

BAKER TECHNOLOGY

NEWS FLASH

**Baker Technology has divested its 20.29% stake in Discovery Offshore S.A.
26 June 2013**

Baker Technology has divested its entire 20.29% stake in Discovery Offshore S.A. It has sold 13.288 million shares to Hercules Offshore Inc. ("Hercules") for 100.33 million Norwegian Kroner (S\$41.68 million) or 15.00 Kroner per share.

This divestment was a result of Hercules's additional purchase of 27.4% stake in Discovery Offshore, bringing its total shareholding in Discovery Offshore to 59.5%. The above said acquisition by Hercules triggered an obligation to make a mandatory offer for all outstanding shares in Discovery Offshore.

Discovery Offshore S.A. is a public limited liability company based in Luxembourg and its focus is on two newly-build premium jack-up rigs. Both rigs are constructed based on the advanced Keppel FELS Super A Class high specifications catered for harsh environments. The first rig, Discovery Triumph has been delivered on June 7, 2013 and the second rig has been scheduled for delivery in October 2013.

Baker Technology is of the opinion that the above disposal was done with the best interest of the Company and the net sale proceeds of \$40.93 million will be used towards general working capital, future investments and any other purposes.

As at March 31, 2013, the net book value of Baker's investment in Discovery stood at \$32.18 million and the excess of the disposal consideration of \$41.35 million over Discovery Offshore's book value was \$9.17 million. Baker Technology's capital gain from the disposal stands at \$8.76 million.