facility**).

(b) Particulars of UOB Commitment

Blossomvale has received and accepted a credit approved funding commitment from UOB under which UOB has offered to provide Blossomvale a facility of up to A\$37 million, subject to the parties entering into documentation satisfactory to UOB. The documentation will contain conditions precedent typical for a facility of this nature, including:

- providing duly executed copies of the security documentation (see further below), together with relevant title and other ancillary documents required under the security documentation and evidence that any necessary duty has or will be paid;
- standard acquisition funding conditions precedent, including providing a funds flow memorandum;
- standard legal conditions precedent, including provision of director's certificates, specimen signatures, legal opinions and copies of corporate authorisations and constitutions; and
- evidence that the fees, costs and expenses payable by Blossomvale have been paid or will be paid by the relevant date.

The facility will be secured by a registered equitable charge over the Neptune Shares acquired by Blossomvale under the Offer, and will be supported by a corporate guarantee (for A\$37 million) from MTQ Corporation of Blossomvale's obligations.

6 Sources of consideration

The facility documentation will also contain undertakings by Blossomvale and MTQ Corporation, representations and warranties from Blossomvale and MTQ Corporation, and events of default that are typical for a facility of this nature. Funds will only be made available by UOB on Blossomvale's request if no event of default is continuing as at the date of the request or would be triggered by advancing the funds requested, and if the representations and warranties given by Blossomvale and MTQ Corporation remain true as at the date of the request.

The funds under the facility will bear interest at commercial rates.

As at the date of this Bidder's Statement, neither Blossomvale nor MTQ Corporation is aware of any reason why these conditions precedent will not be satisfied in time to allow the funds to be available to Blossomvale to pay the total amount that Blossomvale may be required to pay under the Offer as and when it is due under the terms of the Offer.

(c) **Particulars of Intra-Group Facility**

Under the terms of the Intra-Group Facility, MTQ Corporation will ensure that funds are available to Blossomvale to pay any additional amounts that Blossomvale may be required to pay under the Offer as and when due under the terms of the Offer.

MTQ Corporation will provide any such additional funds before Blossomvale is required to pay for any Shares acquired by it or to pay any fees, expenses and duties in relation to the Offers.

MTQ Corporation has internal cash reserves as at the date of this Bidder's Statement of approximately S\$25 million. MTQ Corporation has set aside approximately A\$13 million out of these reserves to meet its obligations under the Intra-Group Facility.

MTQ Corporation will ensure that these funds remain available while Blossomvale has any outstanding obligation to pay for Shares acquired by it under the Offer or in exercise of rights of compulsory acquisition of Shares under the Corporations Act (**Commitment Period**) or to pay any such fees, expenses and duties.

In the event that MTQ Corporation provides funds to Blossomvale under the Intra-Group Facility:

- Blossomvale must pay interest on the principal outstanding from time to time at the rate (if any) specified from time to time by MTQ Corporation; and
- Blossomvale must repay the principal outstanding, together with all accrued but unpaid interest, upon demand by MTQ Corporation (however, no demand for repayment may be made by MTQ Corporation during the Commitment Period).

6.3 Payment of consideration

On the basis of the arrangements described in this section 6, Blossomvale is of the opinion that it has a reasonable basis for forming the view, and it holds the view, that it will be able to pay the consideration required for the acquisition of the Shares pursuant to the Offer, in satisfaction of its obligations under the Offer.

7 Blossomvale's intentions in relation to Neptune

7.1 Introduction

Blossomvale is a wholly owned subsidiary of MTQ Corporation and was established for the purpose of holding various investments on behalf of MTQ Corporation. Accordingly, the intentions of Blossomvale are the same as the intentions of MTQ Corporation.

The intentions of Blossomvale are set out in this section of the Bidder's Statement. Those intentions have been formed on the basis of facts and information concerning Neptune, and the general business environment, which are known at the time of preparing this Bidder's Statement. Final decisions will only be reached by Blossomvale in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section are statements of current intention only and may vary as new information becomes available or circumstances change.

The articulation and formulation of Blossomvale's intentions are necessarily limited by virtue of the fact that it has only had access to publicly available information about Neptune and its affairs.

7.2 Overview and rationale for the Offer

MTQ expects the oil and gas drilling activities to remain robust, with increasing focus on deep sea drilling which drives demand in subsea services.

Neptune operates in subsea niches in diving, surveying and other related services which are complementary to MTQ's focus on subsea engineering. MTQ anticipates that having control of Neptune will create more opportunities to cross-sell services to each other's customers, as well as strengthen engagement with common customers.

7.3 Intentions for Neptune as a wholly owned controlled entity

This section 7.3 describes Blossomvale's intentions if Blossomvale and its associates acquire a relevant interest in 90% or more of the Shares, and so becomes entitled to proceed to compulsory acquisition of outstanding Shares in accordance with Part 6A.1 of the Corporations Act.

In that circumstance, Blossomvale's current intentions are as follows:

(a) Corporate matters

Blossomvale intends to:

- proceed with compulsory acquisition of the outstanding Shares in accordance with the provisions of Part 6A.1 of the Corporations Act, including any Shares which are issued after the close of the Offer as a result of the exercise of Options (see section 5.8 of this Bidder's Statement);
- thereupon arrange for Neptune to be removed from the official list of the ASX; and
- replace the members of the Board with the nominees of Blossomvale. Replacement board members have not yet been identified by Blossomvale and their identity will depend on the circumstances at the relevant time. However, it is expected that the majority of the replacement board members will be members of the MTQ Corporation management team.

(b) General operational review

Since the commencement of the restructuring exercise by Neptune in March 2011, the operations of Neptune have undergone significant changes. The number of operating units has been reduced through the disposal of loss making businesses with new

7 Blossomvale's intentions in relation to Neptune

strategic focuses to improve profit performance and achieve business growth. Corporate overheads have been reduced with more streamlined business processes.

Excluding the effects of goodwill impairment and net loss from discontinued operations, Neptune was profitable and cash positive for the year ended 30 June 2012. The pursuit of further operating and cost efficiencies across the businesses of Neptune should continue.

After the end of the Offer Period, Blossomvale intends to conduct an immediate, broad based review of Neptune's operations on both a strategic and financial level to:

- evaluate Neptune's performance, profitability and prospects;
- identify and consider any changes to improve Neptune's performance and profitability; and
- achieve a strategic fit with the MTQ Group.

(c) Impact on employees

As a result of the implementation of the above intentions, it is possible that certain operational functions, for example, will become redundant. Some job losses may occur as a result. However, the incidence, extent and timing of such job losses cannot be predicted in advance.

Where possible, Blossomvale will seek to minimise job losses through redeployment of the relevant employees elsewhere in the MTQ Group. If redundancies do occur, the relevant employees will receive benefits in accordance with their contractual and other legal entitlements.

7.4 Intentions for Neptune as a part owned controlled entity

This section 7.4 describes Blossomvale's intentions if Blossomvale owns more than 50% but less than 90% of the Shares and is not entitled to proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act.

