

Company Announcement



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

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SALCON SECURES S\$3.6 MILLION CONTRACT IN SUDAN

Singapore, 8 November 2004

Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that its 79.2%-owned subsidiary, Salcon Limited ("Salcon"), has secured a contract to design and construct a utility/portable water treatment plant and a produced water treatment plant for the Melut Basin Oil Development Project in Sudan. Valued at S\$3.6 million, the contract was awarded to Salcon's subsidiary, Salpro Sdn Bhd, by Petrodar Operating Company Limited ("Petrodar"). Petrodar is 40%-owned by Petroliaam Nasional Berhad (also known as Petronas), the national petroleum corporation of Malaysia.

The utility/portable water treatment plant will have a total flow rate of 2,220 cubic metres per day. It will consist of processes for pre-treatment, clarification, filtration and disinfection.

The produced water treatment plant will have a total flow rate of 1,920 cubic metres per day. When completed, this plant will be able to remove oil, oxygen, bacteria and particles from process water.

Salcon's participation in the Melut Basin Oil Development Project in Sudan marks an expansion into a growing economy. Sudan is fast emerging as a major exporter of oil in the global market and is expected to pump 600,000 barrels per day in the near future. In addition, the country was an observer at the last ministerial meeting of OPEC (Organisation of Petroleum Exporting Countries) and looks set to join OPEC in due time.

With the award of this contract, Salcon has further broadened its experience in providing water and wastewater treatment for upstream and downstream oil & gas processes. In August this year, Salcon clinched a S\$5 million contract from JGC to design and supply water and wastewater treatment plants for the high-profile Dolphin Energy Project in Ras Laffan, Qatar. Prior to that, Salcon clinched a S\$10 million contract to deliver a desalination and demineralisation plant for the Sohar Refinery Project in Oman in October 2003, and has also completed water and wastewater treatment plants for upstream gas extraction and compression facilities in South Pars, Iran.

Salcon continues to impress with its strong international track record. The latest contract in Sudan brings the total number of countries in which Salcon currently has ongoing projects or has completed projects, to 54 countries.

The above contract is not expected to have a material impact on the earnings per share and net asset value per share of the Company for the current financial year ending 31 March 2005.

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