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TSC Offshore Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8149)

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE, CONNECTED TRANSACTION, EXCEPTIONAL MOVEMENTS IN SHARE PRICE AND TURNOVER, AND RESUMPTION OF TRADING

Lead Placing Manager



Co-Lead Placing Manager



On 18 June 2008, the Company entered into the conditional Placing Agreement with the Lead Placing Manager and Co-Lead Placing Manager for the Placing of up to an aggregate of 155,000,000 new Shares to independent Placees at the Placing Price of HK\$1.88 per Placing Share. As at the date of this announcement, the Lead Placing Manager and the Co-Lead Placing Manager have procured five Placees to conditionally subscribe for a total of 155,000,000 new Shares.

The Placing Shares will be allotted and issued to the five Placee(s) and represent, in aggregate, (i) approximately 39.35% of the existing issued share capital of the Company; and (ii) approximately 28.24% of the issued share capital of the Company as enlarged by the Placing.

The Placing Price of HK\$1.88 per Placing Share represents (i) a discount of approximately 2.59% to the average closing price of approximately HK\$1.93 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including 16 June 2008, being the last trading day immediately before the date of this announcement; and (ii) a discount of approximately 17.90% to the closing price of HK\$2.29 per Share as quoted on the Stock Exchange on 16 June 2008, being the last trading day immediately before the date of this announcement.

The gross proceeds of the Placing will amount to approximately HK\$291.4 million, and the corresponding net proceeds receivable by the Company are estimated to be approximately HK\$286.0 million after deducting the placing commission and all estimated costs, fees and expenses to be borne by the Company. It is presently expected that the net proceeds will be applied towards: (i) approximately HK\$109.2 million for the repayment of Shareholder's loan from Spring Capital Resources Limited; (ii) approximately HK\$40 million for the possible acquisition of companies/businesses in the oil and equipment sector; (iii) approximately HK\$53 million for the construction of a new production plant in Qingdao; and (iv) the rest for general working capital. As at the date of this announcement, no acquisition targets have yet been identified by the Company.

As one of the Placees, Keywise Fund, holding 10.53% of the existing shareholding of the Company, is a substantial Shareholder as at the date of this announcement and will subscribe for 10,000,000 Placing Shares at a consideration of about HK\$18,800,000 based on the Placing Price of HK\$1.88 per Placing Share, the Keywise Subscription constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules, and as the relevant percentage ratios (as defined in the GEM Listing Rules) and the consideration in respect of the Keywise Subscription are greater than 2.5% and HK\$10,000,000 respectively, the exemptions provided under Chapter 20 of the GEM Listing Rules do not apply to such subscription, it is therefore subject to the reporting, announcement and independent shareholders' approval requirements under Rule 20.17 of the GEM Listing Rules.

The EGM will be convened to consider and, if deemed appropriate, approve the Placing including the Keywise Subscription under specific mandate. A circular containing particulars of the Placing including the Keywise Subscription under specific mandate, a letter of recommendation from the independent board committee to the Independent Shareholders, a letter of advice by an independent financial adviser to the independent board committee and the Independent Shareholders and a notice of the EGM to approve the Placing including the Keywise Subscription under specific mandate will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

The Board noted the increases in share price and trading volume of the Shares in the morning of 16 June 2008 and wishes to state that the Board is not aware of any reasons for such exceptional movements in the share price and trading volume save for the matters disclosed in this announcement.

At the request of the Company, trading of the Shares has been suspended on GEM from 10:56 a.m. on 16 June 2008 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading of the Shares on the Stock Exchange with effect from 9:30 a.m. on 20 June 2008.

THE PLACING AGREEMENT

Date	:	18 June 2008
Issuer	:	The Company
Lead Placing Manager	:	CCB International Capital Limited (an Independent Third Party)
Co-Lead Placing Manger	:	Platinum Securities Company Limited (an Independent Third Party)

Placees

The identity of the Placees, and the number of the Placing Shares which they will subscribe under the Placing, are as follow:

Name of Placees	Number of Placing Shares to be subscribed	% of Placing Shares
Sharp Vision Holdings Limited	50,000,000	32.26%
Windmere International Limited	50,000,000	32.26%
I.I.H.C. Industrial Investments Limited	35,000,000	22.58%
Roxy Link Limited	10,000,000	6.45%
Keywise Fund	10,000,000	6.45%
Total	155,000,000	100%

Sharp Vision Holdings Limited is a company incorporated in Hong Kong. Its ultimate beneficial owner is CIMC, which is a joint stock company established in the PRC with limited liability. Its A shares and B shares are listed and traded on the Shenzhen Stock Exchange and it is one of the world leading container manufacturers. CIMC is principally engaged in the manufacturing and sale of modern traffic and transport equipment such as containers, modern road transport vehicles and airport ground equipment.

