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SALCON SECURES FIVE INTERNATIONAL CONTRACTS TOTALLING S\$10 MILLION

Singapore, 26 August 2004

Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that the Company's subsidiary, Salcon Limited ("Salcon"), has secured a total of five international contracts with an aggregate value of approximately S\$10 million. Salcon has commenced work on the five contracts, with substantial completion expected within the current financial year ending 31 March 2005.

Details of the five contracts involving the design, engineering and construction of water and wastewater treatment plants are as outlined below:

- ▶ A project for water and wastewater treatment plants for use in upstream gas extraction and compression facilities for the Dolphin Energy Project in Qatar, contracted with EPC (Engineering, Procurement, Construction) contractor, JGC;
- ▶ A water treatment plant utilising cation and anion exchange, degasification and water polishing for a power plant in Japan, contracted with Hitachi Zosen;
- ▶ A water treatment plant utilising cation and anion exchange, and water polishing for a glucose plant in Indonesia;
- ▶ Phase 3 demineralisation system expansion for a water treatment plant in Thailand for Mitsui Engineering & Shipbuilding; and
- ▶ Phase 4 ultra-pure water treatment expansion for a water treatment plant in the Philippines for Hitachi Plant Engineering & Construction.

The last contract listed above from Hitachi Plant Engineering & Construction was awarded to Salcon following Salcon's excellent performance in the earlier phases of the project in the Philippines.

Deserving special mention is the contract to design and construct water and wastewater treatment plants for the high-profile Dolphin Energy Project in Ras Laffan, Qatar. Dolphin Energy Limited is 51%-owned by the Abu Dhabi Government, 24.5%-owned by Total France and 24.5%-owned by Occidental Petroleum Corporation USA. Valued at approximately S\$5 million, the contract was awarded to Salcon by a major EPC contractor, JGC, amid intense competition from several leading water treatment companies from Europe, the US and the Middle East.

The water treatment plant will comprise technology for condensate de-oiling at a maximum flow rate of 8,856 cubic metres per day and water polishing at a flow rate of 4,800 cubic metres per day. The wastewater treatment plant will treat non-salty oily

wastewater and sanitary waste, and will also perform wastewater rejuvenation for the recycling of wastewater.

The Dolphin Energy Project is not the first of its kind for Salcon, having previously built water and wastewater treatment plants for upstream gas extraction and compression facilities in South Pars, Iran. In addition, this contract follows an earlier October 2003 contract from JGC in which Salcon secured a S\$10 million project to design and construct a seawater desalination and demineralisation plant for the Sohar Refinery in the Sultanate of Oman.

The securing of five international contracts against strong global competition is confirmation of Salcon's trusted expertise and experience in the water and wastewater treatment industry. Salcon's projects for major EPC contractors such as JGC, Hitachi Zosen, Mitsui Engineering & Shipbuilding and Hitachi Plant Engineering & Construction further strengthens Salcon's position as the leading water and environmental engineering company in Asia, outside of Japan. The diverse geographical spread of projects in Qatar, Japan, Indonesia, Thailand and the Philippines marks Salcon's global market penetration and risk diversification policy. To date, Salcon has completed water and wastewater treatment projects in 45 countries.

Collectively, the above contracts are expected to have a positive material impact on the profitability and earnings per share of the Group for the current financial year ending 31 March 2005. However, they are not expected to have any material impact on the net asset value per share of the Company 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.