Beng Kuang Marine Limited
55 Shipyard Road Singapore 628141
Tel: 6266-0010 Fax: 6264-0010

Beng Kuang Marine secures a S$3.5 million contract from an established marine ship building specialist

- **Supply and distribution division secures its largest ever contract to date**
- **Confident of securing more contracts from the marine offshore oil and gas customers**

Singapore, 7 February 2007 – **Beng Kuang Marine Limited** ("**BKM**") or "明光海事" and its subsidiaries (the "Group"), a leading service providers for corrosion prevention, infrastructure engineering, and supply and distribution services to the marine and offshore oil and gas industries, announced that its wholly-owned subsidiary, Nexus Sealand Trading Pte Ltd, has secured a S$3.5 million contract.

The contract, which is the largest to date ever secured by the Group's supply and distribution division, involves the supply of welding cables and other products required in the ship repair, shipbuilding and rig building process. The Group is pleased to announce that this transaction is expected to have a positive impact on the Group's FY2007 earnings.

Second major contract in 3 months

This is the second major contract announced by **BKM** within the past three months. In November 2006, the Group 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 be completed in 2008.

Commenting on the recent success in securing contracts, Mr Chua Beng Kuang, the Group's Managing Director said, "Since the Group's listing in 2004, it has strengthened all its three business divisions, namely corrosion prevention, infrastructure engineering and supply and distribution. Our supply and distribution division has grown in tandem with the growth in business of the other two divisions. We believe that this validates our strategy of having a supply and distribution division to complement the other two divisions and provide a total solution to our customers."

Mr Chua also commented on the boom in the offshore oil and gas industry, "We have been active in the oil and gas industry for more than 20 years. As far as I can recall, this is one of the best market outlook I have seen. We believe the robust demand would continue into 2007 and 2008 and barring unforeseen circumstances we are confident of securing further such contracts in the following months."

Robust 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 oil rigs in the coming years.

When asked about the FY2006 results, Mr Chua concluded, "Based on previous third quarter announcement, our net profit for the nine months ended 2006 has already exceeded the net profit for the whole of FY2005. We shall keep our shareholders updated on our FY2006 results in late February."

--- The End ---

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 offshore oil and gas industry.

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

---

Issued for and on behalf of Beng Kuang Marine Limited

For more information, please contact:
Mark LEE: marklee@financialpr.com.sg
Clarence ENG: clarence@financialpr.com.sg
Tel: (65) 6438 2990
Fax: (65) 6438 0064