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Beng Kuang Marine Limited's Subsidiary Secures S\$3.9m Contract From Major Rig Building Company

- **Contract for providing corrosion prevention services for a jack-up drilling rig**
- **Currently in active discussions with several potential customers in the booming offshore sector**

Singapore, 22 November 2006 – **Beng Kuang Marine Limited** (“**BKM**”) or (“明光海事”) and its subsidiaries (the “Group”), established providers for corrosion prevention, infrastructure engineering, and supply and distribution services to the marine and offshore oil and gas industries, is pleased to announce that one of its subsidiaries, PT. Nexus Engineering Indonesia, has secured a S\$3.9 million purchase order from a major rig building company. The project will commence in 2007 and be completed in 2008

Mr Chua Beng Kuang, Managing Director of BKM, said, “We are very pleased to secure this new contract from a major customer. This indicates a clear signal of their confidence in the Group’s ability to deliver quality services in a timely manner. This contract represents a major achievement in our foray into the growing offshore oil and gas sector. We are currently also in active discussions with several potential customers in this sector for future contracts.”

Industry Outlook

Despite the recent dip in oil prices, the outlook of the offshore oil and gas sector remains encouraging with major rig builders continuing to announce new orders. Rig utilisation, including the jack-up drilling rigs, has remained consistently high at more than 90% for the past three years while day charter rates for various types of rigs have soared to unprecedented levels. Current market figures have highlighted the increase in global supply of rigs and analysts believe that more orders for rigs are very likely in the coming years. Barring unforeseen circumstances, **BKM**, as an emerging player in the industry, is poised to benefit from this sustained demand for rigs in the coming years.

This new contract is not expected to have any impact on earnings for the current financial year.

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About Beng Kuang Marine Limited

Beng Kuang Marine Limited (“BKM”) and its subsidiaries (the “Group”) are an established providers of corrosion prevention services, infrastructure engineering services, as well as the supply and distribution of hardware equipment and tools to the marine and offshore oil and gas industries. The Corrosion Prevention and Supply and Distribution divisions have always been the main revenue drivers of the Group. However, with the rapid growth in shipbuilding and rig building projects, BKM expects the Infrastructure Engineering division to be a key growth driver in the future. For the Infrastructure Engineering division, BKM provides turnkey engineering services from planning, project management to implementation involving fabrication, corrosion prevention, testing, installation and pre-commissioning of steel work modules and structures for customers in the oil and gas industry.

For more information, please refer to the website, www.bkmgroupp.com.sg

Issued for and on behalf of Beng Kuang Marine Limited

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