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STAR CRUISES LIMITED
(Continued into Bermuda with limited liability)
(Stock code 678)

**MAJOR TRANSACTION
IN RELATION TO
THE DISPOSAL OF TWO VESSELS**

Financial adviser



The Board is pleased to announce that on 23 April 2008, the following arrangements were entered into by the Group in respect of the disposal of the Vessels:

1. the Dream MOA was entered into between Louis and Marzio Shipholding as buyers and the Company and Ocean Dream (an indirect wholly-owned subsidiary of the Company) as sellers in relation to the disposal of Norwegian Dream at a purchase price of US\$218.0 million (approximately HK\$1,700.4 million). Upon the Dream Delivery, Norwegian Dream will be chartered back to Ocean Dream pursuant to the Dream Charter to complete her announced deployment; and
2. the Majesty MOA was entered into between Louis and Crew Navigation as buyers and the Company and Ocean Voyager (an indirect wholly-owned subsidiary of the Company) as sellers in relation to the disposal of Norwegian Majesty at a purchase price of US\$162.0 million (approximately HK\$1,263.6 million). Upon the Majesty Delivery, Norwegian Majesty will be chartered back to Ocean Voyager pursuant to the Majesty Charter to complete her announced deployment.

Since the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Transactions exceed 25% but less than 75%, the Transactions constitute a major transaction for the Company under the Listing Rules and are subject to the approval by the Shareholders. As far as the Directors are aware, no Shareholders and their respective associates have material interests in the Transactions and would be required under the Listing Rules to abstain from voting on the Transactions if a general meeting was to be convened to approve the same. Golden Hope and Joondalup, who hold approximately 47.42% and 7.36% respectively in the issued share capital of the Company as at the date of the Dream MOA and the Majesty MOA, and who have an aggregate interest of approximately 54.78%, have given written approval for the Transactions. Accordingly, the written approval from Golden Hope and Joondalup, who constitute a closely allied group of shareholders under Rule 14.45 of the Listing Rules, is accepted under Rule 14.44 of the Listing Rules in lieu of holding a general meeting of the Company to approve the Transactions.

A circular containing, among other things, further details of the Transactions will be dispatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 23 April 2008, the following arrangements were entered into by the Group in respect of the disposal of the Vessels:

1. the Dream MOA was entered into between Louis and Marzio Shipholding as buyers and the Company and Ocean Dream (an indirect wholly-owned subsidiary of the Company) as sellers in relation to the disposal of Norwegian Dream at a purchase price of US\$218.0 million (approximately HK\$1,700.4 million). Upon the Dream Delivery, Norwegian Dream will be chartered back to Ocean Dream pursuant to the Dream Charter to complete her announced deployment; and
2. the Majesty MOA was entered into between Louis and Crew Navigation as buyers and the Company and Ocean Voyager (an indirect wholly-owned subsidiary of the Company) as sellers in relation to the disposal of Norwegian Majesty at a purchase price of US\$162.0 million (approximately HK\$1,263.6 million). Upon the Majesty Delivery, Norwegian Majesty will be chartered back to Ocean Voyager pursuant to the Majesty Charter to complete her announced deployment.

Summarised below are the principal terms of the Dream MOA and the Majesty MOA, which are legally binding.

THE DREAM MOA

(i) Date

23 April 2008

(ii) Parties

- (a) Louis and Marzio Shipholding as buyers
- (b) the Company and Ocean Dream (an indirect wholly-owned subsidiary of the Company and currently the registered owner of Norwegian Dream) as sellers

(iii) Vessel to be disposed of

Approximately 51,000 gross tons Norwegian Dream built in 1992 and registered in Bahamas with 1,740 lower berths.

(iv) Disposal of Norwegian Dream

Pursuant to the Dream MOA, the Company and Ocean Dream agreed to sell Norwegian Dream to Louis and Marzio Shipholding. The terms and conditions of the Dream MOA, including the consideration payable, were determined on an arm's length basis and on normal commercial terms and the payment terms and delivery date meet Ocean Dream's and the Group's requirements. The Board considers the terms and conditions of the Dream MOA to be fair and reasonable and the Dream MOA is in the interests of the Company and its Shareholders as a whole based on the experience of the Group in the operation of an international cruise business.

