



Boustead Singapore Limited
(Co. Reg. No. 197501036K)

63 Ubi Avenue 1, #06-01
Boustead House
Singapore 408937

SALCON SECURES S\$10 MILLION CONTRACT FOR SEAWATER DESALINATION AND DEMINERALISATION PLANT FROM JGC

Singapore, 17 October 2003

The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that Salcon Limited ("Salcon"), a 63.46%-owned subsidiary of the Company, has been awarded a contract by JGC, Japan, to design, engineer and fabricate a seawater desalination and demineralisation plant for the Sohar Refinery Project in the Sultanate of Oman in the Middle East. The approximate value of the contract is S\$10 million, with delivery and commissioning of the plant expected in the fourth quarter of 2004. The project will be engineered in a modular form and shipped in skid-mounted packages to facilitate easy onsite installation.

The project comprises desalination and demineralisation. The 3 x 4,000 cubic metres per day desalination plant will be designed and fabricated using the latest and highest standards in reverse osmosis membrane technology, incorporating the latest energy recovery technology in high pressure feed pumps. To withstand the corrosive nature of seawater, high grade alloy materials will be used. The quality of the treated water is higher than WHO standard for potable use and is suitable for a majority of process water applications. In addition to the seawater desalination plant, Salcon will also supply a 2 x 245 cubic metres per hour demineralisation plant using reverse osmosis and the latest in ion exchange technology to achieve pure water quality.

Salcon was the only qualified vendor from Singapore invited to bid for this project, among a competitive field of highly qualified and reputable water treatment companies from various countries around the world. This award is the second desalination project secured by Salcon within a month and is another testimony of Salcon's superior technical capabilities and international reputation in the water treatment industry.

Incorporated in 1980, Salcon is an engineering group with a strong focus on water and environmental engineering. Salcon's strong track record in water and environmental engineering includes the successful completion of over 500 water treatment-related projects around the world for multinational customers in the oil & gas, petrochemical, power, agro and electronics industries. Salcon has a network of international offices in Singapore, Malaysia, Indonesia, Thailand, the Philippines, Vietnam, China and the United Kingdom.

The core engineering capabilities of Salcon closely complement the global engineering services provided by the Boustead Group. The addition of Salcon to the Boustead Group has enhanced, as well as broadened the overall engineering capabilities of the Group. With Salcon and the Boustead Group serving customers in similar industries, the Group is able to embark on the cross-selling of Salcon's engineering services to the Group's international network of existing customers.

The project is not expected to have a material impact on the consolidated net assets per share and earnings per share of the Group for the current financial year. None of the Directors or controlling shareholders of the Company has any interest, direct or indirect in the project.