In that circumstance, Blossomvale's current intentions are as follows:

(a) Corporate matters

After the end of the Offer Period, Blossomvale:

- does not intend to replace the members of the Board; and
- subject to continued compliance by Neptune with the Listing Rules, intends to maintain Neptune's listing on the ASX (although Shareholders should be aware that in this circumstance the liquidity of Shares on ASX may be materially adversely affected).

It is possible that, even if Blossomvale is not entitled to proceed to compulsory acquisition of minority holdings after the end of the Offer Period under Part 6A.1 of the Corporations Act, it may subsequently become entitled to exercise rights of general compulsory acquisition under Part 6D.2 of the Corporations Act; for example, as a result of acquisitions of Shares in reliance on the '3% creep' exception in item 9 of section 611 of the Corporations Act. If so, it intends to exercise those rights.

(b) General operational review

After the end of the Offer Period, Blossomvale intends to propose to the board of Neptune that an immediate, broad-based review of Neptune's operations be conducted on both a strategic and financial level, along similar lines to that described in section 7.3(b).

Blossomvale intends, subject to the approval of the board of Neptune, to participate in this review.

7 Blossomvale's intentions in relation to Neptune

(c) Dividends and funding

The present intention of Blossomvale is not to seek to have any changes made to the dividend policy of Neptune. Blossomvale however may in future undertake a strategic review to review the level of dividends payable by Neptune and to identify the capital funding requirements of Neptune (if any) so as to ensure that these dividends are appropriate. The above indication of the future dividend policy is, in addition to the strategic review, subject to the contingencies of future years and time limits.

(d) Limitations in giving effect to intentions

The ability of Blossomvale to implement the intentions set out in this section 7.4, will be subject to the legal obligations of Neptune's directors to have regard to the interests of Neptune and all Shareholders, and the requirements of the Corporations Act and the ASX Listing Rules relating to transactions between related parties. Blossomvale will only make a decision on the above mentioned courses of action following legal and financial advice in relation to those requirements.

7.5 Intentions for Neptune if not controlled by Blossomvale

This section 7.5 describes Blossomvale's current intentions if Blossomvale owns less than 50% of the Shares and Neptune therefore does not become a controlled entity of Blossomvale.

In that circumstance:

- Blossomvale does not expect to be in a position to give effect to the intentions set out in section 7.3 or 7.4 of this Bidder's Statement; and
- Blossomvale's current intention is to continue to hold any stake in Neptune with a view to maximising returns for MTQ Shareholders. This may result in Blossomvale acquiring additional Shares under the Corporations Act. Any such acquisition will fall within the exceptions (set out in section 611 of the Corporations Act) to section 606 of the Corporations Act which prohibits an increase in shareholding (i) from 20% or below to more than 20% or (ii) from a starting point that is above 20% and below 90%). For example, Blossomvale may rely on the "3% creep" exception in item 9 of section 611 of the Corporations Act to acquire additional Neptune Shares.

7.6 Other intentions

Subject to the matters described above in this section 7 and elsewhere in this Bidder's Statement and, in particular, the completion of the strategic review of Neptune's operations, it is the intention of Blossomvale, on the basis of the facts and information concerning Neptune that are known to it and the existing circumstances affecting the assets and operations of Neptune at the date of this Bidder's Statement, that:

- the business of Neptune will be conducted in the same manner as at the date of this Bidder's Statement;
- there will be no redeployment of the fixed assets of Neptune; and
- the present employees of Neptune will continue to be employed by Neptune.

8 Tax considerations

8.1 Introduction

The following is a general description of the Australian income and capital gains tax consequences to Shareholders of the acceptance of the Offer. The comments set out below are relevant only to those Shareholders who hold their Shares as capital assets for purpose of investment.

Shareholders who are not resident in Australia for tax purposes should take into account the tax consequences under the laws of their country of residence, as well as under Australian law, of acceptance of the Offer. The following summary is intended only for Australian resident Shareholders.

The following description is based upon the Australian law and administrative practice in effect at the date of this Bidder's Statement, but it is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of every Shareholder. Shareholders should seek independent professional advice in relation to their own particular circumstances.

8.2 Australian resident shareholders

Acceptance of the Offer will involve the disposal by Shareholders of their Shares by way of transfer to Blossomvale. This change in the ownership of the Shares will constitute a capital gains tax event for Australian capital gains tax purposes.

Shareholders who are Australian residents may make a capital gain or capital loss on the transfer of Shares acquired on or after 20 September 1985, depending on whether their capital proceeds from the disposal of the Shares are more than the cost base (or in some cases indexed cost base) of those Shares, or whether the capital proceeds are less than their reduced cost base of those Shares.

The capital proceeds of the capital gains tax event will be the consideration price per Share received by the Shareholder in respect of the disposal of the Shares. The cost base of the Shares is generally including their cost of acquisition and any incidental costs of acquisition and disposal that are not deductible to the Shareholder.

Individuals, complying superannuation entities or trustees that have held Shares for at least 12 months but do not index the cost base of the Shares should be entitled to discount the amount of the capital gain (after application of capital losses) from the disposal of Shares by 50% in the case of individuals and trusts or by 33% for complying superannuation entities.

Capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether there is a net capital gain. Any net capital gain is included in assessable income and is subject to income tax. Capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains.

8.3 Non-resident shareholders

Shareholders who are not resident in Australia for income tax purposes are generally not subject to Australian capital gains tax on the disposal of Shares if they and their associates have not held 10% or more of the issued Shares for a period of 12 months at any time in the two years prior to disposal.

Non-resident Shareholders who (together with their associates) hold a 10% or more interest in the Shares on issue over the relevant period should seek further independent advice in relation to these matters.

8.4 Goods and services tax

Holders of Shares should not be liable to GST in respect of a disposal or exercise of those Shares.

9 Other material information

9.1 Date for determining holders of Shares

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of subsection 633(1) is the Register Date.

9.2 MTQ Shareholder approval condition

Companies listed on the SGX-ST, such as MTQ Corporation, are required to seek shareholder approval of 'major transactions', as defined in the SGX-ST Listing Manual.

The acquisition of the Shares by Blossomvale under the Offer constitutes a 'major transaction' requiring MTQ Shareholder approval for the purposes of Chapter 10 of the SGX-ST Listing Manual.

Accordingly, the Offer and any contract formed on acceptance of the Offer is conditional on MTQ Shareholders approving the acquisition of the Shares by Blossomvale for the purposes of the SGX-ST Listing Manual (among other conditions).

For this condition to be satisfied, a resolution approving the acquisition of the Shares by Blossomvale will need to be passed by an ordinary resolution by MTQ Shareholders (in person or by proxy) who are entitled to vote at a general meeting of MTQ Corporation.

MTQ Corporation has convened an extraordinary general meeting to seek MTQ Shareholder approval. The meeting is currently scheduled for 20 November 2012.