Completion of the disposal of Norwegian Dream is conditional upon fulfillment of certain conditions including:

- (a) signing of the Dream Charter by Ocean Dream as charterer and Marzio Shipholding as owner; and
- (b) approval by the Shareholders for the Dream MOA and the Dream Charter in accordance with the applicable requirements of the Listing Rules.

Subject to the satisfaction of the conditions specified in the Dream MOA (including those set out above), Norwegian Dream is expected to be ready for delivery within 14 weeks from the date of the Dream MOA subject to any alterations to the delivery date of Norwegian Dream in accordance with the terms of the Dream MOA.

(v) Consideration

The consideration receivable by the Company and Ocean Dream from Louis and Marzio Shipholding for the disposal of Norwegian Dream is US\$218.0 million (approximately HK\$1,700.4 million). The consideration was determined on a willing buyer and willing seller basis upon arm's length negotiation between the Company, Ocean Dream, Louis and Marzio Shipholding through an independent shipbroking agent. In arriving at the consideration, the Company and Ocean Dream have made reference to quotes and price indications on the vessel from a number of independent shipbroking agents.

(vi) Payment terms

Under the Dream MOA, the consideration will be payable in cash in full by Louis and Marzio Shipholding on delivery of Norwegian Dream.

(vii) Dream Charter

Pursuant to the Dream Charter, Norwegian Dream will be chartered back to Ocean Dream upon the Dream Delivery pursuant to the Dream MOA and will be re-delivered to Marzio Shipholding in November 2008. A charter hire fee of US\$60,000 (approximately HK\$468,000) per calendar day will be payable in cash not later than 30 days in advance. The basis of the charter hire fee is on certain percentage of the consideration and is consistent with similar transactions carried out by the Group in the past.

The Dream Charter is established to ensure the current booking and the planned schedule of Norwegian Dream can be met. This will facilitate the process of delivery which is in the interests of the Company and its Shareholders as a whole. The Dream Charter is not subject to any renewal upon expiry.

(viii) Dream Guarantee

The Company will provide the Dream Guarantee to secure the performance of the obligations of Ocean Dream under the Dream Charter provided that the Company's maximum aggregate liability under or in connection with the Dream Guarantee and the Dream MOA shall not exceed US\$12.5 million (approximately HK\$97.5 million).

THE MAJESTY MOA

(i) Date

23 April 2008

(ii) Parties

- (a) Louis and Crew Navigation as buyers
- (b) the Company and Ocean Voyager (an indirect wholly-owned subsidiary of the Company and currently the registered owner of Norwegian Majesty) as sellers

(iii) Vessel to be disposed of

Approximately 41,000 gross tons Norwegian Majesty built in 1992 and registered in Bahamas with 1,460 lower berths.

(iv) Disposal of Norwegian Majesty

Pursuant to the Majesty MOA, the Company and Ocean Voyager agreed to sell Norwegian Majesty to Louis and Crew Navigation. The terms and conditions of the Majesty MOA, including the consideration payable, were determined on an arm's length basis and on normal commercial terms and the payment terms and delivery date meet Ocean Voyager's and the Group's requirements. The Board considers the terms and conditions of the Majesty MOA to be fair and reasonable and the Majesty MOA is in the interests of the Company and its Shareholders as a whole based on the experience of the Group in the operation of an international cruise business.

Completion of the disposal of Norwegian Majesty is conditional upon fulfillment of certain conditions including:

- (a) signing of the Majesty Charter by Ocean Voyager as charterer and Crew Navigation as owner; and
- (b) approval by the Shareholders for the Majesty MOA and the Majesty Charter in accordance with the applicable requirements of the Listing Rules.

Subject to the satisfaction of the conditions specified in the Majesty MOA (including those set out above), Norwegian Majesty is expected to be ready for delivery within 14 weeks from the date of the Majesty MOA subject to any alterations to the delivery date of Norwegian Majesty in accordance with the terms of the Majesty MOA.

