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## **Offshore Engineering Specialist Beng Kuang Marine targets to expand market share in oil & gas industry**

- **Leverage on track record to capitalise on the robust demand for oil and gas topside process modules**
- **Beginning of a new era of growth for the Group**

Singapore, 30 November 2006 – **Beng Kuang Marine Limited** (“**BKM**”) or “**明光海事**” and its subsidiaries (the “**Group**”), established providers of corrosion prevention, infrastructure engineering, and supply and distribution services to the marine and offshore oil and gas industries, would like to update the public that the Group is looking to expand its market share in the oil & gas industry. The Group is also actively seeking to secure more contracts related to the construction of oil & gas topside process modules.

**BKM** has a track record of fabricating steel work modules and structures for offshore oilrigs and components of process modules. Some of these are turnkey projects which incorporate engineering, fabrication and corrosion prevention of structural steel work modules.

### **Beng Kuang Marine’s track record in major offshore engineering projects**

Customers	Project	Details
J.Ray McDermott Far East Inc	Devil Tower – Deep water oil rig	Turnkey services which include mainly engineering, fabrication and corrosion prevention of structural steel modules of an underwater hull for deep water oil rig
Keppel Shipyard Limited	ESSO Early Production System – FPSO EAGLE	Turnkey services which include mainly engineering, fabrication, corrosion prevention, and construction of pipe rack structure, including pipe fabrication and installation

PT McDermott Indonesia	Conoco FPSO Topside Module	Turnkey services which include mainly engineering, corrosion prevention and fabrication of topside steel structures
PT Technip Indonesia	BBSD Project (Sub Sea Structural Module)	Turnkey services which include mainly engineering, fabrication, corrosion prevention and construction of pipe rack structure, including pipe fabrication and installation.

The Group recently announced that one of its subsidiaries, PT. Nexus Engineering Indonesia, secured a S\$3.9 million purchase order from a major rig building company. The project will commence in 2007 and will be completed in 2008.

### **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. The strong demand for jack-up rigs and FPSOs (floating production, storage and offloading vessels) would continue to outpace the increase in existing capabilities of established service vendors with proven track records. Barring unforeseen circumstances, **BKM**, with its track record in the industry, is poised to benefit from this sustained demand for rigs in the coming years.

Mr Chua Beng Kuang, Managing Director, said, "The management believes that this is the beginning of a new era of growth for **BKM**, driven by strong demand for its infrastructure engineering capabilities."

"Our fabrication yards in Singapore and Batam, Indonesia are equipped with mobile and overhead crane facilities and welding machines. Through our Batam yard, we are able to undertake turnkey engineering projects for our customers in Indonesia and expand our presence in that market." Mr Chua concluded.

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## **About Beng Kuang Marine Limited**

Beng Kuang Marine Limited (“BKM”) and its subsidiaries (the “Group”) are 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](http://www.bkmgroupp.com.sg)

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### **Issued for and on behalf of Beng Kuang Marine Limited**

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