For further details of the condition relating to MTQ Shareholder approval, please refer to section 10.7.

9.3 Broker handling fee arrangements

As at the date of this Bidder's Statement, Blossomvale had not made a decision as to whether to offer to pay a commission to brokers who solicit acceptances of the Offer by a Shareholder. However, Blossomvale reserves the right to introduce such an arrangement.

9.4 Consents

This Bidder's Statement contains statements made by, or statements said to be based on statements made by, MTQ Corporation. MTQ Corporation has consented to the inclusion of:

- each statement it has made; and
- each statement which is said to be based on a statement it has made,

in the form and context in which the statements appear and has not withdrawn that consent as at the date of this Bidder's Statement.

Boardroom Pty Limited has given, and not withdrawn before the lodgement of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement as Blossomvale's share registrar in the form and context in which it is so named.

Boardroom Pty Limited has not caused or authorised the issue of this Bidder's Statement, does not make or purport to make any statement in this Bidder's Statement and takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order [CO 01/1543], the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If

9 Other material information

you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements, (free of charge), during the bid period, please contact call Boardroom Pty Limited on 1300 737 760 (within Australia) or +61 2 9290 9600 (from overseas). Calls to this number may be recorded.

In addition, as permitted by ASIC Class Order [CO 07/429], this Bidder's Statement contains security trading data sourced from IRESS without its consent.

In addition, as permitted by ASIC Class Order [CO 03/635], this Bidder's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or a published book, journal or comparable publication.

9.5 Social security and superannuation implications of Offer

Acceptance of the Offer may have implications under your superannuation arrangements or on your social security entitlements. If in any doubt, you should seek specialist advice.

9.6 Other material information

Except as disclosed elsewhere in this Bidder's Statement, there is no other information that is:

- (a) material to the making of a decision by a Shareholder whether or not to accept the Offer; and
- (b) known to Blossomvale or MTQ Corporation, which has not previously been disclosed to Shareholders.

10 The terms and conditions of the Offer

10.1 Offer

- (a) Blossomvale offers to acquire all of Your Shares on and subject to the terms and conditions set out in section 10 of this Bidder's Statement.
- (b) The consideration under the Offer is 3.2 cents per Share. If the Share Consolidation is approved by Shareholders and is implemented by Neptune, then if, as at the date the Share Consolidation takes effect in respect of Your Shares:
- (1) you have accepted (and not withdrawn your acceptance of) the Offer in respect of Your Shares but Blossomvale has not provided the consideration due to you for Your Shares in accordance with clause 10.7; or
 - (2) you have not accepted the Offer in respect of Your Shares,
- the consideration payable to you under the Offer will be 96 cents per Share to reflect the effect of the Share Consolidation on Your Shares.
- (c) By accepting this Offer, you undertake to transfer to Blossomvale not only the Shares to which the Offer relates, but also all Rights attached to those Shares (see section 10.5(c)(6) and section 10.6(c)).
- (d) This Offer is being made to each person registered as the holder of Shares in the Neptune Register at open of business (Perth time) on the Register Date. It also extends to:
- (1) holders of securities that come to be Shares during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of rights conferred by, such securities and which are on issue as at the Register Date; and
 - (2) any person who becomes registered, or entitled to be registered, as the holder of Your Shares during the Offer Period.
- (e) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of the Shares to which this Offer relates:
- (1) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to that other person in respect of those Shares; and
 - (2) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to you in respect of any other Shares you hold to which the Offer relates; and
 - (3) this Offer will be deemed to have been withdrawn immediately at that time.
- (f) If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate Offer on the same terms and conditions as this Offer had been made in relation to each of those parcels and any parcel you hold in your own right. To validly accept the Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call Boardroom Pty Limited on 1300 737 760 (within Australia) or +61 2 9290 9600 (from overseas) to request those additional copies.
- (g) If Your Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting the Offer.

- (h) The Offer is dated [*] 2012.

10.2 Offer Period

- (a) Unless withdrawn, the Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 5:00pm (Perth time) on the later of:
- (1) [*] 2012; or
 - (2) any date to which the Offer Period is extended.
- (b) Blossomvale reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last 7 days of the Offer Period, either of the following events occur:
- (1) the Offer is varied to improve the consideration offered; or
 - (2) Blossomvale' voting power in Neptune increases to more than 50%,
- then the Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act.

10.3 How to accept this Offer

(a) General

- (1) Subject to section 10.1(e) and section 10.1(f), you may accept this Offer only for all of Your Shares.
- (2) You may accept this Offer at any time during the Offer Period.

(b) Shares held in your name on Neptune's issuer sponsored subregister

To accept this Offer for Shares held in your name on Neptune's issuer sponsored subregister (in which case your Security holder Reference Number will commence with 'I'), you must:

- (1) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
- (2) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.

(c) Shares held in your name in a CHESS Holding

- (1) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are not a Participant, you should instruct your broker or Controlling Participant (this is normally the stockbroker through whom you bought Your Shares or ordinarily acquire shares on the ASX) to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (2) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are a Participant, you should initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (3) Alternatively, to accept this Offer for Shares held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you may sign and complete the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form and ensure that it (including any documents required by the terms of this Offer and the

instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.

- (4) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you must comply with any other applicable ASX Settlement Operating Rules.

(d) **Shares of which you are entitled to be registered as holder**

To accept this Offer for Shares which are not held in your name, but of which you are entitled to be registered as holder, you must:

- (1) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
- (2) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.

(e) **Acceptance Form and other documents**

- (1) The Acceptance Form forms part of the Offer.
- (2) If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by post, it will be deemed to be received in time if the envelope in which it is sent is post-marked before the end of the Offer Period, even if it is received after that date.
- (3) If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by facsimile, it will be deemed to be received in time if the facsimile transmission is received (evidenced by a confirmation of successful transmission) before the end of the Offer Period, but you will not be entitled to receive the consideration to which you are entitled, until your original Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received at one of the addresses shown on the Acceptance Form.
- (4) When using the Acceptance Form to accept this Offer in respect of Shares in a CHESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of this Offer and the instruction on the Acceptance Form) are received by Blossomvale in time for Blossomvale to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (5) The postage and transmission of the Acceptance Form and other documents is at your own risk.

10.4 Validity of acceptances

- (a) Subject to this section 10.4, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in section 10.3.
- (b) Blossomvale will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. Blossomvale is not required to communicate with you prior to making this determination. The determination of Blossomvale will be final and binding on all parties.
- (c) Notwithstanding section 10.3(b), section 10.3(c), section 10.3(d) and section 10.3(e), Blossomvale may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of Your Shares, even if a requirement for acceptance has not been complied with but the payment of the consideration in accordance with the Offer may be delayed until any

irregularity has been resolved or waived and any other documents required to procure registration have been received by Blossomvale.

- (d) Where you have satisfied the requirements for acceptance in respect of only some of Your Shares, Blossomvale may, in its sole discretion, regard the Offer to be accepted in respect of those of Your Shares but not the remainder.
- (e) Blossomvale will provide the consideration to you in accordance with section 10.6, in respect of any part of an acceptance determined by Blossomvale to be valid.

