BENG KUANG MARINE LIMITED
(Company Registration No. 199400196M)

DISPOSAL OF 25,045 ORDINARY SHARES IN THE CAPITAL OF NEWEARTH PTE. LTD. AND INCREASE OF SHARE CAPITAL IN NEWEARTH PTE. LTD.

The Board of Directors of Beng Kuang Marine Limited ("the Company") wishes to announce that pursuant to a sale and purchase agreement dated 2 July 2007 entered into between the Company's subsidiary, Water And Environmental Technologies (WET) Pte. Ltd. ("WET") and Tuas Power Ltd ("TP") ("S&P Agreement"), WET will dispose of 25,045 ordinary shares ("Sale Shares") in the capital of NewEarth Pte. Ltd. ("NE") to TP for a consideration of S$1,000,000.

Further, pursuant to a subscription agreement dated 2 July 2007 entered into between NE and TP ("Subscription Agreement"), NE will issue and allot 225,390 ordinary shares ("Subscription Shares") to TP for a consideration of S$9,000,000.

The consideration for the Sale Shares and Subscription Shares were arrived at on willing buyer, willing seller basis.

Consequently, WET's equity interest in the capital of NE will be reduced from 100% to 40%.

Pursuant to the SP Agreement, Subscription Agreement and a Shareholders' Agreement dated 2 July 2007 entered into between TP, WET and NE, a new company will be incorporated by TP and WET to engage in the business of water and wastewater treatment on terms and conditions as mutually agreed between TP and WET.

The above transaction is expected to have positive impact on the consolidated net tangible assets of the Group for the current financial year.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction, save through their shareholdings in the Company, if any.

BY ORDER OF THE BOARD

CHUA MENG HUA
EXECUTIVE DIRECTOR