



ARV COMPLETION, FUNDING AND UPDATE

19 March 2009

ARV1 – Delivery schedule

The Company is very pleased to announce that the commissioning of major systems on ARV1 is now underway and progressing well.

For reasons of convenience and due to some fire damage being occasioned in the engine control room, the Company elected to commence commissioning prior to achieving overall mechanical completion, and to complete both simultaneously.

Key existing items of electronic equipment which were damaged in the fire have now been replaced with the latest technology available. The cost of this has been covered by the yard's insurance.

The Company has tendered for a number of projects and is now in advanced discussions with potential charterers. The Company considers there is a strong likelihood that some project specific modifications will be required to be made to the vessel to suit at least one of the likely opportunities. The vessel's location at the yard puts it in the ideal position to facilitate such modifications within the required timeframe.

Remaining at the yard in the short term is highly cost effective for the Company.

The vessel will be ready to sail away from the yard within April should no project specific modifications be required.

Classification of ARV

As previously announced, the rules applying to the accommodation and repair vessel concept created significant extra engineering work and delayed class approval of the vessel. One mitigating step that the Company took in December 2008 to ameliorate these delays was to revert to the vessel's original classification society, Bureau Veritas.

The Company is very pleased to announce that all plan approvals have now been issued by BV and full certification of the vessel as an ARV with full capacity to operate as both an accommodation and repair vessel will be issued upon completion.

Engineering resources

Another very successful mitigating strategy which has been adopted by the Company has been the engagement of in house engineers, naval architects and marine managers with specialist experience in passenger vessels, including classification, regulation and flag state requirements.

The team is embedded within the site team at Sembawang and is therefore easily accessible by both the site team and BV.

The team is employed by a company related to the management company, of which the founders are shareholders and directors. The engineers are available on an exclusive but no risk basis to the Company for subsequent conversions, on arm's length terms.

Financing

The Company is currently considering a number of financing options, both in the short and longer term.

The Company has a number of options available to it, however is mindful of the current cost of some forms of financing and the key objective of preserving shareholder value.

The Board and management are working hard to ensure that financing is ultimately secured on the best possible terms for the Company. In the event a contract with a tenor of at least 12 months is secured, the Company is confident of being able to secure senior debt financing. If a long term contract is not secured within the short term, an interim solution involving the sale of an asset, equity and / or bond financing will be pursued.

To provide the Company with maximum flexibility in this regard, some short term measures have been taken. Agreements have been reached with major suppliers to defer payments. The management and employees of the Company have also committed to the provision of a short term loan of up to four months to cover operating costs and costs which are not able to be deferred. The loan is being extended on arm's length basis with terms and conditions which are considerably more favourable to the Company than currently available alternatives.

ARV2

ARV2 remains situated at Sembawang Shipyard ready to commence conversion.

All major long lead items for the vessel have been purchased. In addition, a substantial amount of engineering has been completed since the purchase of the vessel in February 2008.

The vessel is estimated to be completed within seven months of commencement of conversion, assuming full financing. A longer period of conversion will be necessary if the conversion is to be funded from cashflow from the operation of ARV1 alone.

Market and charters

The accommodation market remains very strong due to high demand and an increasingly limited supply of accommodation vessels.

We are now bidding for a number of contracts and are in discussions with some potential charterers.

For more information contact:

Elizabeth Back

Tel: +65 6372 8735

Fax: +65 6223 8296

Mob: +65 9651 7620