Windmere International Limited is a company registered in the British Virgin Islands and is wholly owned by Mr. Brian Chang. Mr. Brian Chang is an existing Shareholder by virtue of his beneficial shareholding in Asian Infrastructure Limited, which is wholly-owned by him.

I.I.H.C. Industrial Investments Limited is a private holding company incorporated in Nicosia, Cyprus. I.I.H.C. Industrial Investments Limited controls Friede & Goldman Group, which is principally engaged in the design of mobile offshore drilling and production units. As at the date of this announcement, the Company holds about 7% equity interest in Friede & Goldman Group and is an authorized agent of Friede & Goldman Group in China. I.I.H.C. Industrial Investments Limited is beneficially owned by Mr. Kakha Bendukidze, who is the founder and former chief executive officer and shareholder of United Heavy Machinery Uralmash-Izhora Group, a company which is listed on the London Stock Exchange. I.I.H.C. Industrial Investments Limited is an existing Shareholder holding 967,000 Shares, representing approximately 0.25% of the existing shareholding of the Company.

Roxy Link Limited is a company incorporated in the British Virgin Islands and is an existing Shareholder holding 22,000,000 Shares, representing approximately 5.59% of existing shareholding of the Company. Its ultimate beneficial owner is Enerchina Holdings Limited, which is incorporated in Bermuda and is listed on the main board of the Stock Exchange. Enerchina Holdings Limited is an investment holding company and its subsidiaries are principally engaged in power generation business in the PRC.

Keywise Fund is an investment fund registered in the Cayman Islands and is managed by Keywise Capital Management (HK) Limited, a company incorporated in Hong Kong. Keywise Fund is an existing substantial Shareholder as at the date of this announcement.

Other than Mr. Brian Chang, who will be regarded as a substantial Shareholder after the Placing by virtue of his beneficial shareholding in his wholly-owned companies, namely, Asian Infrastructure Limited and Windmere International Limited, no other Placee(s) will become a substantial Shareholder (as defined in the GEM Listing Rules) as a result of the Placing.

Save as disclosed above, the Placees and, if applicable, their respective ultimate beneficial owners, are Independent Third Parties and there is no relationship among the Placees and their ultimate beneficial owners. To the best knowledge of the Board and having made all reasonable enquiries, the Placees are not parties acting in concert among themselves; and save as disclosed in this announcement, the Placees and the existing Shareholders are not parties acting in concert.

Placing Shares

Subject to the terms and conditions of the Placing Agreement, the Placing Shares will be allotted and issued to the Placees and represent, in aggregate, (i) approximately 39.35% of the existing issued share capital of the Company; and (ii) approximately 28.24% of the issued share capital of the Company as enlarged by the allotment and issue of 155,000,000 Placing Shares under the Placing (assuming that 155,000,000 Placing Shares are placed). No single concert party will hold more than 30% shareholding in the Company following the completion of the Placing

The Placing Shares will rank pari passu in all respects with the Shares in issue at the date of allotment and issue and in particular will rank in full for all dividends and other distributions declared made or paid at any time after the date of completion of the Placing. There is no restriction on subsequent sale of the Placing Shares upon completion of the Placing.

Placing Price

The Placing Price of HK\$1.88 per Placing Share represents (i) a discount of approximately 2.59% to the average closing price of approximately HK\$1.93 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including 16 June 2008, being the last trading day immediately before the date of this announcement; and (ii) a discount of approximately 17.90% to the closing price of HK\$2.29 per Share as quoted on the Stock Exchange on 16 June 2008, being the last trading day immediately before the date of this announcement.

The Placing Price was arrived at after arm's length negotiations between the Company, the Lead Placing Manager and the Co-Lead Placing Manager. In determining the Placing Price, the Company has taken into consideration of various factors, including: (i) the need to reduce the gearing of the Group following the recent acquisition of GME; (ii) the need to increase production capacity to undertake any new potential influx of orders; and (iii) to prepare for any acquisition opportunities arising from the ongoing upheaval in the oil and gas industry and opportunities created by the recent surge in global oil price.

