

MEDIA RELEASE
For Immediate Release

**Rotary Engineering posts net profit of S\$2.5m
on revenue of S\$102.8m for first quarter ended
31 March 2013**

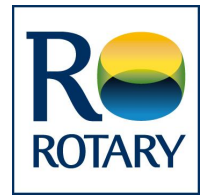
- **Strong Order Book: S\$756 million**
- **Cash and equivalent: S\$201 million**

“I believe that Rotary is showing encouraging signs of making a turnaround in its financial performance. We are now focused on executing our new and current projects well.” said Rotary’s Chairman and Managing Director, Mr Chia Kim Piow

SINGAPORE, 8 May 2013 – MAINBOARD-LISTED Rotary Engineering Limited (Rotary or the Group)(罗德里工程有限公司), a leading provider of engineering, procurement, construction and maintenance (EPCM) services supporting the oil and gas and petrochemical industry, today announced that it has recorded revenue of S\$102.8 million and a net profit of S\$2.5 million for its first-quarter results ended 31 March 2013.

Rotary’s revenue this quarter as compared to revenue of S\$133.4 million for the corresponding quarter in 2012, is within expectation as the Group’s new projects have just commenced. These projects include two major projects such as the US\$250 million contract for Fujairah Oil Terminal in the United Arab Emirates and the S\$300 million expansion of the oil terminal at Pulau Busing in Singapore.

Gross margins remained stable at 15 per cent. Besides the two major projects mentioned above, work is also proceeding well at the Saudi Aramco Total Refining and Petrochemical Company (SATORP) project in Saudi Arabia as the

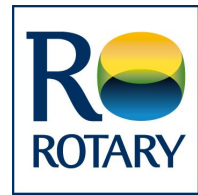


Group focused on completing the project according to the revised schedule agreed with SATORP.

Administrative and finance costs were lower in line with revenue and reduced borrowings respectively. Foreign exchange loss in the current quarter was significantly lower as compared to a year ago due to reduced foreign exchange exposure and effective implementation of its foreign exchange management programme.

Rotary's Chairman and Managing Director Mr Chia Kim Piow (谢金标) said that in the midst of the prevailing global economic uncertainties, the first-quarter results were within expectations. "I believe that Rotary is showing encouraging signs of making a turnaround in its financial performance this year. We are focused on executing our new and current projects well. We garnered a promising first quarter as we started on our two projects for Fujairah Oil Terminal in the United Arab Emirates and on Pulau Busing respectively. This is boosted by the recent announcement of our contract wins worth S\$42 million in Jurong Island, Singapore," he added.

Mr. Chia highlighted that the prospects for the oil and gas industry are bright due to strong demand for energy from China, India and the ASEAN. "We are pleased that our order book remain strong at S\$756 million, about half of which can be attributed to projects outside Singapore. Rotary is staying busy, bidding for contracts in Singapore, around the region and the Middle East. We believe that we are on the right track to a start of a good year for Rotary," he mentioned.



Healthy Financial Position

The Group's financial position continues to be healthy, backed by S\$198.1 million of net assets, translating to net asset value per share of 34.9 Singapore cents as at 31 March 2013.

The recent commencement of two major projects have bolstered the Group's cash position to S\$201.3 million, an increase of S\$36.8 million as compared to the last financial year 2012. Correspondingly, net cash position also improved significantly by 45 per cent from S\$81.3 million to S\$117.7 million. Total loans and borrowings stood at S\$83.6 million.

Business Outlook

The Group stays focus on its execution of current projects. In terms of outlook, Mr Chia said that there are positive signs in the midst of the current global uncertainties. Rotary's business development activities continue to remain high. "We are seeing numerous enquiries and we are participating actively in tenders and through direct negotiations for numerous projects in Asean, South Asia and the Gulf Cooperation Council countries." He added.

The Group is cautiously optimistic, underpinned by its strong order book.

This press release should be read in conjunction with the full SGX announcement released by Rotary dated 8 May 2013. A copy of the announcement is available on www.sgx.com.

-- End --



About Rotary Engineering Limited (www.rotaryeng.com.sg)

Rotary Engineering Limited is one of the region's oil and gas infrastructure services company with extensive international experience, offering EPCM services to the oil and gas, petroleum, petrochemical and pharmaceutical industries.

Headquartered in Singapore, Rotary has established a strong presence in the Asia Pacific and the Middle East, and continues to make its mark as a global player. Established in 1972, Rotary has forged a reputation built on its hallmark traits of providing quality services, within budget and on-time delivery. Today, the Group boasts a total strength of about 7,000 employees, which includes a highly and multi-skilled workforce that forms the mainstay of its core EPCM services.

Singapore remains a focus for the Group while it actively seeks business opportunities overseas. The Group has subsidiaries in Malaysia, Thailand, Indonesia, India, China, Australia, Saudi Arabia and the United Arab Emirates.

The Group has won numerous awards and accolades. It was the winner for "Most Transparent Company" in the Construction Category at the Securities Investors Association (Singapore)'s Investors Choice Awards 2007, 2011 and 2012. It was also the winner in the Enterprise category in 2008. Mr Chia Kim Piow, Rotary's Chairman and Managing Director, won in the Businessman category for 2011 at the Singapore Business Awards which was jointly organised by the Business Times and DHL Worldwide Express Singapore. He also won the Joint Best Chief Executive Officer for 2008 in the "S\$300 million to less than S\$1 billion in market capitalisation" category at the Singapore Corporate Awards 2009.

Rotary is ISO 9000, ISO14000, OHSAS certified and is listed on the Mainboard of the Singapore Exchange since 1993.

Issued on behalf of Rotary Engineering Limited by: Waterbrooks Consultants Pte Ltd

Media and Analysts Contact:

Rotary Engineering Limited

Mr Phillip Choo
Chief Financial Officer
Tel: (+65) 6866-0806
Email: choo.phillip@rotaryeng.com.sg

Mr Cheong Yew Meng
Group Financial Controller
Tel: (+65) 6866-0808
Email: ym.cheong@rotaryeng.com.sg

Waterbrooks Consultants Pte Ltd

Tel: (+65) 6100-2228

Mr Wayne Koo
Mobile: (+65) 9338-8166
Email: wayne.koo@waterbrooks.com.sg

Mr Ng Tian Khean
Mobile: (+65) 9640-2808
Email: tk@waterbrooks.com.sg