(v) Consideration

The consideration receivable by the Company and Ocean Voyager from Louis and Crew Navigation for the disposal of Norwegian Majesty is US\$162.0 million (approximately HK\$1,263.6 million). The consideration was determined on a willing buyer and willing seller basis upon arm's length negotiation between the Company, Ocean Voyager, Louis and Crew Navigation through an independent shipbroking agent. In arriving at the consideration, the Company and Ocean Voyager have made reference to quotes and price indications on the vessel from a number of independent shipbroking agents.

(vi) Payment terms

Under the Majesty MOA, the consideration will be payable in cash in full by Louis and Crew Navigation on delivery of Norwegian Majesty.

(vii) Majesty Charter

Pursuant to the Majesty Charter, Norwegian Majesty will be chartered back to Ocean Voyager upon the Majesty Delivery pursuant to the Majesty MOA and will be re-delivered to Crew Navigation in December 2009. A charter hire fee of US\$44,000 (approximately HK\$343,200) per calendar day will be payable in cash not later than 30 days in advance. The basis of the charter hire fee is on certain percentage of the consideration and is consistent with similar transactions carried out by the Group in the past.

The Majesty Charter is established to ensure the current booking and the planned schedule of Norwegian Majesty can be met. This will facilitate the process of delivery which is in the interests of the Company and its Shareholders as a whole. The Majesty Charter is not subject to renewal upon expiry.

(viii) Majesty Guarantee

The Company will provide the Majesty Guarantee to secure the performance of the obligations of Ocean Voyager under the Majesty Charter provided that the Company's maximum aggregate liability under or in connection with the Majesty Guarantee and the Majesty MOA shall not exceed US\$24.0 million (approximately HK\$187.2 million).

PROCEEDS OF AND REASONS FOR THE TRANSACTIONS

The Group expects to receive total gross proceeds of US\$380.0 million (approximately HK\$2,964.0 million) from the disposal of the Vessels. The Group intends to apply the proceeds from the disposal of the Vessels for the reduction of outstanding indebtedness of the Group, as general working capital and/or for funding new investment opportunities which the Group identifies and may commit from time to time.

The Directors are of the view that the Transactions are on normal commercial terms and consider that the terms of the Transactions are fair and reasonable and the Transactions will result in a disposal gain, which is in the interests of the Company and its Shareholders as a whole.

FINANCIAL EFFECTS OF THE TRANSACTIONS

The net book value of Norwegian Dream was approximately US\$201.0 million (approximately HK\$1,567.8 million) as at 31 December 2007. The net profits attributable to Norwegian Dream for the financial years ended 31 December 2006 and 31 December 2007 were approximately US\$7.4 million (approximately HK\$57.7 million) and US\$0.1 million (approximately HK\$0.8 million), respectively. There were no taxation or extraordinary items attributable to Norwegian Dream for the two said financial years. It is estimated that upon completion of the disposal of Norwegian Dream, the Group will record an estimated unaudited gain of approximately US\$17.3 million (approximately HK\$134.9 million).

The net book value of Norwegian Majesty was approximately US\$95.2 million (approximately HK\$742.6 million) as at 31 December 2007. The net profit / (loss) attributable to Norwegian Majesty for the financial years ended 31 December 2006 and 31 December 2007 were approximately US\$1.5 million (approximately HK\$11.7 million) and US\$(2.5) million (approximately HK\$(19.5) million), respectively. There were no taxation or extraordinary items attributable to Norwegian Majesty for the two said financial years. It is estimated that upon completion of the disposal of Norwegian Majesty, the Group will record an estimated unaudited gain of approximately US\$66.3 million (approximately HK\$517.1 million).

Upon completion of the disposal of the Vessels, the Group's property, plant and equipment will decrease by the carrying value of the Vessels in the Group's financial statements. Current and long-term liabilities will decrease by the amount of outstanding indebtedness to be repaid and the current assets will increase by the remaining amount of net sales proceeds received from the disposal of the Vessels. The simultaneous transaction to charter the Vessels back will be classified as operating lease with the charter hire payments to be accounted for as operating lease expenses during the charter period, in accordance with Hong Kong Accounting Standard No. 17 "Leases".

