



For Immediate Release

Drydocks World Southeast Asia Yards Re-Open on Batam As Situation Returns to Normal

RELEASE: IMMEDIATE

Tuesday, April 27, 2010

Pertama and Nanindah, two of Drydocks World's three shipyards on Batam Island, Indonesia, re-opened for business as usual yesterday (April 26, 2010) after last week's incident at the company's third yard on the island, Graha.

Drydocks World – Southeast Asia (DDW-SEA) reported that more than 70% of shipyard staff were now at work and the company is expecting that Graha will resume operations this week.

The company confirmed that its preliminary investigation into the Graha incident showed the vast majority of Drydocks World's 1,919 directly employed workforce at Graha were not involved in the incident.

Denis Welch, Chief Executive Officer of DDW-SEA, today expressed his thanks to the DDW-SEA workforce at Batam for their restraint, calm and loyalty in the light of last week's regrettable incident.

He said the trouble appeared to be centred around sub-contract labour rather than DDW-SEA's own directly employed workforce. The company uses around 30 sub-

contractor companies at the three DDW-SEA Batam yards, which employ around 16,000 workers.

He added that the Indonesian authorities, with the full support of the Batam police, were treating the investigation into the events on April 22 as a criminal act.

The incident, which National Police Chief Gen. Bambang Hendarso Danuri labelled “spontaneous”, resulted in four workers being taken to hospital with minor injuries. Two workers have been discharged from hospital, one is pending discharge and one is detained in hospital in a stable condition.

DDW-SEA confirmed today that senior managers from the company’s parent group in Dubai had arrived in Batam to assist with the investigation and to ensure the Graha yard returned to normal working as quickly as possible.

Denis Welch added: “Since taking over the yards in 2008, we have enjoyed excellent relations between our multi-national, multi-ethnic workforce employed on Batam without a single formal complaint being lodged by any worker. This isolated incident mars that excellent track record and we will not allow it to be repeated.”

The group has in place a grievance and complaints procedure at all its yards and employees should use these procedures if they feel they are victims of racial slurs or any kind of ill treatment in the workplace.

Mr Welch also pointed out that one of Drydocks World’s key objectives on Batam was to increase the skill levels and overall number of locally recruited direct employees. When DDW-SEA took over the yards in 2008, the number of directly employed Indonesians stood at 1,400 and today that figure is 5,688.

DDW-SEA has a stated policy of increasing the percentage of directly employed workers at all three yards in Batam and has invested heavily in training facilities on the island to implement the policy. This has included opening a dedicated training centre to develop and upgrade the skills of directly employed yard workers.

“People in this region are experienced and pleased to work together regardless of race or colour. Shipbuilding and repair is an international industry and we must continue to work together in a united manner and atmosphere of mutual respect,” Mr Welch added.

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This media release is issued for and on behalf of Drydocks World

For further information, please contact:

Helix Media Pte Ltd

20 Maxwell Road
#10-05 Maxwell House
Singapore 069113
Tel: +65 6222 6375
Fax: +65 6222 6376
www.helixmedia.asia
www.admiraltyhelix.com

Edward Ion

Managing Partner
Mob: +65 9111 6871
Email: edward.ion@helixmedia.asia

Toby Ingram

Senior Consultant
Mob: +65 9176 4273
Email: toby.ingram@helixmedia.asia