10.5 The effect of acceptance

- (a) Once you have accepted the Offer, you will be unable to revoke your acceptance, the contract resulting from your acceptance will be binding on you and you will be unable to withdraw Your Shares from the Offer or otherwise dispose of Your Shares, except as follows:
 - (1) if, by the relevant times specified in section 10.5(b), the conditions in section 10.7 have not all been fulfilled or freed, this Offer will automatically terminate and Your Shares will be returned to you; or
 - (2) if the Offer Period is extended for more than one month and, at the time, this Offer is subject to one or more of the conditions in section 10.7, you may be able to withdraw your acceptance and Your Shares in accordance with section 650E of the Corporations Act. A notice will be sent to you at the time explaining your rights in this regard.
- (b) The relevant times for the purposes of section 10.5(a)(1) are:
 - (1) in relation to the condition in section 10.7(i), the end of the third business day after the end of the Offer Period; and
 - (2) in relation to all other conditions in section 10.7, the end of the Offer Period.
- (c) By signing and returning the Acceptance Form, or otherwise accepting this Offer pursuant to section 10.3, you will be deemed to have:
 - (1) accepted this Offer (and any variation of it) in respect of, and, subject to all of the conditions to this Offer in section 10.7 being fulfilled or freed, agreed to transfer to Blossomvale, Your Shares (even if the number of Shares specified on the Acceptance Form differs from the number of Your Shares), subject to section 10.1(e) and section 10.1(f);
 - (2) represented and warranted to Blossomvale, as a fundamental condition going to the root of the contract resulting from your acceptance, that at the time of acceptance, and the time the transfer of Your Shares (including any rights) to Blossomvale is registered, that all Your Shares are and will be free from all mortgages, charges, liens, encumbrances and adverse interests of any nature (whether legal or otherwise) and free from restrictions on transfer of any nature (whether legal or otherwise), that you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership in Your Shares (including any Rights) to Blossomvale, and that you have paid to Neptune all amounts which at the time of acceptance have fallen due for payment to Neptune in respect of Your Shares;
 - (3) irrevocably authorised Blossomvale (and any director, secretary or nominee of Blossomvale) to alter the Acceptance Form on your behalf by inserting correct details of Your Shares, filling in any blanks remaining on the form and rectifying any errors or omissions as may be considered necessary by Blossomvale to make it an effective acceptance of this Offer or to enable registration of Your Shares in the name of Blossomvale;
 - (4) if you signed the Acceptance Form in respect of Shares which are held in a CHESS Holding, irrevocably authorised Blossomvale (or any director, secretary

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or agent of Blossomvale) to instruct your Controlling Participant to initiate acceptance of this Offer in respect of Your Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules;

- (5) if you signed the Acceptance Form in respect of Shares which are held in a CHESS Holding, irrevocably authorised Blossomvale (or any director, secretary or agent of Blossomvale) to give any other instructions in relation to Your Shares to your Controlling Participant, as determined by Blossomvale acting in its own interests as a beneficial owner and intended registered holder of those Shares;
- (6) irrevocably authorised and directed Neptune to pay to Blossomvale, or to account to Blossomvale for, all Rights in respect of Your Shares, subject, if this Offer is withdrawn, to Blossomvale accounting to you for any such Rights received by Blossomvale;
- (7) irrevocably authorised Blossomvale to notify Neptune on your behalf that your place of address for the purpose of serving notices upon you in respect of Your Shares is the address specified by Blossomvale in the notification;
- (8) with effect from the date on which all the conditions to this Offer in section 10.7 have been fulfilled or freed, to have irrevocably appointed Blossomvale (and any director, secretary or nominee of Blossomvale) severally from time to time as your true and lawful attorney to exercise all your powers and rights in relation to Your Shares, including (without limitation) powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate representative, at all general meetings of Neptune and to request Neptune to register, in the name of Blossomvale or its nominee, Your Shares, as appropriate, with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable);
- (9) with effect from the date on which all the conditions to this Offer in section 10.7 have been fulfilled or freed, to have agreed not to attend or vote in person, by proxy or by body corporate representative at any general meeting of Neptune or to exercise or purport to exercise any of the powers and rights conferred on Blossomvale (and its directors, secretaries and nominees) in section 10.5(c)(8);
- (10) agreed that in exercising the powers and rights conferred by the powers of attorney granted under section 10.5(c)(8), the attorney will be entitled to act in the interests of Blossomvale as the beneficial owner and intended registered holder of Your Shares;
- (11) agreed to do all such acts, matters and things that Blossomvale may require to give effect to the matters the subject of this section 10.5(c) (including the execution of a written form of proxy to the same effect as this section 10.5(c) which complies in all respects with the requirements of the constitution of Neptune) if requested by Blossomvale;
- (12) agreed to indemnify Blossomvale in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Security holder Reference Number or in consequence of the transfer of your Acceptance Shares to Blossomvale being registered by Neptune without production of your Holder Identification Number or your Security holder Reference Number for Your Shares;
- (13) represented and warranted to Blossomvale that, unless you have notified it in accordance with section 10.1(f), Your Shares do not consist of separate parcels of Shares;
- (14) irrevocably authorised Blossomvale (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to

10 The terms and conditions of the Offer

transfer Your Shares to Blossomvale's Takeover Transferee Holding, regardless of whether it has paid the consideration due to you under this Offer;

- (15) agreed, subject to the conditions of this Offer in section 10.7 being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that Blossomvale may consider necessary or desirable to convey Your Shares registered in your name and Rights to Blossomvale;
- (d) The undertakings and authorities referred to in section 10.5(c) will remain in force after you receive the consideration for Your Shares and after Blossomvale becomes registered as the holder of Your Shares.

10.6 Payment of consideration

- (a) Subject to this section 10.6 and the Corporations Act, Blossomvale will provide the consideration due to you for Your Shares on or before the earlier of:
- (1) one month after the date of your acceptance or, if this Offer is subject to a defeating condition when you accept this Offer, within one month after this Offer becomes unconditional; and
 - (2) 21 days after the end of the Offer Period.
- (b) Where the Acceptance Form requires an additional document to be delivered with your Acceptance Form (such as a power of attorney):
- (1) if that document is given with your Acceptance Form, Blossomvale will provide the consideration in accordance with section 10.6(a);
 - (2) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is subject to a defeating condition, Blossomvale will provide the consideration due to you on or before the earlier of one month after this Offer becomes unconditional and 21 days after the end of the Offer Period;
 - (3) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is not subject to a defeating condition, Blossomvale will provide the consideration due to you on or before the earlier of one month after that document is given and 21 days after the end of this Offer period;
 - (4) if that document is given after the end of the Offer Period, and the Offer is not subject to a defeating condition, Blossomvale will provide the consideration within 21 days after that document is delivered. However, if at the time the document is given, the Offer is still subject to a defeating condition that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, Blossomvale will provide the consideration due to you within 21 days after the Offer becomes unconditional.
- (c) If you accept this Offer, Blossomvale is entitled to all Rights in respect of Your Shares. Blossomvale may require you to provide all documents necessary to vest title to those Rights in Blossomvale, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to Blossomvale, or if you have received the benefit of those Rights, Blossomvale will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by Blossomvale) of those Rights, together with the value (as reasonably assessed by Blossomvale) of the franking credits, if any, attached to the Rights.
- (d) The consideration payable by Blossomvale to you under the Offer will be paid to you by cheque in Australian currency. Cheques will be posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) at the address as shown on your Acceptance Form.
- (e) If at the time you accept the Offer any of the following:
- (1) *Banking (Foreign) Exchange Regulations 1959 (Cth)*;