On the basis set out above and taking into account that the Placing will be subject to the approval from the Shareholders at the EGM, the Board, other than the independent non-executive Directors, considers that despite the dilution effect of the Placing, the Placing Price and the terms and conditions of the Placing Agreement are normal commercial terms that are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Placing commission

The Company will pay the Lead Placing Manager and Co-Lead Placing Manager a placing commission of 1.5% of the amount equal to the Placing Price multiplied by the number of Placing Shares placed by the Lead Placing Manager and Co-Lead Placing Manager.

Specific mandate to issue the Placing Shares

The Placing Shares will be allotted and issued pursuant to the specific mandate sought to be granted to the Directors at the EGM. Under the general mandate granted by the Shareholders to the Board and the resolution of the Shareholders passed in the annual general meeting held on 22 April 2008, the Company was authorized to allot, issue or otherwise to deal with up to 78,781,600 new Shares. As at the date of this announcement, the Company has not issued any new Shares pursuant to such general mandate.

Conditions of the Placing

The Placing is conditional upon the fulfillment of each of the following conditions from time to time by 31 July 2008 or such other date as the parties thereto may agree:

- (1) the passing by the Shareholders in a general meeting of an ordinary resolution approving the Placing Agreement and the transactions thereby contemplated and the granting of the specific mandate to the Directors for the allotment and issue of the Placing Shares pursuant to the Placing in accordance with the GEM Listing Rules; and
- (2) the written confirmation issued by the GEM Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Placing Shares having been obtained.

The Company shall use its reasonable endeavours to procure the satisfaction of the above conditions by 31 July 2008 (or such other date as the parties thereto may agree), but if the conditions shall not be so satisfied, the obligations of the Lead Placing Manager and the Co-Lead Placing Manager thereunder shall cease and terminate and none of the parties shall have any claim against the other in relation thereto.

Completion of the Placing

Completion of the Placing will take place at 4:00 p.m. at the offices of the Lead Placing Manager from time to time but not later than the fourth Business Days immediately after the date of fulfillment of conditions set out above or such other date as the Company and the Lead Placing Manager and Co-Lead Placing Manager may agree in writing.

Application for listing

Application will be made by the Company to the GEM Listing Committee for the approval for the listing of, and permission to deal in, the Placing Shares successfully placed by the Lead Placing Manager and Co-Lead Placing Manager.

Other terms of the Placing Agreement

The Company undertakes to ensure that, save as disclosed in this announcement, none of its connected persons shall purchase any of the Placing Shares under the Placing and the Placees will be Independent Third Parties.

The Company also undertakes to the Lead Placing Manager and Co-Lead Placing Manager that it will not, before the completion of the Placing, except for Shares to be issued pursuant to the terms of any employee share option scheme of the Company (and in such case the Company shall notify the Lead Placing Manager and Co-Lead Placing Manager in writing immediately upon receipt of any notice of exercise in relation thereto), (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares; or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, without first having obtained the written consent of the Lead Placing Manager and Co-Lead Placing Manager.

The Lead Placing Manager and Co-Lead Placing Manager shall have the right (but not obligation) exercisable at any time by notice in writing to the Company to terminate the Placing Agreement if, among other things, (i) any of the Placing Shares are not delivered by or on behalf of the Company in accordance with the Placing Agreement; or (ii) the Lead Placing Manager or Co-Lead Placing Manager has only successfully placed part of (but not all) the 155,000,000 Placing Shares pursuant to the Placing Agreement before 31 July 2008 or such other date as the parties thereto may agree.

Reasons for the Placing

The Board considers that the Placing represents an opportunity to raise capital for the Group while broadening its Shareholders and capital base. The Directors consider it is necessary to raise funds to reduce the gearing of the Company following the recent acquisition of GME, and also increase production capacity to undertake any new potential influx of orders. The Directors also believe that the Company should raise funds to prepare for any acquisition opportunities brought about by the ongoing upheaval in the oil and gas industries, as well as the opportunities created by the recent surge in global oil price.

The Board has also considered various ways of financing and consider that the Placing is an appropriate fund raising exercise as (i) in comparison with debt financing exercises, the Placing will not increase the gearing ratio and indebtedness of the Group; and (ii) in comparison with other equity financing exercises, such as rights issue and open offer, the Placing will broaden not only the capital base of the Company but also the Shareholder base.

