BENG KUANG MARINE LIMITED
Registration No. 199400196M

UPDATE ON SHIPBUILDING CONTRACT

Further to the announcement dated 24 May 2011, the Board of Directors of Beng Kuang Marine Limited (the "Company" and together with its subsidiaries, the "Group") wishes to update shareholders that in view of the current economic and operating conditions, the parties have agreed to cancel the contracts for proposed construction of two crane barges. The construction and delivery dates for the other two crane barges remain unchanged.

The construction work in respect of the cancelled contracts has yet to commence. The total value of the two cancelled contracts is approximately S$14.4 million.

The cancellation of the aforesaid contracts are not expected to have a material impact on the earnings per share of the Group for the current financial year ending 31 December 2011.

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

BY ORDER OF THE BOARD

Chua Meng Hua
Director
14 October 2011