INFORMATION ON LOUIS, MARZIO SHIPHOLDING AND CREW NAVIGATION

Marzio Shipholding and Crew Navigation are special purpose vehicles established and wholly-owned by Louis for the purpose of acquiring Norwegian Dream and Norwegian Majesty respectively. Louis together with its subsidiaries are principally involved in the business of operating cruise ships and resort hotels in the Eastern Mediterranean region. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Louis, Marzio Shipholding and Crew Navigation and their ultimate beneficial owners are Independent Third Parties.

INFORMATION ON THE GROUP

The principal activity of the Company is investment holding. The Company's subsidiaries are principally engaged in the business of cruise and cruise related operations. The Group together with its jointly controlled entities currently has a combined fleet of 20 vessels with over 32,000 lower berths in service and an additional 2 vessels with some 8,400 lower berths due to be delivered by 2010.

GENERAL

Since the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Transactions exceed 25% but less than 75%, the Transactions constitute a major transaction for the Company under the Listing Rules and are subject to the approval by the Shareholders. As far as the Directors are aware, no Shareholders and their respective associates have material interests in the Transactions and would be required under the Listing Rules to abstain from voting on the Transactions if a general meeting was to be convened to approve the same. Golden Hope and Joondalup, who hold 3,521,827,344 and 546,628,908 Shares respectively, represents approximately 47.42% and 7.36% respectively in the issued share capital of the Company as at the date of the Dream MOA and the Majesty MOA, and who have an aggregate interest of approximately 54.78%, have given written approval for the Transactions. Joondalup is a company wholly-owned by Tan Sri Lim Kok Thay, the Chairman and Chief Executive Officer of the Company and Golden Hope is acting as the trustee of the Golden Hope Unit Trust, a private unit trust which is held directly and/or indirectly by GZ Trust Corporation of a discretionary trust established for the benefit of certain family members of the late Tan Sri Lim Goh Tong, the father of Tan Sri Lim Kok Thay. Accordingly, the written approval from Golden Hope and Joondalup, who constitute a closely allied group of shareholders under Rule 14.45 of the Listing Rules, is accepted under Rule 14.44 of the Listing Rules in lieu of holding a general meeting of the Company to approve the Transactions.

A circular containing, among other things, further details of the Transactions will be dispatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

DEFINITIONS

Unless the context otherwise require, the following expressions have the following meanings in this announcement:

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| “associates” | has the same meaning as defined in the Listing Rules |
| “Banking Days” | days on which banks are open in London, the Bahamas, New York and Singapore |
| “Board” | the board of directors of the Company |
| “Company” | STAR CRUISES LIMITED, an exempted company continued into Bermuda with limited liability having its Shares listed on the main board of the Stock Exchange and traded on the Central Limit Order Book International of the Singapore Exchange Securities Trading Limited |
| “Crew Navigation” | Crew Navigation Limited, a limited liability company incorporated in the Marshall Islands and an indirect wholly-owned subsidiary of Louis joining with Louis as the buyers of Norwegian Majesty |
| “Director(s)” | the director(s) of the Company |
| “Dream Charter” | the bareboat charter dated 23 April 2008 entered into between Ocean Dream and Marzio Shipholding pursuant to which Norwegian Dream will be chartered back to Ocean Dream upon the Dream Delivery |
| “Dream Delivery” | Norwegian Dream will be delivered to Marzio Shipholding within 14 weeks from the date of the Dream MOA pursuant to the Dream MOA |
| “Dream Guarantee” | the guarantee to be provided by the Company to secure the performance of the obligations of Ocean Dream under the Dream Charter |

