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REVIEW REPORT TO THE BOARD OF DIRECTORS OF

BH GLOBAL MARINE LIMITED

Introduction

We have reviewed the balance sheet of **BH Global Marine Limited** (the "Company") and its subsidiaries (the "Group") at 30 June 2008, and the related consolidated income statements and cash flow statements and statement of changes in equity of the Group and the Company for the half year from 1 January 2008 to 30 June 2008. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Singapore Financial Reporting Standards. Our responsibility is to express a conclusion on this interim financial information based on our review.

We were not engaged to review the income statements, cash flow statements and changes in equity for the financial quarters ended 30 June 2007 and 30 June 2008.

Scope of review

We conducted our review in accordance with the Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the above-stated interim financial information does not presented fairly, in all material respects, the financial position of the Company and Group as at 30 June 2008, and of the consolidated results and cash flows and changes in equity of the Group and the Company for the half-year period then ended in accordance with Singapore Financial Reporting Standards.

Emphasis of matter

Without qualifying our conclusion, we draw attention to Note 20(b) to the 2007 Annual Report and item 8-Trade Receivables of this Half-Year Announcement which referred to a certain corporate customer of a subsidiary of the Company, based in Singapore owing \$1,596,463 (net of allowance for doubtful receivable of \$157,581) to the subsidiary at 31 December 2007. Up to the date of our report, we noted that \$1,288,915 has been collected in respect of the amount owing as at 31 December 2007. At 30 June 2008, the amount due from the corporate customer was \$1,592,011 (net of allowance for doubtful receivable of \$188,014) of which more than 75% was current and not overdue.



REVIEW REPORT TO THE BOARD OF DIRECTORS OF

BH GLOBAL MARINE LIMITED (cont'd)

Emphasis of matter (cont'd)

In 2007, the corporate customer was sued by its banker for a substantial amount. In 2008, the bank served a statutory demand on the corporate customer for payment within 21 days from the date of demand. The corporate customer had in turn applied to the High Court for an injunction to restrain the bank from filing a winding up petition.

On 10 June 2008, the customer's parent company (which is a large and reputable company listed in Singapore) announced that the High Court had granted an injunction restraining the banker from filing a winding up application against the corporate customer. On 4 July 2008, the banker filed a Notice of Appeal appealing against the decision of the High Court. Hearing of the appeal is expected to be held either later this year or early next year.

Based on the above, the directors are of the view that the amount due from the corporate customer will be collectible in due course and that no further allowance for doubtful receivable is necessary as at 30 June 2008.

Baker Tilly TFWLCL
Public Accountants and
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17 July 2008