



SINWA LIMITED

(Company Registration No. : 200206542H)

LETTER OF INTENT WITH NORDIC INTERNATIONAL LIMITED TO ACQUIRE AND OPERATE A SEISMIC VESSEL

The Board of Directors of Sinwa Limited ("Sinwa") wishes to announce that the Company has signed a Letter of Intent (LOI) today, 18 April 2007 with Nordic International Limited ("NIL") to enter a three-year joint venture (the "JV") for the purpose of acquiring, owning and chartering the vessel BGP Atlas (the "Vessel"), which is a 2D seismic vessel commonly used in oil and gas exploration activities, for a 50% stake in the company. NIL is a company incorporated in the British Virgin Islands that owns BGP Atlas. The LOI is subject to the execution of a Joint Venture Agreement ("JV Agreement").

Under the LOI, Sinwa will inject US\$2.0 million into NIL as working capital. Out of the said US\$2.0 million, US\$25,000 will be used for the acquisition of 25,000 units of shares in NIL at the par value of US\$1 each, representing 50% of NIL and the balance US\$1,975,000 will be held and used as working capital by NIL.

NIL has signed a 3-year charterparty for the Vessel with an international offshore exploration company (the "Charterer"). The charterparty, with an approximately total revenue of US\$40.5m for the 3 years, is envisaged to commence in the second half of 2007. At the end of 3 years, the Charterer has an option to buy the Vessel for a consideration of US\$5.0 million.

The Vessel is currently undergoing conversion in Europe. NIL envisaged that it will seek a bank loan of US\$16 million to finance the conversion, purchase equipment and for other expenses.

The Company will make further announcements (including the financial effects of the aforesaid transaction on earnings and net tangible assets of the Company for the year ending 31 December 2007) upon the signing of the JV agreement.

None of the directors or substantial shareholders of Sinwa have any interest, directly or indirectly, in the above transaction.

About Sinwa Limited

Sinwa Limited ("Sinwa") was listed on the SGX-ST Dealing and Automated Quotation System (the "SGX SESDAQ") in February 2003. In April 2005, Sinwa was upgraded to the Main Board of the Singapore Exchange.

Sinwa is Asia-Pacific's leading marine supply and logistics company servicing the offshore and general marine industry. The Group's main operations and head office are in Singapore, with subsidiaries and offices in Australia and China.

Founded in the 1960s, Sinwa's core business includes the supply of a wide range of ships' heavy deck and engine equipment, ships' spares, general hardware and provisions to the offshore and general maritime industry, and providing a full and comprehensive range of shipping agency, logistics, warehousing and related support services. In 2006, Sinwa diversified into the oil and gas industry through a joint venture to build a self-propelled offshore jack-up rig, which will be leased to a South American National Oil Company for 5 years, beginning in the first quarter of 2008.