



PRESS RELEASE



Yantai Raffles Acquires Sanlian Longkou Facility

Yantai, Shandong, China, 2nd November 2009 – Yantai Raffles Offshore Ltd, a subsidiary of Yantai Raffles Shipyard Limited, has entered into an agreement to purchase of 100% equity interest in Sanlian Longkou shipyard in Shandong, China for a cash consideration of RMB291Million. Completion of the acquisition is subject to required regulatory approvals. The shipyard, with existing land area of more than 400,000 sqm, will be built as one of the world’s largest Jackup fabrication yards.

Deputy Chairman Mr Brian Chang said “We are delighted to announce the acquisition of Sanlian Longkou. Through this purchase we can expand our capacity, improve our efficiency and embark on delivering quality products to our customers at a competitive price and on time. Our long term plan is to become the number one supplier of Jackup drilling rigs in the world within the next 3-5 years.”

About Yantai Raffles Shipyard Limited

Yantai Raffles Shipyard Limited is the largest rig builder in China, with significant expertise and experience in the construction of various marine and offshore projects which include jack-up drilling rigs, semi-submersible drilling rigs, floating production storage and offloading vessels, heavy lift vessels, pipe lay vessels and other prototype vessels. Both innovative and scalable, Yantai Raffles is supported by a highly- skilled engineering force, cutting-edge facilities and superior technology. Shares of Yantai Raffles trade on the Oslo OTC system under the ticker symbol YRSL.NO.

Contact Information:

Business Development Department

Telephone: (+86) 535 680 1451 (Ext: 2035)

Fax: (+86) 535 682 8419

Email: ir@yantai-raffles.com

Please visit us at www.yantai-raffles.net

Forward Looking Statements

The announcement contains forward-looking statements that are not based on historical fact, including those identified by the use of forward-looking terminology such as statements containing the words “believes”, “will”, “estimates”, “continue”, “anticipates”, “intends”, “expects”, “should”, or the negatives thereof and words of similar import. All forward-looking statements involve risks and uncertainties, including, but not limited to, customer acceptance and market share gains, competition from companies that have greater financial resources; introduction of new products into the marketplace by competitors; successful product development; dependence on significant customers; the ability to recruit and retain quality employees as Yantai Raffles grows; and economic and political conditions globally. Actual results may differ materially from those discussed in, or implied by, the forward-looking statements. The forward-looking statements speak only as of the date of this release and Yantai Raffles assumes no duty to update them to reflect new, changing or unanticipated events or circumstances.