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| “Dream MOA” | the memorandum of agreement dated 23 April 2008 entered into between Louis and Marzio Shipholding as buyers and the Company and Ocean Dream as sellers in respect of the disposal of Norwegian Dream |
| “Golden Hope” | Golden Hope Limited, a company incorporated in the Isle of Man with limited liability and a substantial Shareholder of the Company holding 3,521,827,344 Shares (representing approximately 47.42% of the Company’s issued share capital as at the date of the Dream MOA and the Majesty MOA) in its capacity as trustee of the Golden Hope Unit Trust (a private unit trust which is held directly and indirectly by GZ Trust Corporation as trustee of a discretionary trust established for the benefit of certain family members of the late Tan Sri Lim Goh Tong, the father of Tan Sri Lim Kok Thay, the Chairman and Chief Executive Officer 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 Third Party(ies)” | third party(ies) independent of and not connected with the Company, its subsidiaries, the directors, chief executives and substantial shareholders of the Company or its subsidiaries or their respective associates or any of them |
| “Joondalup” | Joondalup Limited, a company incorporated in the Isle of Man with limited liability and a substantial Shareholder of the Company holding 546,628,908 Shares (representing approximately 7.36% of the Company’s issued share capital as at the date of the Dream MOA and the Majesty MOA) and wholly-owned by Tan Sri Lim Kok Thay |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |

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| “Louis” | Louis plc, a limited liability company incorporated in Cyprus and listed in the Cyprus Stock Exchange. Louis is the ultimate holding company of Marzio Shipholding and Crew Navigation and is a leading leisure group in the Eastern Mediterranean region and an operator of 13 cruise ships and 22 resort hotels |
| “Majesty Charter” | the bareboat charter dated 23 April 2008 entered into between Ocean Voyager and Crew Navigation pursuant to which Norwegian Majesty will be chartered back to Ocean Voyager upon the Majesty Delivery |
| “Majesty Delivery” | Norwegian Majesty will be delivered to Crew Navigation within 14 weeks from the date of the Majesty MOA pursuant to the Majesty MOA |
| “Majesty Guarantee” | the guarantee to be provided by the Company to secure the performance of the obligations of Ocean Voyager under the Majesty Charter |
| “Majesty MOA” | the memorandum of agreement dated 23 April 2008 entered into between Louis and Crew Navigation as buyers and the Company and Ocean Voyager as sellers in respect of the disposal of Norwegian Majesty |
| “Marzio Shipholding” | Marzio Shipholding Corp., a limited liability company incorporated in the Marshall Islands and an indirect wholly-owned subsidiary of Louis joining with Louis as the buyers of Norwegian Dream |
| “Norwegian Dream” | the vessel of approximately 51,000 gross tons built in 1992 and registered in Bahamas |
| “Norwegian Majesty” | the vessel of approximately 41,000 gross tons built in 1992 and registered in Bahamas |
| “Ocean Dream” | Ocean Dream Limited, a company incorporated in Bermuda and an indirect wholly-owned subsidiary of the Company, which currently owns Norwegian Dream |

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| “Ocean Voyager” | Ocean Voyager Limited, a company incorporated in Bermuda and an indirect wholly-owned subsidiary of the Company, which currently owns Norwegian Majesty |
| “Shares(s)” | ordinary share(s) with par value of US\$0.10 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Transactions” | the transactions in relation to the disposal of the Vessels as contemplated under the Dream MOA and the Majesty MOA respectively |
| “Vessels” | Norwegian Dream and Norwegian Majesty, and “Vessel” shall mean Norwegian Dream or Norwegian Majesty as the context may require |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “US\$” | United States dollars, the lawful currency of United States of America |
| “%” | Per cent. |

By order of the Board of
STAR CRUISES LIMITED
Louisa Tam Suet Lin
Company Secretary

Hong Kong, 23 April 2008

As at the date of this announcement, the Board comprises four Executive Directors, namely Tan Sri Lim Kok Thay, Mr. Chong Chee Tut, Mr. William Ng Ko Seng and Mr. David Colin Sinclair Veitch and three Independent Non-executive Directors, namely Mr. Alan Howard Smith, Mr. Tan Boon Seng and Mr. Lim Lay Leng.

In this announcement, the Hong Kong dollar amounts have been translated from U.S. dollars at the rate of US\$1.00 to HK\$7.80. Such translations are for the convenience of the readers only. No representation is made that the U.S. dollar amounts have been, could have been or could be, converted into the Hong Kong dollars, or vice versa, at such rate or at any other rates on any relevant dates.