

HALCYON Offshore

Immediate Release

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HALCYON OFFSHORE EXTENDS ITS SERVICE OFFERING THROUGH S\$30 MILLION ACQUISITION

- Acquisition of Cables International, which specialises in the supply of speciality offshore cables and related products to complement Halcyon Offshore's marine and offshore service solutions.
- Cables International to become Halcyon Offshore's fourth operating unit – Offshore Electrical & Controls
- Acquisition in line with Halcyon Offshore's "buy and build" strategy to grow the Group into a leading player in the global marine and offshore solutions industry

HALCYON Offshore Pte Ltd ("Halcyon Offshore" or the "Group"), a Singapore-headquartered integrated engineering and construction services provider for the offshore oil & gas industry, today announced that it has signed a sales and purchase ("S&P") agreement to acquire the entire issued and paid-up capital of Cables International Pte Ltd and its subsidiaries ("CI") from SGX-listed King Wan Corporation and CI's management for S\$30 million. The consideration will be a combination of cash and shares in Halcyon Energy Corporation Pte Ltd ("HEC"), the holding company of Halcyon Offshore.

CI, twice winner of the prestigious Enterprise 50 ("E50") award, is a Singapore-based leading distributor of specialised offshore cables and related products with operating subsidiaries in Malaysia and Australia. A well-reputed and established player, CI supplies owners/operators of offshore rigs, support vessels and FPSOs, as well as shipyards, with electrical and communication cables. CI generated net profit after tax ("NPAT") of S\$5.1 million for the financial year ending 31 December 2009.

Mr Robert Meyer, CEO of Halcyon Offshore's holding company, HEC, said: "The acquisition of CI is in line with our strategy of acquiring quality players in the offshore oil & gas sector in Singapore. CI has built a stellar reputation among rig and vessel owners, operators and shipyards alike. Having worked alongside CI on several projects, we have first-hand experience of the uncompromising service and dedication to detail that CI stands for. The addition of CI to Halcyon Offshore will allow us to extend our business offering and further enhance cross-selling opportunities, both across business units and geographies."

Under the S&P agreement, the existing management shareholders of CI, namely CEO and Founder Peter Ong, Executive Director and Founder Brian Sweeney and Managing Director of Malaysia operations Redzwan Gunasegar, will receive HEC shares as part consideration of the sale and join Halcyon Offshore's management team.

"We are delighted to welcome Peter, Brian and Redzwan to the management team of Halcyon Offshore. Under their leadership, CI has successfully captured substantial market share in the market for electrical products,

specifically cables, for the offshore & marine industry. We are confident that Peter, Brian and Redzwan will continue to demonstrate their strong business acumen and management abilities in Halcyon Offshore and we look forward to leveraging the Group's scale and scope of operations to take CI to the next level together," Mr Meyer added.

Upon the expected completion of the acquisition in September 2010, CI will become Halcyon Offshore's fourth business unit "Offshore Electrical & Controls". Halcyon Offshore's existing three business units are Offshore & Marine Equipments, which designs and supplies winches, cranes and other hydraulic products and services to vessel owners and shipyards; Offshore & Marine Accommodation, which offers interior architectural design and outfitting services to vessels; and Offshore Construction & Fabrication, which offers niche steel fabrication and construction services catering to high-end offshore requirements.

The CI acquisition follows close on the heels of Halcyon Offshore's purchase of Vantage Engineering Pte Ltd, a Singapore-based specialist service provider of mobilisation and demobilisation of offshore assets, in May 2010.

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About HALCYON Offshore

HALCYON Offshore, a subsidiary of HALCYON Energy Corporation, is an integrated engineering and construction group engaged in the offshore oil & gas industry. The Group offers a wide spectrum of marine and offshore solutions globally and operates through established and well reputed subsidiaries, namely, Anvil Engineering Pte Ltd, Marine Equipments Pte Ltd, Jack Tat Engineering Pte Ltd and Vantage Engineering Pte Ltd.

Since 2007, Halcyon Offshore has invested in excess of S\$100million (including the acquisition of Cables International) to "buy and build" outstanding businesses and assets in the offshore oil & gas sector in Singapore. Group revenues for 2009 were S\$94.3 million.

For more information on HALCYON Offshore, please visit <http://www.halcyonoffshore.com/>.

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