



TSC Offshore Newsletter Oct – Dec 2009

Corporate Event – Share Placement

Enthusiastic Response, with 3 times over-subscription rate

On 9 December, we successfully placed 90 million shares at HK\$2.53 per share to raise approximately HK\$220 million. The shares were placed to a number of reputable local, mainland China and global investment funds. Moreover, we have recorded an over-subscription rate of 3 times, revealing investors' strong confidence in TSC Offshore as well as in the offshore industry. This share placement has not only broadened our shareholder base, but has also strengthened our financial position to meet future development needs. The net proceeds from the subscription will be used to develop deepwater rig products and future acquisition.

Continued Global Marketing Efforts.....

Participation In “Nizhnevartovsk Oil & Gas” Exhibition In Russia and “Marintec China” in Shanghai further solidifies our foothold in the global market

We made relentless efforts in marketing our brands worldwide through participating in leading global oil and gas exhibitions. In November, we took part in “The 2009 Nizhnevartovsk Oil & Gas Exhibition (3rd edition)” in Nizhnevartovsk, Russia, and we received keen response from many local oil drilling companies and service providers. The Mayor of Nizhnevartovsk, Борис Хохряков, who is oil and gas rig expert, also visited our booth and showed great interests in our products.

During the exhibition, we showcased our centrifugal pump for the new mud pump cleaning system. This product is designed to pump mud to desander, desilter, agitator under specified pressure and emission. Visitors revealed that they have confidence in the market potential of this product. Our agent in Russia is now in liaison with several companies in Nizhnevartovsk regarding the supply of this product.

Joining hands with Yantai Raffles Shipyard and China International Marine Corporation, we participated in “Marintec China” in Shanghai in December. This biennial event is one of the most influential shipbuilding and ocean engineering exhibition in China, where leading global ship building corporations, oil companies, oilfield services and oilfield equipment companies, etc, converged to exchange ideas, information and create business opportunities.



Growing Order Backlog

Supplying BOP Handling & Mud Pumps for New Rigs

In November, we entered into a contract worth US\$2.53 million with a Mexico-based rig builder for the supply of a BOP handling package, which is used for a jack up rig, and is expected to be delivered in the fourth quarter of 2010. The jack up rig is expected to be put to work in the Gulf of Mexico.

In December, we secured an order from a Canadian customer for several Work Force 1300 mud pump packages with AC electrical motors for an aggregate contract value of approximately US\$5 million. The packages will be used for a land rig application. Delivery is expected to be made in the second and third quarters of 2010.

Our pump designs are seen as ideal for portable land rigs, with high quality and high horsepower to weight ratio and receive high degree of market recognition.

Stepping Forward in Research & Development

TSC Offshore Turns a New Page in PRC's Offshore Rig Equipment History

The State Intellectual Property Office of the PRC has recently approved our application for two utility model patents, namely Dual Power Mouse Hole and Guardian HTV. Being the first of its kind in the PRC and Asia, each of these two pipe handling system models can be widely applied in any types of offshore rigs, and is designed to enhance the offshore rig technology in the PRC.

The pipe handling products are major equipment used in modern offshore rigs, which used to be manufactured by a few overseas companies . With our self-designed pipe handling systems, the drill pipe connecting works can be carried out automatically with higher efficiency and greater safety. Our pipe handling systems have achieved certain international standards of quality, and turn a new page in the offshore rig equipment history in the PRC.

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