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SALCON AWARDED S\$40 MILLION MUNICIPAL SEWAGE TREATMENT WORKS PROJECT IN LIBYA

Singapore, 22 June 2004 – Mainboard listed Boustead Singapore Limited (“Boustead”), a progressive global engineering services and geo-spatial technology group, today announced that its 63.46%-owned subsidiary, Salcon Limited (“Salcon”), has been awarded Phase II of the El Hadba Sewage Treatment Works (the “Project”) in Libya. Work on Phase II of the Project, valued at approximately £13 million (S\$40 million), is expected to commence in the second half of 2004 and is scheduled to complete within 18 months.

Revenue from Phase II of the Project will be recognised on a percentage completion basis. Phase II of the Project is expected to have a material impact on the earnings per share of the Group for the current financial year ending 31 March 2005.

Originally built in 1969, the El Hadba Sewage Treatment Works, located in Tripoli, the capital of Libya, is the largest municipal sewage treatment facility in the country. The treatment facility currently treats about 70% of the municipal sewage in the capital of 1.5 million people.

Salcon, a leading specialist in water & environmental engineering, successfully completed Phase I of the Project in July 2003. The Phase I works involved the upgrading of existing biological filters to treat up to 80,000 cubic metres per day of municipal sewage to a quality suitable for irrigation.

Under Phase II of the Project, Salcon will upgrade the existing biological aeration and anaerobic digestion system built in 1986 to treat up to a capacity of 385,000 cubic metres per day. The works will involve the process design, supply and installation of mechanical and electrical equipment. Upon completion, the combined phases of the sewage treatment works will be able to handle up to 465,000 cubic metres per day of wastewater from the city.

Mr Wong Fong Fui, the Group Chairman and Chief Executive Officer of Boustead said, “Salcon secured Phase II of the Project amidst competition from several leading water treatment companies from Europe, including the engineering company responsible for the construction of the original El Hadba Sewage Treatment Works. This success further underscores Salcon’s established track record and reputable expertise in water and wastewater treatment internationally.”

Salcon through its UK-based subsidiary has successfully completed more than 15 water and wastewater projects in Libya over the past 10 years, making it one of the most reliable and preferred water and wastewater solution companies in the country.

With the growing demand for municipal water and wastewater treatment in Libya, and the possible removal of US sanctions, Salcon is well positioned to secure more water and wastewater treatment projects in the country.

Mr Wong added, "Salcon's core capabilities in water & environmental engineering synergistically complement the global engineering services of the Boustead Group. Salcon's recent string of major projects in Libya and the Middle East confirm the Boustead Group's successful entry into the lucrative emerging international markets, including China, the Middle East, India, South America and Africa."

About Boustead Singapore Limited

Boustead Singapore Limited 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 Water & Environmental Engineering, Heat Transfer Engineering & Combustion Engineering, Power Generation & Distribution, Turnkey Design & Build of Industrial Facilities, Industrial & Agro-Industrial Engineering and Process Controls & Instrumentation. Geo-Spatial Technology is focused on providing geo-spatial solutions based on world-leading ESRI geographic information systems and LEICA/ERDAS mapping technologies to the public sector and private enterprises across the Asia Pacific.

About Salcon Limited

Incorporated in 1980, Salcon is an engineering group with a strong focus on water & environmental engineering. Salcon's strong track record in water & 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.