



UPDATE ON ASL ENERGY PTE. LTD.

The Board of Directors of ASL Marine Holdings Ltd. (the "Company") is pleased to announce that the Company has been notified by its 50% jointly-controlled entity, ASL Energy Pte. Ltd. ("ASL Energy") of the following:-

A. INCORPORATION OF PT PAN ASSETS INDONESIA

Pan Assets International Limited ("PAIL"), a 50.2% owned subsidiary of ASL Energy had on 18 Aug 2004 registered a wholly-owned subsidiary, PT Pan Assets Indonesia ("PT PAI") in Indonesia with a registered capital of US\$500,000. The principal activities of PT PAI are in the mining of coal.

PAIL has injected cash of US\$500,000 towards the registered capital of PT PAI on 30 June 2005. Consequent to the cash injection, PT PAI became a wholly-owned subsidiary of PAIL with 5% interest held in trust by Dato' Low Tuck Kwong. The cash injection by PAIL is for PT PAI's working capital purposes and was funded by internal cash resources of PAIL.

B. NOVATION OF OPERATING AND MARKETING RIGHTS FOR MINING CONCESSION

PT PAI has, pursuant to a novation agreement signed with PT Fajar Sakti Prima ("FSP") on 1 February 2005, acquired the rights to conduct mining operation in and marketing of coal (the "Operating and Marketing Rights") for the mining concession (the "Concession") located at Tabang, East Kalimantan, Indonesia.

FSP is the holder of the Concession that was granted by the Indonesian government. Formerly, FSP had entered into a coal mining agreement with PT. Indonesia Pratama ("IP") pursuant to which FSP granted full authority to IP the Operating and Marketing Rights for the Concession. PAIL had, by way of a novation agreement dated 26 May 2004 entered into between PAIL, FSP and IP, acquired the Operating and Marketing Rights for the Concession. PT PAI is formed to undertake the Operating and Marketing Rights for the Concession from PAIL.

Pursuant to the novation of the Operating and Marketing Rights for the Concession to PT PAI, the following agreements have been entered into by PT PAI on 1 February 2005:-

- 1) A Mining Services Agreement with IP to provide mining services which includes extracting, delivering, processing and loading of the coal. The contracted term commences from 1 March 2005 to 30 June 2009 with an option to extend for a further 3 years.

2) Two Coal Sale & Purchase Contracts :

- i) one with PT. Bayan Resources to supply coal for their marketing and sales in Indonesia; and
- ii) one with Pan Assets Pte. Ltd. ("PAPL") to supply coal for their marketing and sales outside Indonesia.

The contracted period for the above contracts is from 1 February 2005 to 30 June 2009.

In conjunction with the Coal Sale & Purchase contract signed between PAPL and PT PAI, PAPL has signed a separate Coal Sale & Purchase Contract with Manhattan Energy Pte Ltd ("MEPL") for the sale of coal commencing from 1 February 2005 to 30 June 2009.

Other Salient Terms

The undertaking from Oriental Minerals Corporation ("OMC") to procure PAIL to sub-contract the mining and marketing of coal of the Concession up till 30 June 2009 and warranty to ASL Energy that the operating net cash inflow contained in the option agreement dated 26 May 2004 entered into by ASL Energy, OMC, PAIL, Manhattan Resources Limited ("Manhattan Resources") (as novated on 25 February 2005) and the Company, (the "Option Agreement") (disclosed in the Company's MASNET announcement dated 26 May 2004) remain valid.

C. OPTION AGREEMENT

The vendor, OMC, has extended an offer to amend the Option Agreement as follows:-

1. the option period during which ASL Energy, may exercise the option to purchase from OMC the remaining 49.8% of the entire issued and paid up share capital of PAIL shall be extended from 5.00 pm on 31 July 2005 to 5.00 pm on 31 December 2005; and
2. the portion of the exercise price to be contributed by Manhattan Resources as a shareholder of ASL Energy shall be paid by way of cash or an allotment and issue of new shares of Manhattan Resources to OMC.

Further announcement will be made when any definitive agreement which are material are entered into.

Financial effects on the Company

Save as for the Option Agreement that has yet to be exercised, the net tangible assets and earnings per share of the Company for the financial year ending 30 June 2006 are not expected to be affected by any of the above transactions.

Interests of the Directors and controlling shareholders

As far as the Directors of the Company are aware, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction other than through their shareholdings in the Company.

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman and Managing Director
1 August 2005