- (2) *Charter of the United Nations (Dealing with Assets) Regulations 2008* (Cth);
- (3) *Charter of the United Nations (Sanctions – Afghanistan) Regulations 2008* (Cth);
- (4) *Charter of the United Nations (Sanctions – Iraq) Regulations 2008* (Cth); or
- (5) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other government authority be obtained before you receive any consideration for Your Shares, or would make it unlawful for Blossomvale to provide any consideration to you for Your Shares, you will not be entitled to receive any consideration for Your Shares until all requisite authorities, clearances or approvals have been received by Blossomvale. As far as Blossomvale is aware, as at the date of this Bidder's Statement, the persons to whom this section 10.6(e) will apply are: prescribed supporters of the former government of Yugoslavia; ministers and senior officials of the Government of Zimbabwe; persons associated with the former government of Iraq (including senior officials, immediate family members of senior officials, or entities controlled by any of those persons); the Taliban; members of the Al-Qaida organisation; and a person named in the list maintained pursuant to paragraph 2 of Resolution 1390 of the Security Council of the United Nations.

10.7 Conditions of this Offer

Subject to section 10.8, the completion of this Offer and any contract that results from an acceptance of this Offer are subject to the fulfilment of the conditions set out below:

(a) MTQ Shareholder approval

MTQ Shareholders approve, by the requisite majority, the acquisition of the Shares by Blossomvale under the Offer for the purposes of the SGX-ST Listing Manual.

(b) No regulatory action

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (1) there is not in effect any preliminary or final decision, order or decree issued by any Public Authority;
- (2) no action or investigation is announced, commenced or threatened by any Public Authority; and
- (3) no application is made to any Public Authority (other than by Blossomvale or any associate of Blossomvale),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offers and the completion of any transaction contemplated by this Bidder's Statement (including, without limitation, full, lawful, timely and effectual implementation of the intentions set out in section 7 of this Bidder's Statement) or which requires the divestiture by Blossomvale of any Shares or any material assets of Neptune or any subsidiary of Neptune.

(c) No material adverse change

- (1) Between the Announcement Date and the end of the Offer Period (each inclusive) none of the following occurs:
 - an event, change, condition, matter or thing occurs;
 - information is disclosed or announced by Neptune or any of its subsidiaries concerning any event, change, condition, matter or thing; or

10 The terms and conditions of the Offer

- information concerning any event, change, condition, matter or thing becomes known to Blossomvale (whether or not becoming public),

which will have, could reasonably be expected to have or which evidences that there has been a material adverse effect on the business, assets, liabilities, financial position and performance, material contracts (taken as a whole), profitability or prospects of Neptune or any of its subsidiaries, since 30 June 2012.

- (2) For the purposes of section 10.7(c)(1), Blossomvale shall not be taken to know of information concerning any event, change, condition, matter or thing before the Announcement Date, unless Blossomvale knows or ought reasonably to have known (having regard to the information actually known by Blossomvale and the information disclosed by Neptune in its public filings with the ASX and ASIC before the Announcement Date), of the extent or magnitude of the event, change, condition, matter or thing.
- (3) Section 10.7(c)(2) does not apply in relation to particular information, if that information was previously disclosed by Neptune in a public filing with the ASX or ASIC provided that the disclosure was full and fair (including, without limitation, in relation to the extent and magnitude of the event, change, condition, matter or thing, as the case may be) and was not, and is not likely to be, incomplete, incorrect, untrue or misleading.

(d) **Acquisitions and disposals**

Between the Announcement Date and the end of the Offer Period (each inclusive), neither Neptune nor any of its subsidiaries, acquires or disposes of, or enters into or announces any agreement for the acquisition or disposal of, any asset or business, or enters into any corporate transaction, which would or would be likely to involve a material change in:

- (1) the manner in which Neptune conducts its business;
- (2) the nature (including balance sheet classification), extent or value of the assets of Neptune; or
- (3) the nature (including balance sheet classification), extent or value of the liabilities of Neptune,

including, without limitation, any transaction which would or (subject to one or more conditions) may involve:

- (4) Neptune or any subsidiary of Neptune acquiring, or agreeing to acquire, one or more companies, businesses or assets for an amount in aggregate greater than \$2.5 million;
- (5) Neptune or any subsidiary of Neptune disposing, or agreeing to dispose of, one or more companies, businesses or assets (or any interest therein) for an amount in aggregate greater than \$2.5 million.

(e) **No litigation on foot or pending**

Between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against Neptune which may reasonably result in a judgement of \$2.5 million or more is commenced, is threatened to be commenced, is announced, or is made known to Blossomvale (whether or not becoming public) or Neptune, other than that which is in the public domain as at the Announcement Date.

(f) **Equal access**

Between the Announcement Date and the end of the Offer Period, Neptune promptly, and in any event within 2 Business Days, provides to Blossomvale a copy of all information that is not generally available (within the meaning of the Corporations Act) relating to Neptune or any of its subsidiaries, or their respective assets, liabilities or operations, that

10 The terms and conditions of the Offer

has been provided by Neptune or any of its directors, officers, agents or representatives to any person other than Blossomvale, other than in the ordinary course of ordinary business, including (without limitation) for the purposes of soliciting, encouraging or facilitating any proposal with respect to:

- (1) a takeover bid for, or scheme of arrangement proposed by, Neptune, under the Corporations Act;
- (2) the acquisition by that person or an associate of substantially all the assets and operations of Neptune; or
- (3) any transaction having a similar economic effect.

(g) No distributions

Between the Announcement Date and the end of the Offer Period (each inclusive), Neptune does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

(h) No break fees

Between the Announcement Date and the end of the Offer Period, Neptune does not agree (whether conditionally or unconditionally) to make any payment by way of break fee, inducement fee, cost reimbursement or otherwise, to any person other than Blossomvale or an associate, or forgo any amount to which it would otherwise be entitled, in connection with that a proposal by that person for:

- (1) a takeover bid for, or scheme of arrangement proposed by, Neptune, under the Corporations Act;
- (2) the acquisition by that person or an associate of substantially all the assets and operations of Neptune; or
- (3) any transaction having a similar economic effect.

