

COURAGE MARINE GROUP LIMITED
(Incorporated in Bermuda)

Acquisition of interest in a new associated company

The Board of Directors of Courage Marine Group Limited (the “**Company**”) is pleased to announce that the Company’s wholly-owned subsidiary, Courage-New Amego Shipping Corporation (“**Courage New Amego**”) has acquired a 41.7% shareholding interest in a new associated company, Harmony Century Group Limited (“**JV Company**”).

JV Company is a company incorporated in the British Virgin Islands on 7 October 2010 with an issued and paid up capital of US\$1,000.00 as at the date hereof.

The Group had previously exercised a put option to sell its entire interest in then associated company, Sunrise Airlines Co., Ltd (“**Sunrise**”) (held through Airline Investment Corp, a wholly owned subsidiary of Courage New Amego) to the original seller of Sunrise (“**Original Seller**”) for an aggregate price of US\$3,803,381 (the “**Outstanding Consideration**”), which remains due and payable as at the date hereof.

Pursuant to an agreement dated 14 October 2010 entered into between Courage New Amego and the Original Seller (the “**Agreement**”), the parties agreed that, subject to certain conditions being satisfied and fulfilled on or before the date falling on the expiry of 6 months from the date of the Agreement (the “**Long Stop Date**”), the Outstanding Consideration will be settled in kind through the JV Company’s acquisition and ownership (through the JV WOFE (as defined below)) of a property in Shanghai (“**Shanghai Property**”) owned by the Original Seller (“**In-kind Settlement**”) instead of in cash. In the event any of such conditions are not fulfilled on or before the Long Stop Date, the Original Seller will continue to be obliged to pay cash for settlement of the Outstanding Consideration.

The 41.7% shareholding interest of Courage New Amego in the JV Company (which is approximately equal to the Outstanding Consideration) was agreed upon by the parties on an arm’s length basis based on the valuation of the Shanghai Property of RMB 60,000,000.

The valuation of the Shanghai Property on 10 August 2010 which was based on the market price, was commissioned by the Original Seller.

The In-kind Settlement of the Outstanding Consideration is subject to, *inter alia*, the following conditions being satisfied or fulfilled:-

- (i) JV Company incorporating a wholly owned foreign enterprise (“**JV WOFE**”);
- (ii) the Original Seller transferring the Shanghai Property to JV WOFE such that JV WOFE becomes the registered owner in respect of the Shanghai Property and acquiring all relevant title documents to the Shanghai Property; and
- (iii) delivery of satisfactory evidence that the Shanghai Property is free from any encumbrance .

The Directors are of the view that the In-kind Settlement of the Outstanding Consideration is in the best interests of the Company and the Group as it would allow for the settlement of the Outstanding Consideration which currently remains as an account receivable, and also give the Group an opportunity to acquire an investment in real property in the People's Republic of China.

None of the Directors or controlling shareholders of the Company are related to the Original Seller or has any interest, direct or indirect, in the acquisition of interest in the JV Company, the JV WOFE or the Shanghai Property.

By Order of the Board

Submitted by Lee Pih Peng, Company Secretary on 3 December 2010 to the SGX.