



Boustead Singapore Limited
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SUBSIDIARY SALCON AWARDED S\$25 MILLION PHASE II EXTENSION FOR BEDOK NEWATER FACTORY BY SINGAPORE'S PUBLIC UTILITIES BOARD

Singapore, 29 November 2006

Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that its wholly-owned subsidiary, Salcon Pte Ltd ("Salcon"), has been awarded a S\$25 million contract to design and construct the Phase II Extension for the Bedok NEWater Factory (the "Plant") by the Public Utilities Board ("PUB"), Singapore's national water agency.

Phase II Extension of the Plant will increase production capacity by 55,000 m³/day, bringing total capacity up to 87,000 m³/day. Upon completion in the second quarter of 2008, the Plant will be the largest NEWater Factory owned and operated by PUB.

The Plant will treat secondary effluent from Bedok Water Reclamation Plant and Changi Water Reclamation Plant to meet the stringent water quality requirements for NEWater. Salcon will apply the latest technological advancements for Phase II including pre-treatment utilising highly crystalline polyvinylidene fluoride micro-filtration membranes (the latest generation of membranes) followed by reverse osmosis employing the world's first commercial 16-inch reverse osmosis membranes which have been bench-tested in PUB over the last two years.

With the deployment of these innovative technologies, the Plant will produce product water of superb quality and operate at a much higher flux as compared to conventional 8-inch reverse osmosis membranes. Additionally, Phase II Extension will require a much smaller footprint than existing plants of similar capacity and provide greater cost economies and operational efficiency. The Plant utilises ultraviolet irradiation disinfection to ensure elimination of bacteria and viruses. Plant operations will be monitored and managed by the most advanced SCADA (supervisory control and data acquisition) system for enhanced efficiency, reliability and safety.

Mr Wong Fong Fui, Chairman and Group Chief Executive Officer of Boustead said, "We are delighted that Salcon has been awarded such a prestigious project by PUB. This project is a vote of confidence in Salcon's in-depth engineering expertise, technological know-how and established reputation in the global water and wastewater industries."

Mr Yeo Ker Kuang, Executive Chairman of Salcon added, "With the award of Phase II for the Bedok NEWater Factory, we have secured another excellent opportunity to demonstrate our advanced capabilities as a leading global water and environmental specialist. This follows after our previous success in designing and constructing Singapore's very first dual membrane technology seawater desalination plant for Senoko Power in 2005 and our recent appointment as the Anchor Company of the Singapore Water Solutions Alliance formed by IE Singapore."

The above contract is not expected to have a positive material impact on the profitability and earnings per share of the Company in the current financial year ending 31 March 2007 but will have a positive material impact on the next financial year ending 31 March 2008. The contract is not expected to have a material impact on the net asset value per share of the Company for the current and next financial year.

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

| Recent Business Developments | |
|-------------------------------------|--|
| Aug 2006 | Selected as Anchor Company to lead Singapore Water Solutions Alliance formed by International Enterprise Singapore (Singapore Government's international trade agency) to pursue water and wastewater treatment opportunities in Middle East |
| Jul 2006 | Secured S\$18 million 600 m ³ /day full turnkey septage treatment plant financed by Asian Development Bank in Antipolo City, Philippines |
| Jul 2006 | Secured 14,800 m ³ /day wastewater treatment plant for Semiconductor Manufacturing International Corporation, largest semiconductor manufacturer in China and third largest globally |
| Jul 2006 | Secured 4,700 m ³ /day central wastewater recovery plant for textile dye industry in India utilising proprietary triple membrane process technology |
| Oct 2005 | Secured 4,000 m ³ /day two-stage reverse osmosis plant for Saudi Aramco's Hawiyah Project in Saudi Arabia |
| Oct 2005 | Secured demineralisation plant for BP Berau's Tangguh LNG Project in Indonesia |
| Oct 2005 | Secured reverse osmosis plant for one of world's largest EPC firms in Iraq |
| Oct 2005 | Secured demineralisation plant for one of Pakistan's largest packaging materials companies |
| Jun 2005 | Officially launched 12,000 m ³ /day seawater desalination plant for Sohar Oil Refinery, Oman's largest refinery |
| Mar 2005 | Officially launched Singapore's first dual membrane technology seawater desalination plant for Senoko Power Limited (Salcon has designed and constructed seven seawater desalination plants in Asia since 1993) |

About Boustead Singapore Limited

Established in 1828, Boustead Singapore Limited is a progressive global Engineering Services and Geo-Spatial Technology Group listed on the Singapore Exchange. Offering an extensive range of specialised engineering services and geo-spatial solutions, we deliver professional answers customised to meet our clients' specific requirements in a vast array of industries.

Our strong suite of engineering services is geared to fulfil the stringent demands of specialised engineering fields such as:

- Energy-Related Engineering
 - Oil & gas / petrochemicals
 - Solid waste energy recovery
- Water & Wastewater Engineering
- Industrial Real Estate Solutions

Under our geo-spatial technology arm, we provide consulting services and exclusively distribute ESRI geo-spatial technology – the world's leading geographic information systems and geo-spatial solutions – to major markets across Australia, South East Asia and South Asia.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, Boustead is ready to serve the world. Boustead has undertaken projects in 71 countries globally.

Visit us at www.boustead.sg.

About Salcon

Established in 1980, Salcon is the leading international water and wastewater engineering specialist from Asia outside of Japan. With over 25 years of experience, Salcon has the distinction of being the only Asian specialist outside of Japan to be a pre-qualified vendor to several of the world's largest EPC (Engineering, Procurement and Construction) firms including Bechtel, Foster Wheeler, Hitachi Plant Engineering & Construction, Hitachi Zosen, Hyundai Engineering & Construction, JGC, Lurgi, Mitsubishi Heavy Industries, Mitsui Engineering & Shipbuilding, Samsung Engineering & Construction and Simon-Carves. Salcon has designed and constructed more than 500 industrial and municipal water and wastewater treatment plants in 56 countries globally.

About PUB & NEWater

PUB is a statutory board under the Ministry of the Environment and Water Resources. It is the water agency that manages Singapore's water supply, water catchment and sewerage systems in an integrated way. Ensuring a diversified and sustainable supply of water for Singapore with the Four National Taps (local catchment water, imported water, NEWater and desalinated water), PUB was named Water Agency of the Year at the Global Water Awards 2006.

NEWater is high grade reclaimed water that is produced and managed by PUB. More specifically, it is treated used water that undergoes purification utilising dual membrane processing (via micro-filtration and reverse osmosis) and ultraviolet technology, in addition to conventional water reclamation processes. NEWater is can be consumed by humans and is also is pure enough for industrial processes. The quality of NEWater consistently exceeds the requirements set by the United States Environmental Protection Agency and the World Health Organisation for drinking water.