

Company Announcement



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

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SUBSIDIARY BOUSTEAD INTERNATIONAL HEATERS SECURES CONTRACTS TOTALLING S\$13.5 MILLION FROM OIL & GAS SECTOR

Singapore, 10 October 2005

The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that the Company's 90%-owned UK-based subsidiary, Boustead International Heaters (BIH), has been awarded two contracts valued at S\$13.5 million from the oil & gas sector. The contracts are expected to be substantially completed within the current financial year ending 31 March 2006.

The new contracts include:

- ▶ A S\$6.2 million contract to design and supply three identical air heaters for a prestigious oil refinery project in Saudi Arabia; and
- ▶ A S\$7.3 million contract to design and supply two process heaters to a large oil refinery in Mexico.

The contract in Mexico marks another new market that BIH has successfully penetrated, bringing the total number of countries in which BIH has undertaken a project to 27. In July of this year, BIH secured its first contract in Canada. The successful completion of the Mexican and Canadian projects will strengthen BIH's market presence in Central and North America.

Mr Wong Fong Fui, Chairman & Group Chief Executive Officer of Boustead said, "The strong activity in upstream oil & gas exploration and extraction is increasing demand for downstream activities of processing and refining to satisfy rising end demand for petroleum products. The contracts that BIH has secured are sizeable and are a strong indicator of the buoyant demand for process heaters by large oil refinery projects in the Middle East and South America. Over the next 12 months, we expect to see more of such projects coming on stream, both for the construction of new refineries as well as the upgrading of existing refineries. I am optimistic that BIH is well-positioned to secure more business from the vibrant global oil & gas industry."

The above contracts are expected to have a positive material impact on the profitability and earnings per share of the Company for the current financial year ending 31 March 2006. However, the contracts are not expected to have a 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.