

Company Announcement



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BOUSTEAD WHOLLY-OWNED SUBSIDIARY AWARDED S\$175M WATER INFRASTRUCTURE SYSTEM IN LIBYA; LARGEST WATER CONTRACT TO DATE

Singapore, 30 June 2008

Boustead Singapore Limited ("Boustead" or the "Company") is pleased to announce that its wholly-owned subsidiary, Salcon Pte Ltd ("Salcon") – a leading global specialist in water and wastewater engineering – has been awarded a S\$175 million-equivalent (152.7 million Libyan Dinahs) EPC turnkey contract to design, construct and upgrade a major water infrastructure system (the "Contract") in Libya. The Contract was secured together with a local joint venture partner, a state-owned utilities company. According to the terms of the joint venture, Salcon will hold a 65% interest in the Contract, which is its largest contract secured to date.

Commencing in July 2008, the Contract comprises two phases to design, construct and upgrade a water and wastewater infrastructure system in Tarhunah, a 731-hectare township located approximately 80 kilometres south east of Libya's capital, Tripoli. The Contract is expected to be completed by the first quarter of 2011.

Under Phase I of the Contract, the joint venture will upgrade Tarhunah's water and wastewater service networks. Phase I is expected to fulfil the water and wastewater requirements of the community until 2015. Phase II consists of the construction of new water and wastewater service networks, pumping stations and additional water treatment plants to meet the future requirements of the community in 2025. The local community will benefit from the Contract through enhanced employment opportunities, skills training and technology transfer offered by Salcon.

The award of the Contract comes shortly after a jointly-organised business mission to Libya in May 2008 by the Singapore Business Federation and International Enterprise Singapore, which Boustead had participated in. Led by Singapore's Senior Minister Goh Chok Tong, the business mission met with key Libyan government ministers and officials, and explored business opportunities in the country.

Mr Wong Fong Fui, Chairman & Group Chief Executive Officer of Boustead said, "We are delighted to have been awarded this milestone contract by the government of Libya. We will continue to explore various opportunities to develop infrastructure – both in water and other areas – in Libya, which we view as a key long-term market."

Mr Michael Teo, Salcon's General Manager for the Middle East and North Africa said, "This is our largest water contract to date. We are looking forward to a very fruitful relationship with our local partner to make this a highly successful water infrastructure system and a good model for other townships to follow."

With a highly positive tone, Mr Wong added, "This is a very exciting build up to our celebrations for Boustead's 180th Anniversary in 2008."

The Contract is expected to have a positive material impact on the profitability and earnings per share of the Company for the financial years ending 31 March 2009, 2010 and 2011. However, the Contract is not expected to have a material impact on the net asset value per share for the current and next two financial years.

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

**Water & Wastewater Engineering –
Recent Business Developments**

Location

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| Jun 2008 | Awarded S\$175m EPC turnkey contract for water and wastewater infrastructure system together with joint venture partner, state-owned utilities company | Libya |
| Mar 2008 | Awarded 20,160m ³ /day seawater desalination plant, 4,320m ³ /day demineralisation plant and 10,800m ³ /day wastewater treatment plant for Toshiba Corporation at PT Central Java Power's Tanjung Jati B Power Plant | Indonesia |
| Mar 2008 | Awarded 3,600m ³ /day demineralisation plant utilising reverse osmosis and electro-deionisation technology for Samsung Corporation at PowerSeraya Ltd's Co-Generation Combined Cycle Power Plant | Singapore |
| Oct 2007 | Awarded 380m ³ /day demineralisation plant and wastewater treatment plant for Mitsubishi Heavy Industries Ltd at PT PLN's Muara Karang Combined Cycle Power Plant | Indonesia |
| Sep 2007 | Awarded 720m ³ /day demineralisation plant and 1,800m ³ /day potable water treatment plant for Marubeni Corporation | Nigeria |
| Apr 2007 | Awarded 800m ³ /day demineralisation plant for Mitsubishi Heavy Industries Ltd at Guacolda Power Station | Chile |
| Dec 2006 | Awarded 1,000m ³ /day reverse osmosis treatment plant for JGC Corporation at BP Berau's Tangguh LNG Project | Indonesia |
| Nov 2006 | Awarded S\$25m contract for 55,000m ³ /day Phase II Extension for Bedok NEWater Factory from Public Utilities Board utilising world's first commercial 16-inch reverse osmosis membranes | Singapore |
| Nov 2006 | Awarded 2,200m ³ /day demineralisation plant for JGC Corporation at Coral Bay Nickel Project | Philippines |
| Aug 2006 | Selected as Anchor Company to lead Singapore Water Solutions Alliance formed by International Enterprise Singapore (Singapore Government's international trade agency) | Singapore |

**Bousted Group in Libya –
Recent Business Developments**

Location

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| Jun 2008 | Awarded S\$175m EPC turnkey contract for water infrastructure system together with joint venture partner, state-owned utilities company | Tarhunah, Libya |
| Aug 2007 | Awarded S\$300m EPC contract to design-and-build new township together with joint venture partner, General Construction & Building Company | Al Marj, Libya |
| Jun 2004 | Awarded S\$40m contract for Phase II Extension for 410,000m ³ /day El Hadba Sewage Treatment Works, largest sewage treatment plant in Libya | Tripoli, Libya |

About Boustead Singapore Limited

Established in 1828, Boustead Singapore Limited is a progressive global Infrastructure-Related Engineering Services and Geo-Spatial Technology Group listed on the Singapore Exchange. Focusing on the engineering and development of key infrastructure supporting economic growth in the public and private sectors of developing nations, our strong suite of Engineering Services comprises:

- Energy-Related Engineering;
 - Oil & Gas/Petrochemicals;
 - Solid Waste Energy Recovery;
- Water & Wastewater Engineering;
- Real Estate Solutions;
 - Industrial Real Estate Solutions; and
 - New Township.

Under our Geo-Spatial Technology arm, we provide professional services and exclusively distribute ESRI geo-spatial technology – the world’s leading geographic information systems and location intelligence solutions – to major markets across Australia and South East Asia. Our location intelligence solutions are essential to effectively plan, deploy and manage key infrastructure and resources in countries.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, Boustead is ready to serve the world. To date, Boustead has undertaken infrastructure-related projects in 75 countries globally.

Visit us at www.boustead.sg.

About Salcon Pte Ltd

Established in 1980, Salcon Pte Ltd is a leading international water and wastewater engineering specialist from Asia. With nearly three decades of experience, Salcon has designed and constructed more than 800 industrial and municipal water and wastewater treatment plants in 57 countries globally. Salcon’s global clients come from a variety of industries including oil & gas, petrochemicals, power, agro-industry, electronics, semiconductors, chemicals, steel, food & beverage, tourism and municipal authorities.

Salcon has the outstanding 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) contractors including Bechtel, Foster Wheeler, Hitachi Plant Engineering, Hitachi Zosen, Hyundai Engineering, JGC, Lurgi, Marubeni, Mitsubishi Heavy Industries, Mitsui Engineering, Samsung and Toshiba.