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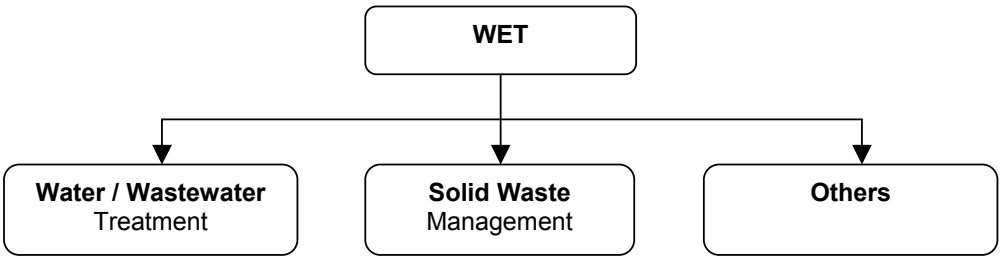
Beng Kuang Marine invests S$5.66m in environmental firm

- **Strategic partnership with Government-Linked Companies (GLCs)**

Singapore, 17 May 2007 – **Beng Kuang Marine Limited** ("**BKM**") or "明光海事" and its subsidiaries (the "Group"), a leading services provider for corrosion prevention ("CP"), infrastructure engineering ("IE"), and supply and distribution ("SD") services to the marine and offshore oil and gas industries, announced that it has successfully acquired a 51% stake in environmental firm, Water and Environment Technologies (WET) Pte Ltd ("WET") for a consideration of approximately S$5.66 million.

Background of WET

WET started as a research and development centre that specializes in providing research and development, and solutions for (i) water and wastewater treatment; (ii) solid waste management; and (iii) other researches that involve energy.



Water and wastewater treatment

WET owns intellectual property rights for water treatment and water recycling technologies and has successfully produced its first generation compact water treatment systems. These technologies are applicable in the fields of water treatment, wastewater treatment / re-utilisation and desalination process. At present, WET is also developing

new processes which will target the treatment of municipal wastewater and industrial wastewater using biological and membrane technologies.

Solid waste management

WET's wholly-owned subsidiary, NewEarth Pte Ltd ("NE"), has completed the research and development and pilot testing phases of its "Crystallisation Technology", which enables the stabilization of heavy metals commonly found in many industrial wastes. NE are set and ready to commercialize the waste management business, and target to take a year to build its first full scale process plant.

NE has partnered with MPA Venture Pte Ltd ("MPA"), Surbana International Consultants Pte Ltd (Subsidiary of HDB) ("Surbana") and Nanyang Technological University (NTU) to undertake a Pilot Plant Project. The objective is to showcase the feasibility of the application of NE's Crystallisation Technology on a commercial scale.

Past award's winnings

2003 - The Enterprise Challenge ("TEC") Innovator Award
2006 - The Inaugural Outstanding Maritime R&D and Technology Award

Others (Environmental & energy)

WET is also engaged in other research and development that deals with environmental and energy.

Rationale for the acquisition

Complement corrosion prevention services

WET's vast knowledge on efficient and effective recycling of wastewater and organic wastes, will complement BKM's corrosion prevention activities on better servicing shipyard customers with our total solution.

Growth and expansion opportunities

The investment will improve cost savings with cheaper waste disposal alternatives and therefore lead to positive growth for our existing subsidiaries that are dealing with collection and disposal of used copper slag, and tank cleaning services for vessels. WET also provides a key into future expansion opportunities in venturing business potentials to provide wide spectrum of services for the marine and oil and gas sector.

Value added services

The Company considers the acquisition to add value to the existing business. Currently, the Group is incurring costs to dispose oil sludge, used copper slag, and other industrial wastes. The new business model enables the Group to generate revenue both by collecting waste and producing aggregates or by-products which can be used by other industries as raw materials.

Synergy

The strength in technology innovation and consultancy services provided by WET, combine with **BKM**'s IE track records to manage and construct process plant will enable the Group to venture into taking on larger and high value projects.

Mr Chua Beng Kuang, Managing Director said, "We are pleased to have successfully completed this acquisition. This strategic partnership marked a new beginning in the environment and resources ("ER") division on top of our existing three divisions to contribute to the growth of **BKM**."

When asked about the market potential of environment waste recycling in Singapore, Mr Chua replied positively, "It was being stated in the Ministry of Environment and Water Resources (MEWR) website that they aims to move from maintaining good environmental performance in the short term to achieving environmental sustainability in the long term. We are also in the opinion that this can be accomplished through continual innovation in managing limited resources, vibrant partnerships and co-operations which will be crucial to remain competitive in the marketplace.

One of the environmental initiates undertaken by Singapore includes the Singapore Green Plan 2012 to promote waste reduction and recycling in the 1980s and 1990s by adopting a policy of waste incineration to reduce waste volume and encouraging recycling. The Singapore Green Plan targets to increase the overall waste recycling rate to 60% by 2012; and striving "towards zero landfill"."

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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.bkmgroup.com.sg

About Water and Environmental Technologies (WET) Pte Ltd

WET was incorporated in Singapore on 27 August 2002 with the aim of engaging business opportunities in the field of water and wastewater treatment and re-utilisation. WET is currently a research and development centre that specialises in providing research and development, and solutions for industrial waste management by recycling industrial waste into environmentally-friendly products and water treatment and waste water treatment. At present, WET is developing new processes which will target the treatment of municipal wastewater and industrial wastewater using biological and membrane technologies.

For more information, please email WET at mailto:wetbiz@hotmail.com

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