This section does not apply to a payment by way of remuneration for professional services or to directors of Neptune for the discharge of their duties in connection with the Offer.

(i) No prescribed occurrences

Between the Announcement Date and the date 3 Business Days after the end of the Offer Period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) happen:

- (1) Neptune converting all or any of the Shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (2) Neptune or a subsidiary of Neptune resolving to reduce its share capital in any way;
- (3) Neptune or a subsidiary of Neptune entering into a buyback agreement or resolving to approve the terms of a buyback agreement under subsections 257C(1) or 257D(1) of the Corporations Act;
- (4) Neptune or a subsidiary of Neptune making an issue of Shares (other than Shares issued as a result of the exercise of Options into Shares) or granting an option over the Shares or agreeing to make such an issue or grant such an option;
- (5) Neptune or a subsidiary of Neptune issuing, or agreeing to issue, convertible notes;
- (6) Neptune or a subsidiary of Neptune disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;

10 The terms and conditions of the Offer

- (7) Neptune or a subsidiary of Neptune charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
- (8) Neptune or a subsidiary of Neptune resolving that it be wound up;
- (9) the appointment of a liquidator or provisional liquidator of Neptune or of a subsidiary of Neptune;
- (10) the making of an order by a court for the winding up of Neptune or of a subsidiary of Neptune;
- (11) an administrator of Neptune or of a subsidiary of Neptune being appointed under section 436A, 436B or 436C of the Corporations Act;
- (12) Neptune or a subsidiary of Neptune executing a deed of company arrangement;
- (13) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of Neptune or of a subsidiary of Neptune.

10.8 Nature and benefit of conditions

- (a) The conditions in section 10.7 are conditions subsequent. The non-fulfilment of any condition subsequent does not, until the end of the Offer Period (or in the case of the conditions in section 10.7(i), until the end of the third business day after the end of the Offer Period), prevent a contract to sell Your Shares from arising, but entitles Blossomvale by written notice to you, to rescind the contract resulting from your acceptance of this Offer.
- (b) Subject to the Corporations Act, Blossomvale alone is entitled to the benefit of the conditions in section 10.7, or to rely on any non-fulfilment of any of them.
- (c) Each condition in section 10.7 is a separate, several and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.

10.9 Freeing the Offer of conditions

Except for the condition in section 10.7(a) requiring MTQ Shareholder approval of the Offer, from which Blossomvale cannot free the Offer, Blossomvale may free this Offer, and any contract resulting from its acceptance, from any of the conditions subsequent in section 10.7, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to Neptune and lodging the notice with ASIC declaring this Offer to be free from the relevant condition or conditions specified, in accordance with section 650F of the Corporations Act. This notice may be given:

- (a) in the case of the condition in section 10.7(i), not later than 3 business days after the end of the Offer Period; and
- (b) in the case of all the other conditions in section 10.7, not less than 7 days before the end of the Offer Period.

If, at the end of the Offer Period (or in the case of the conditions in section 10.7(i), at the end of the third business day after the end of the Offer Period), the conditions in section 10.7 have not been fulfilled and Blossomvale has not declared the Offer (or it has not become) free from those conditions, all contracts resulting from the acceptance of the Offer will be automatically void.

10.10 Notice on status of conditions

The date for giving the notice on the status of the conditions required by section 630(1) of the Corporations Act is [*] 2012 (subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

10.11 Withdrawal of this Offer

- (a) This Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, Blossomvale will give notice of the withdrawal to ASX and to Neptune and will comply with any other conditions imposed by ASIC.
- (b) If, at the time this Offer is withdrawn, all the conditions in section 10.7 have been freed, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.
- (c) If, at the time this Offer is withdrawn, the Offer remains subject to one or more of the conditions in section 10.7, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant conditions have occurred).
- (d) A withdrawal pursuant to section 10.11 will be deemed to take effect:
 - (1) if the withdrawal is not subject to conditions imposed by ASIC, on and after the date that consent in writing is given by ASIC; or
 - (2) if the withdrawal is subject to conditions imposed by ASIC, on and after the date those conditions are satisfied.

10.12 Variation of this Offer

Blossomvale may vary this Offer in accordance with the Corporations Act.

10.13 No stamp duty or brokerage

- (a) Blossomvale will pay any stamp duty on the transfer of Your Shares to it.
- (b) As long as Your Shares are registered in your name and you deliver them directly to Blossomvale, you will not incur any brokerage in connection with your acceptance of this Offer.

10.14 Governing laws

This Offer and any contract that results from your acceptance of it are to be governed by the laws in force in Western Australia, Australia.

11 Definitions and interpretation

11.1 Definitions

In this Bidder's Statement and in the Acceptance Form unless the context otherwise appears, the following terms have the meanings shown below:

Term	Meaning
\$ or A\$	Australian dollars, the lawful currency of the Commonwealth of Australia.
Acceptance Form	the acceptance form enclosed with this Bidder's Statement.
AGM	Neptune's 2012 annual general meeting, scheduled for 27 November 2012.
Announcement Date	the date of the announcement of the Offer by Blossomvale, being 30 October 2012.
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 or the securities exchange operated by it, as the context requires.
ASX Settlement	ASX Settlement Pty Limited ABN 49 008 504 532.
ASX Settlement Operating Rules	the operating rules of ASX Settlement which govern the administration of the Clearing House Electronic Sub-register System.
Bidder's Statement	this document, being the statement of Blossomvale under Part 6.5 Division 2 of the Corporations Act relating to the Offer.
Blossomvale	Blossomvale Investments Pte. Ltd.
Board	the board of directors of Neptune.
Business Day	a day on which banks are open for business in Perth, excluding a Saturday, Sunday or public holiday.

11 Definitions and interpretation

Term	Meaning
CGT	capital gains tax.
CHESS Holding	a number of Shares which are registered on the Neptune Register administered by the ASX Settlement Pty Limited which records uncertificated holdings of Shares.
Controlling Participant	in relation to Your Shares, has the same meaning as in the ASX Settlement Operating Rules.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Employee Option Plan	Neptune's option plan, described in section 5.3(b) of this Bidder's Statement.
Holder Identification Number	has the same meaning as in the ASX Settlement Operating Rules.
Issuer Sponsored Holdings	a holding of Shares on Neptune issuer sponsored subregister.
Listing Rules	the official Listing Rules of ASX, as amended and waived by ASX from time to time.
MTQ Board	the board of directors of MTQ Corporation.
MTQ Corporation	MTQ Corporation Limited, the ultimate holding company of Blossomvale.
MTQ Group	MTQ Corporation and its subsidiaries, as listed in section 3.3(b) of this Bidder's Statement.
MTQ Shareholder	a registered holder of MTQ Shares.
MTQ Shares	fully paid ordinary shares the capital of MTQ Corporation.
NED Share Plan	Neptune's Non-Executive Director Share Plan, described in section 5.3(a) of this Bidder's Statement.