On the basis set out above and taking into account that the Placing will be subject to the approval from the Shareholders at the EGM, the Board, other than the independent non-executive Directors, considers that despite the dilution effect of the Placing, the Placing Price and the terms and conditions of the Placing Agreement are normal commercial terms that are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Use of proceeds

The gross proceeds of the Placing will amount to approximately HK\$291.4 million, and the corresponding net proceeds receivable by the Company are estimated to be approximately HK\$286.0 million after deducting the placing commission and all estimated costs, fees and expenses to be borne by the Company. It is presently expected that the net proceeds will be applied towards: (i) approximately HK\$109.2 million for the repayment of Shareholder's loan from Spring Capital Resources Limited; (ii) approximately HK\$40 million for the possible acquisition of companies/businesses in the oil and gas equipment sector; (iii) approximately HK\$53 million for the construction of a new production plant in Qingdao; and (iv) the rest for general working capital. As at the date of this announcement, no acquisition targets have yet been identified by the Company.

The Directors consider that the Placing Agreement is entered into under normal commercial terms following arm's length negotiations between the Company, the Lead Placing Manager and Co-Lead Placing Manager and that the terms of the Placing Agreement are fair and reasonable so far as the interests of the Company and the Shareholders as a whole are concerned.

FUND RAISING EXERCISE BY THE COMPANY IN THE PAST TWELVE MONTHS

The following fund raising activity has been carried out by the Company in the twelve months immediately prior to the date of this announcement:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
25 July 2007	Top up placing of new Shares	Approximately HK\$300 million	HK\$270 million for future acquisitions of and investments in companies and/or businesses which have synergies with the Company's existing business, and HK\$30 million for general working capital	Approximately HK\$253.4 million has been used towards the acquisition and capital injection of our UK, USA and PRC subsidiaries and a further HK\$46.6 million was used as general working capital

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The effects on the shareholding structure of the Company as a result of the Placing are as follows:

	As at the date of this announcement and before the allotment and issue of the Placing Shares		Immediately after the completion of the Placing and the allotment and issue of 155,000,000 Placing Shares	
	No. of Shares	Approximate Percentage	No. of Shares	Approximate Percentage
Global Energy Investors, LLC (Note 1)	136,871,200	34.75%	136,871,200	24.94%
Mr. Zhang Menggui in his personal capacity (Note 2)	864,000	0.22%	864,000	0.16%
Mr. Jiang Binghua in his personal capacity (Note 3)	864,000	0.22%	864,000	0.16%
<i>Subtotal (Note 1):</i>	<i>138,599,200</i>	<i>35.19%</i>	<i>138,599,200</i>	<i>25.26%</i>
YRS Investments Limited (Note 4)	42,800,000	10.87%	42,800,000	7.80%
Mr. Brian Chang (Note 4)	16,072,800	4.08%	66,072,800	12.03%
<i>Subtotal (Note 4):</i>	<i>58,872,800</i>	<i>14.95%</i>	<i>108,872,800</i>	<i>19.83%</i>
Osbeck Investments Limited (Note 6)	16,228,800	4.12%	16,228,800	2.96%
Mr. Zhang Hongru in his personal capacity (Note 7)	4,690,800	1.19%	4,690,800	0.85%
<i>Subtotal (Note 6):</i>	<i>20,919,600</i>	<i>5.31%</i>	<i>20,919,600</i>	<i>3.81%</i>
Keywise Fund (Note 5)	41,488,000	10.53%	–	–
Mr. Chen Yunqiang in his personal capacity (Note 8)	1,123,200	0.28%	1,123,200	0.20%
Public				
Sharp Vision Holdings Limited	–	–	50,000,000	9.11%
I.I.H.C. Industrial Investments Limited	967,000	0.24%	35,967,000	6.55%
Roxy Link Limited	22,000,000	5.59%	32,000,000	5.83%
Keywise Fund (Note 5)	–	–	51,488,000	9.38%
Other public Shareholders	109,938,204	27.91%	109,938,204	20.03%
<i>Subtotal:</i>	<i>132,905,204</i>	<i>33.74%</i>	<i>279,393,204</i>	<i>50.90%</i>
Total	393,908,004	100.00%	548,908,004	100.00%

Notes:

1. Global Energy Investors, LLC is the beneficial owner of 136,871,200 Shares. The entire issued share capital of Global Energy Investors, LLC is beneficially owned as to 50% each by Mr. Zhang Menggui and Mr. Jiang Binghua, both are executive Directors. Global Energy Investors, LLC, Mr. Zhang Menggui and Mr. Jiang Binghua are parties acting in concert together holding a total shareholding interest of 35.19% and 25.26% of the Company immediately before and after the Placing respectively.
2. Mr. Zhang Menggui is the beneficial owner of 864,000 Shares, and is deemed to be interested in the 136,871,200 Shares beneficially owned by Global Energy Investors, LLC.
3. Mr. Jiang Binghua is the beneficial owner of 864,000 Shares, and is deemed to be interested in the 136,871,200 Shares beneficially owned by Global Energy Investors, LLC.
4. YRS Investments Limited (“YRSI”) is owned as to 100% by Yantai Raffles Shipyard Limited (“YRS”), a company incorporated in Singapore and whose shares are traded on the Oslo Over-the-Counter. As such, YRS is deemed to be interested in 42,800,000 Shares held by YRSI. As YRS is owned as to approximately 45% by Mr. Brian Chang and his associates (as defined by the GEM Listing Rules), YRSI and Mr. Brian Chang are presumed to be parties acting in concert under the Takeovers Code, together holding a total shareholding interest of 14.95% and 19.83% of the Company immediately before and after the Placing respectively. Mr. Brian Chang also owns 100% interest in Asian Infrastructure Limited (“AIL”) and Windmere International Limited (“WIL”). AIL is the beneficial owner of 16,072,800 Shares. WIL has applied for the subscription of 50,000,000 Placing Shares under the Placing. Mr. Brian Chang has entered into an agreement on 13 March 2008 to sell approximately 81.8 million shares in YRS, representing approximately 29.9% of YRS’s issued share capital, to CIMC. The agreement is conditional, inter alia, upon CIMC obtaining necessary PRC governmental approvals. Upon completion of such agreement, Mr. Brian Chang will retain a total interest (direct and indirect) in YRS of approximately 39.0 million shares representing approximately 14.3% of YRS’s issued share capital.
5. Keywise Fund is an investment fund registered in the Cayman Islands and is managed by Keywise Capital Management (HK) Limited, a company incorporated in Hong Kong. Keywise Fund has applied for the subscription of 10,000,000 Placing Shares under the Placing. Keywise Fund will cease to be a substantial Shareholder immediately after the completion of the Placing.
6. Osbeck Investments Limited is the beneficial owner of 16,228,800 Shares. The entire issued share capital of Osbeck Investments Limited is beneficially owned by Mr. Zhang Hongru, an executive Director. Osbeck Investments Limited and Mr. Zhang Hongru are parties acting in concert together holding a total shareholding interest of 5.31% and 3.81% of the Company immediately before and after the Placing respectively.
7. Mr. Zhang Hongru is the beneficial owner of 4,690,800 Shares, and is deemed to be interested in the 16,228,800 Shares beneficially owned by Osbeck Investments Limited.
8. Mr. Chen Yunqiang is the beneficial owner of 1,123,200 Shares, an executive Director.

IMPLICATIONS UNDER THE LISTING RULES

As one of the Placees, Keywise Fund, holding 10.53% of the existing shareholding of the Company, is a substantial Shareholder as at the date of this announcement and will subscribe for 10,000,000 Placing Shares at a consideration of about HK\$18,800,000 based on the Placing Price of HK\$1.88 per Placing Share, the Keywise Subscription constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules, and as the relevant percentage ratios (as defined in the GEM Listing Rules) and the consideration in respect of the Keywise Subscription are greater than 2.5% and HK\$10,000,000 respectively, the exemptions provided under Chapter 20 of the GEM Listing Rules do not apply to such subscription, it is therefore subject to the reporting, announcement and independent shareholders' approval requirements under Rule 20.17 of the GEM Listing Rules. Pursuant to the GEM Listing Rules, Keywise Fund and its associates are required to abstain from voting at the EGM because of its interest in the Keywise Subscription.

As at the date of this announcement, YRSI holds 10.87% of the existing shareholding of the Company and is a connected person of the Company under Rule 20.11 of the GEM Listing Rules. In respect of Mr. Brian Chang, he holds 4.08% of the existing shareholding of the Company as at the date of this announcement. Notwithstanding that Mr. Brian Chang is presumed to be a party acting in concert with YRSI under the Takeovers Code due to the reasons that YRSI is wholly owned by YRS in which Mr. Brian Chang has 45% shareholding interest, the Board considers that Mr. Brian Chang is not a connected person of the Company as he is not an associate of YRSI under Rule 20.11 of the GEM Listing Rules.

