

Company Announcement



Boustead Singapore Limited
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BOUSTEAD GROUP ORDER BOOK EXCEEDS S\$400M; SUBSIDIARY SECURES S\$6M BIOMASS SYSTEM

Singapore, 27 March 2007

Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that its group order book has exceeded S\$400 million for the first time in its history. This milestone achievement was attained when Boustead's wholly-owned subsidiary, PT Boustead Maxitherm Industries ("Boustead Maxitherm") secured a S\$6 million contract to design and construct an advanced sugar bagasse biomass system (the "System") for PT Rajawali I ("Rajawali I") in East Java, Indonesia.

Rajawali I is a large state-owned sugar plantation company in Indonesia that operates four sugar mills and has a total production capacity of more than 15,000 metric tonnes/day. Rajawali I produces approximately 5,250 metric tonnes/day of sugar bagasse, a co-product or waste product from the sugar cane production process which is readily utilised to generate power for sugar mill processes and surrounding communities.

Undertaken as a turnkey project, Boustead Maxitherm will design, process engineer and construct the System which will integrate Boustead Maxitherm's proprietary industrial boiler technology capable of generating steam rates of 70 tonnes/hour. Representing a key milestone in Boustead Maxitherm's extensive track record, the System will be the first sugar bagasse biomass system in Indonesia to operate at pressure levels of 50 bar and super-heated temperatures of 450°C, and will have a steam turbine capacity of 5MW. The advanced specifications of the System will allow Rajawali I to increase the efficiency of steam rate generation utilising sugar bagasse from its current 70% (with a conventional industrial boiler) to above 85%. Expected completion is in May 2008.

This System is the second sugar bagasse biomass system awarded to Boustead Maxitherm within the last nine months. In July 2006, Boustead Maxitherm secured its first solid waste energy recovery system application for sugar bagasse in Indonesia.

Mr Wong Fong Fui, Chairman & Group Chief Executive Officer of Boustead said, "We are pleased to have secured a second project to engineer a sugar bagasse biomass system in Indonesia. This project will certainly strengthen our capabilities to serve the sugar industry and other agro-industries. With Indonesia currently facing a severe shortage of power generation capacity, we believe that our solid waste energy recovery systems represent one of the most feasible options to resolve the national energy crunch. Therefore, we are strategically positioning Boustead Maxitherm to be a pioneer in this field through the application of our advanced technology."

As part of its National Energy Policy 2003-2020 (the "Policy"), the Indonesian government is promoting the use of biomass such as sugar bagasse, oil palm kernels, rice husks and wood waste chips as fuel for electricity and steam production in industries. By 2020, the Indonesian government has targeted to increase renewable energies

(including biomass, geothermal and mini-hydro power plants) with the exception of large-scale hydro to 5% of the nation's total energy requirements.

Mr Wong added, "We intend to inject additional resources into developing our solid waste energy recovery capabilities, an area which will be a growth driver under our Energy-Related Engineering Division. As long as global oil prices remain at current levels, the effective utilisation of renewable energy resources such as biomass will continue to show abundant potential and will enjoy extra attention from governments worldwide."

On Boustead's prospects as a whole, Mr Wong added, "This contract is significant in that it marks the first time that the Group's order book has exceeded S\$400 million, another milestone achievement. With the positive outlook for energy-related engineering and industrial real estate solutions, we expect to benefit from our strong positioning in these markets. Nonetheless, we will continue to strengthen our business development efforts to further capitalise on buoyant business conditions globally."

The above contract is not expected to have a material impact on the profitability and earnings per share of the Company in the current financial year ending 31 March 2007. In addition, the contract is 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.

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 Boustead Maxitherm Industries

Boustead Maxitherm Industries is a highly-regarded solid waste energy recovery system specialist with over 20 years of experience in engineering combustion technology applications. Boustead Maxitherm's solid waste energy systems have been developed with power generation capacities of up to 20MW and utilise fuels including oil palm kernels, sugar bagasse, rice husks, wood waste chips, municipal waste and coal. Regionally, Boustead Maxitherm has supplied more than 500 solid waste energy recovery systems for industrial and municipal applications.