11 Definitions and interpretation

Term	Meaning
Neptune	Neptune Marine Services Limited (ABN 76 105 665 843).
Neptune Group	Neptune and its subsidiaries, as listed in section 4.4(b) of this Bidder's Statement.
Neptune Register	the register of members of Neptune maintained by or on behalf of Neptune in accordance with section 168(1) of the Corporations Act.
Offer	the offer for Shares under the terms and conditions contained in section 10 of this Bidder's Statement
Offer Period	the period during which the Offer will remain open for acceptance in accordance with section 10.2 of this Bidder's Statement.
Offer Price	the consideration per Share offered under the Offer, as set out in section 10.1(b).
Options	options to subscribe for Shares at various exercise prices which have been issued under the Employee Option Plan, as described in section 5.1.
Participant	an entity admitted to participate in the Clearing House Electronic Sub-register System under Rule 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules.
Performance Rights	performance rights granted by Neptune under the Performance Rights Plan, as described in section 5.4 of this Bidder's Statement.
Performance Rights Plan	Neptune's performance rights plan, described in section 5.4 of this Bidder's Statement.
Public Authority	any government or any governmental, semi-governmental, statutory or judicial entity, agency or authority, whether in Australia or elsewhere, including (without limitation) any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and ASX or any other stock exchange.
Register Date	the date set by Blossomvale under section 633(2) of the Corporations Act, being 30 October 2012.

11 Definitions and interpretation

Term	Meaning
Retention Rights	retention rights granted by Neptune to certain executives and key management personnel, as described in section 5.4 of this Bidder's Statement.
Rights	all accreditations, rights or benefits of whatever kind attaching or arising from Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other securities declared, paid or issued by Neptune or any of its subsidiaries).
Security holder Reference Number	has the same meaning as in the ASX Settlement Operating Rules.
SGX-ST	Singapore Exchange Securities Trading Limited.
SGX-ST Listing Manual	the Listing Manual of the SGX-ST.
Share Consolidation	the share consolidation of Neptune Shares by converting every 30 Shares into 1 Share, as described in Neptune's notice of meeting and explanatory memorandum dated 26 October 2012.
Shareholder or Neptune Shareholder	a registered holder of Shares.
Shares or Neptune Shares	fully paid ordinary shares in the capital of Neptune.
Takeover Bid	the off-market takeover bid constituted by the dispatch of the Offers in accordance with the Corporations Act.
Takeover Transferee Holding	has the same meaning as in the ASX Settlement Operating Rules.
VWAP	volume-weighted average price.
Your Shares	subject to section 10.1(e) and section 10.1(f) of this Bidder's Statement, the Shares (a) in respect of which you are registered, or entitled to be registered, as holder in the register of shareholders of Neptune at the open of business Perth time) on the Register Date, or (b) to which you are able to give good title at the time you accept this Offer during the Offer Period, as may be adjusted

Term	Meaning
	by the Share Consolidation.

11.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise appears:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a section, attachment and schedule is a reference to a section of and an attachment and schedule to this Bidder's Statement as relevant;
- (f) a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances, or by-laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement;
- (h) a reference to time is a reference to time in Perth, Australia;
- (i) a reference to writing includes facsimile transmissions; and
- (j) a reference to dollars, \$, A\$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

12 Approval of Bidder's Statement

This Bidder's Statement has been approved by a resolution passed by the directors of Blossomvale.

date 30 October 7 November 2012

Signed for and on behalf of
Blossomvale Investments Pte. Ltd.
by

sign here ► Dominic Siu, Director

Attachment 1

Announcements in relation to the Offer

**MTQ CORPORATION LIMITED**

182 PANDAN LOOP SINGAPORE 128373 TEL: (65) 6774 9332 FAX: (65) 6777 6433

FOR IMMEDIATE RELEASE

**MTQ announces takeover bid for
Neptune Marine Services Limited****Highlights:**

- All cash offer of 3.2 cents¹ per share by MTQ for Neptune
- Offer price represents 33% premium to last trading price
- Offer values Neptune at \$59,621,250²
- Attractive premium; offers certain value and liquidity

Singapore-based MTQ Corporation Limited (MTQ) today announces an off-market takeover bid by its wholly-owned subsidiary, Blossomvale Investments Pte. Ltd. (Blossomvale), for all the ordinary shares in Neptune Marine Services Limited (Neptune) that it does not already own. Blossomvale currently owns 19.51% of the issued shares in Neptune.

Blossomvale is offering Neptune shareholders 3.2 cents¹ cash for each Neptune share. The offer:

- represents an attractive 33% premium to the price of Neptune's shares on ASX on Monday, 29 October 2012 of 2.4 cents; and
- is a 100% cash offer which gives Neptune shareholders an immediate opportunity to realise certain value for their investment.

The offer is not subject to a minimum acceptance condition, but is subject to certain other conditions set out in the attachment to this announcement, including approval by MTQ's shareholders under the SGX-ST Listing Manual. MTQ has convened a general meeting to seek the required shareholder approval, currently scheduled for 20 November 2012.

MTQ anticipates that having control of Neptune will create more opportunities to cross-sell services to each other's customers, as well as strengthen engagement with common customers.

The offer will be financed by committed debt financing and MTQ's existing cash reserves.

¹ If the share consolidation announced by Neptune on 26 October 2012 is approved by shareholders and implemented, Blossomvale's offer price will be adjusted to 96 cents per Neptune Share equivalent (last trade 72 cents equivalent).

² Based on the offer price and 1,863,164,056 Neptune shares; being shares on issue as at Monday, 29 October 2012, plus potential additional Neptune shares that could be issued through the Neptune Board exercising its discretion to vest all Performance and Retention Rights applicable as at Monday, 29 October 2012.

Attachment 1 Announcements in relation to the Offer

MTQ expects to lodge a Bidder's Statement in respect of its offer with the Australian Securities & Investments Commission (ASIC) shortly. The Bidder's Statement will set out in detail why Neptune shareholders should accept the offer, and will be dispatched to Neptune shareholders approximately two weeks after its lodgement with ASIC.

MTQ encourages Neptune shareholders to read the Bidder's Statement in full and accept the offer as soon as possible.

MTQ has engaged GMP Securities Australia Pty Ltd as financial adviser and Herbert Smith Freehills as legal adviser to the offer.

BY ORDER OF THE BOARD
MTQ CORPORATION LIMITED
DOMINIC SIU MAN KIT
COMPANY SECRETARY

30 October 2012

About MTQ

Established in 1969, **MTQ Corporation Limited** specialises in engineering solutions for oilfield equipment, including repair, manufacture and rental operations. Well-known for its broad experience for over 30 years and commitment to service quality, MTQ is the authorised working partner for some of the world's largest OEMs in drilling equipment, and is accredited to carry out manufacturing and repair works in accordance to American Petroleum Institute Standards. The Premier group, in addition to repair and manufacture of oilfield equipments, is also supplier of oilfield equipment and tools manufactured by some of the leading global brands. MTQ Oilfield Services WLL is the Group's oilfield engineering operation in Bahrain providing same range of services and operations to customers in the Middle East and North African regions. Through its wholly owned subsidiary MTQ Engine Systems (Aust) Pty Ltd, the Group is also the leading independent supplier of turbocharger and fuel injection parts and services in Australia with a nationwide network.

