

Company Announcement



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

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

BOUSTEAD INTERNATIONAL HEATERS COMPLETES TWO MAJOR CONTRACTS TOTALLING S\$9.35 MILLION FROM MW KELLOGG

Singapore, 3 June 2004

The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that the Company's UK-based subsidiary, Boustead International Heaters Limited ("BIH"), will begin delivery on two major contracts ("Contracts") from MW Kellogg, with an aggregate value of approximately US\$5.5 million (S\$9.35 million).

The Contracts, which were awarded in April 2003, involve the design, supply and installation of two hot oil heaters and three identical waste heat recovery turbine exhaust gas units for MW Kellogg at a BP/Sonatrach joint venture site in Algeria. Following the complete fabrication of the equipment recently, BIH has commenced split deliveries of the heaters and waste heat recovery units, with final project completion expected in June 2004.

Mr Wong Fong Fui, the Chairman and Group Chief Executive Officer of Boustead said, "These Contracts are a strong testimony of BIH's leadership in designing and building direct-fired process heaters for the oil, gas and petrochemical industries. BIH's vast expertise, experience and trusted reputation will continue to play a key role in securing contracts from many of the world's leading oil & gas companies."

Boustead is a progressive global Engineering Services and Geo-Spatial Technology Group. Engineering Services, which cater to a broad range of international customers with a focus on the oil, gas and petrochemical industries, comprise (1) Water & Environmental Engineering, (2) Heat Transfer & Combustion Engineering, (3) Power Generation & Distribution, (4) Design & Build of Industrial Facilities and (5) Process Controls & Instrumentation.

BIH, under Heat Transfer & Combustion Engineering, is a leading global specialist in the design and supply of direct-fired process heaters, waste heat recovery units and associated equipment to the oil, gas and petrochemical industries. Collectively, BIH's management team has over 250 years of experience with fired process heater systems.

Although approximately 70% of the revenue from the Contracts was recognised in FY2004 and 30% in FY2005, the Contracts are expected to have a material impact on the earnings per share of the Group for the current financial year ending 31 March 2005. However, the Contracts are not expected to have a material impact on net asset value per share for the current financial year.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above contracts.