INFORMATION OF THE GROUP

The Group is a product and service provider of onshore and offshore drilling rigs in oil and gas industries. It is principally engaged in the manufacture and sale of onshore and offshore drilling and handling equipment (such as drilling rig control systems, mud pumps and jacking control systems), oilfield supplies (including expendables and accessories for drilling rigs) and also the provision of turnkey solutions for offshore rigs and consultancy services to assist overseas oilfield equipment manufacturers and drilling rig engineering companies for the sales and marketing of their products and services in China and other countries.

GENERAL

The EGM will be convened to consider and, if deemed appropriate, approve the Placing including the Keywise Subscription under specific mandate. A circular containing particulars of the Placing including the Keywise Subscription under specific mandate, a letter of recommendation from the independent board committee to the Independent Shareholders, a letter of advice by an independent financial adviser to the independent board committee and the Independent Shareholders and a notice of the EGM to approve the Placing including the Keywise Subscription under specific mandate will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders (other than Keywise Fund, AIL and Roxy Link Limited and their respective associates) are deemed to have a material interest in the Placing and would therefore be required to abstain from voting at the EGM. In addition, as YRSI is presumed to be acting in concert with Mr. Brian Chang under the Takeovers Code, YRSI has agreed to abstain from voting at the EGM.

EXCEPTIONAL MOVEMENTS IN SHARE PRICE AND TURNOVER

The Board noted the increases in share price and trading volume of the Shares in the morning of 16 June 2008 and wishes to state that the Board is not aware of any reasons for such exceptional movements in the share price and trading volume save for the matters disclosed in this announcement.

The Board confirms that, save for the matters disclosed in this announcement, there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Chapters 19 and 20 of the GEM Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading of the Shares has been suspended on GEM from 10:56 a.m. on 16 June 2008 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading of the Shares on GEM with effect from 9:30 a.m. on 20 June 2008.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday or Sunday) on which licensed banks in Hong Kong are generally open for banking business
“China” or “PRC”	the People’s Republic of China
“CIMC”	China International Marine Containers (Group) Co., Ltd, a joint stock company established in the PRC with limited liability. Its A shares and B shares are listed and traded on the Shenzhen Stock Exchange
“Co-Lead Placing Manager”	Platinum Securities Company Limited, the co-lead placing manager under the Placing Agreement and a licensed corporation for Type 1 (Dealing in Securities) and Type 6 (Advising on Corporate Finance) of the regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Company”	TSC Offshore Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Directors”	directors of the Company
“EGM”	an extraordinary general meeting of the Company to be convened and held to approve, among other matters, the grant of the specific mandate to the Directors for the issue of the Placing Shares

“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing sub-committee appointed by GEM for considering applications for listing and the granting of listing
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“GME”	Global Marine Energy, Plc, a company incorporated in England & Wales with limited liability, a non wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	the Shareholders other than Keywise Fund, AIL, YRSI and Roxy Link Limited and their respective associates who have interests in the Placing and are required to abstain from voting at the EGM
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons of the Company in accordance with the GEM Listing Rules
“Keywise Fund”	Keywise Greater China Opportunities Master Fund, an investment fund registered in the Cayman Islands
“Keywise Subscription”	the subscription for the 10,000,000 Placing Shares by Keywise Fund
“Lead Placing Manager”	CCB International Capital Limited, the lead placing manager under the Placing Agreement and a licensed corporation for Type 1 (Dealing in Securities) and Type 6 (Advising on Corporate Finance) of the regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placee(s)”	any professional or institutional or individual investor(s) whom the Lead Placing Manager and Co-Lead Placing Manager has procured to purchase any of the Placing Shares pursuant to its obligation under the Placing Agreement
“Placing”	the placing of the Placing Shares by or on behalf of the Lead Placing Manager and Co-Lead Placing Manager on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agreement”	the agreement dated 18 June 2008 and entered into between the Company and the Lead Placing Manager and Co-Lead Placing Manager in respect of the Placing
“Placing Price”	the placing price of HK\$1.88 per Placing Share

“Placing Shares”	an aggregate of up to 155,000,000 new Shares to be allotted and issued by the Company under the Placing
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
TSC Offshore Group Limited
Jiang Binghua
Executive Chairman

Hong Kong, 19 June, 2008

As at the date of this announcement, the Board consists of Mr. Jiang Binghua, Mr. Zhang Menggui, Mr. Zhang Hongru and Mr. Chen Yunqiang being the executive Directors, Mr. Jiang Longsheng being the non-executive Director, Mr. Chan Ngai Sang, Kenny, Mr. Bian Junjiang and Mr. Guan Zhichuan, being the independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.tscoffshore.com.