Attachment – Bid conditions

(a) **MTQ Shareholder approval**

MTQ shareholders approve, by the requisite majority, the acquisition of the Neptune shares by Blossomvale under the offer for the purposes of the SGX-ST Listing Manual.

(b) **No regulatory action**

Between the date of this announcement and the end of the offer period (each inclusive):

- (1) there is not in effect any preliminary or final decision, order or decree issued by any public authority;
- (2) no action or investigation is announced, commenced or threatened by any public authority; and
- (3) no application is made to any public authority (other than by Blossomvale or any associate of Blossomvale),

in consequence of or in connection with the offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the offers and the completion of any transaction contemplated by the Bidder's Statement (including, without limitation, full, lawful, timely and effectual implementation of the intentions set out in the Bidder's Statement) or which requires the divestiture by Blossomvale of any Neptune shares or any material assets of Neptune or any subsidiary of Neptune.

(c) **No material adverse change**

- (1) Between the date of this announcement and the end of the offer period (each inclusive) none of the following occurs:
 - an event, change, condition, matter or thing occurs;
 - information is disclosed or announced by Neptune or any of its subsidiaries concerning any event, change, condition, matter or thing; or
 - information concerning any event, change, condition, matter or thing becomes known to Blossomvale (whether or not becoming public),

which will have, could reasonably be expected to have or which evidences that there has been a material adverse effect on the business, assets, liabilities, financial position and performance, material contracts (taken as a whole), profitability or prospects of Neptune or any of its subsidiaries, since 30 June 2012.

- (2) For the purposes of paragraph 1.1(c)(1), Blossomvale shall not be taken to know of information concerning any event, change, condition, matter or thing before the date of this announcement, unless Blossomvale knows or ought reasonably to have known (having regard to the information actually known by Blossomvale and the information disclosed by Neptune in its public filings with the ASX and ASIC before the date of this announcement), of the extent or magnitude of the event, change, condition, matter or thing.
- (3) Paragraph (c)(2) does not apply in relation to particular information, if that information was previously disclosed by Neptune in a public filing with the ASX or ASIC provided that the disclosure was full and fair (including, without limitation, in relation to the extent and magnitude of the event, change, condition, matter or thing, as the case may be) and was not, and is not likely to be, incomplete, incorrect, untrue or misleading.

Attachment 1 Announcements in relation to the Offer

(d) Acquisitions and disposals

Between the date of this announcement and the end of the offer period (each inclusive), neither Neptune nor any of its subsidiaries, acquires or disposes of, or enters into or announces any agreement for the acquisition or disposal of, any asset or business, or enters into any corporate transaction, which would or would be likely to involve a material change in:

- (1) the manner in which Neptune conducts its business;
- (2) the nature (including balance sheet classification), extent or value of the assets of Neptune; or
- (3) the nature (including balance sheet classification), extent or value of the liabilities of Neptune,

including, without limitation, any transaction which would or (subject to one or more conditions) may involve:

- (4) Neptune or any subsidiary of Neptune acquiring, or agreeing to acquire, one or more companies, businesses or assets for an amount in aggregate greater than \$2.5 million;
- (5) Neptune or any subsidiary of Neptune disposing, or agreeing to dispose of, one or more companies, businesses or assets (or any interest therein) for an amount in aggregate greater than \$2.5 million.

(e) No litigation on foot or pending

Between the date of this announcement and the end of the offer period (each inclusive), no litigation against Neptune which may reasonably result in a judgement of \$2.5 million or more is commenced, is threatened to be commenced, is announced, or is made known to Blossomvale (whether or not becoming public) or Neptune, other than that which is in the public domain as at the date of this announcement.

(f) Equal access

Between the date of this announcement and the end of the offer period, Neptune promptly, and in any event within 2 business days, provides to Blossomvale a copy of all information that is not generally available (within the meaning of the Corporations Act) relating to Neptune or any of its subsidiaries, or their respective assets, liabilities or operations, that has been provided by Neptune or any of its directors, officers, agents or representatives to any person other than Blossomvale, other than in the ordinary course of ordinary business, including (without limitation) for the purposes of soliciting, encouraging or facilitating any proposal with respect to:

- (1) a takeover bid for, or scheme of arrangement proposed by, Neptune, under the Corporations Act;
- (2) the acquisition by that person or an associate of substantially all the assets and operations of Neptune; or
- (3) any transaction having a similar economic effect.

(g) No distributions

Between the date of this announcement and the end of the offer period (each inclusive), Neptune does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

Attachment 1 Announcements in relation to the Offer

(h) No break fees

Between the date of this announcement and the end of the offer period, Neptune does not agree (whether conditionally or unconditionally) to make any payment by way of break fee, inducement fee, cost reimbursement or otherwise, to any person other than Blossomvale or an associate, or forgo any amount to which it would otherwise be entitled, in connection with that a proposal by that person for:

- (1) a takeover bid for, or scheme of arrangement proposed by, Neptune, under the Corporations Act;
- (2) the acquisition by that person or an associate of substantially all the assets and operations of Neptune; or
- (3) any transaction having a similar economic effect.

This section does not apply to a payment by way of remuneration for professional services or to directors of Neptune for the discharge of their duties in connection with the offer.

(i) No prescribed occurrences

Between the date of this announcement and the date 3 business days after the end of the offer period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) happen:

- (1) Neptune converting all or any of the Neptune shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (2) Neptune or a subsidiary of Neptune resolving to reduce its share capital in any way;
- (3) Neptune or a subsidiary of Neptune entering into a buyback agreement or resolving to approve the terms of a buyback agreement under subsections 257C(1) or 257D(1) of the Corporations Act;
- (4) Neptune or a subsidiary of Neptune making an issue of shares (other than shares issued as a result of the exercise of options into shares) or granting an option over the shares or agreeing to make such an issue or grant such an option;
- (5) Neptune or a subsidiary of Neptune issuing, or agreeing to issue, convertible notes;
- (6) Neptune or a subsidiary of Neptune disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (7) Neptune or a subsidiary of Neptune charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
- (8) Neptune or a subsidiary of Neptune resolving that it be wound up;
- (9) the appointment of a liquidator or provisional liquidator of Neptune or of a subsidiary of Neptune;
- (10) the making of an order by a court for the winding up of Neptune or of a subsidiary of Neptune;
- (11) an administrator of Neptune or of a subsidiary of Neptune being appointed under section 436A, 436B or 436C of the Corporations Act;
- (12) Neptune or a subsidiary of Neptune executing a deed of company arrangement; or
- (13) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of Neptune or of a subsidiary of Neptune.