

MEDIA RELEASE
For Immediate Release

Rotary Engineering adds S\$100 million of contracts bringing its order book to S\$1 billion

SINGAPORE, 6 August 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 (EPC) and maintenance services supporting the oil and gas and petrochemical industry, today reported a rise in net profit after tax attributable to shareholders amounting to S\$5.1 million for the second quarter of financial year ended 30 June 2013 (2Q13) on revenue of S\$126.2 million. This translates to earnings per share of 0.9 Singapore cent.

New wins from Singapore and Thailand

The Group has just inked approximately S\$100 million worth of contracts in Singapore and Thailand. In Singapore, Rotary secured an EPC contract from an oil major for its new lube oil blending plant (LOBP) at Tuas South, Singapore. The contract is for the EPC of an entire state-of-the-art LOBP with a production capacity of 300,000 tons per year. Work on the project will commence shortly and is expected to be completed in 2015. The new LOBP will be located adjacent to the shared lubricant storage facility at Tuas South.



Mr Chia Kim Piow, Managing Director and Chairman said: ***“We demonstrated our engineering capabilities in working with international experts for this 300,000 ton per annum plant, one of the biggest and state-of-the-art lubricant blending plants in the world”.***

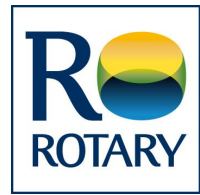
In Thailand, the Group won a contract for the IRPC Public Company’s Upstream Hygiene and Value Added (UHV) project in Rayong, involving the engineering and construction of 7 spherical tanks, and the construction of 19 atmospheric tanks. Work has commenced and is expected to be completed by the end of 2014. The UHV Plant will process and refine crude oil into gasoline, kerosene and light oil; and use the atmospheric residue to manufacture polypropylene, diesel, ethylene and naphtha.

Strong order book

Rotary’s order book now stands at S\$1.0 billion. Commenting on the strong order book, Mr Chia said: ***“I am pleased to share that our order book has crossed the billion dollar mark. The size and nature of the projects are similar to those which Rotary had successfully delivered. I am confident that we are able to execute these projects safely, on time, on budget and with a high standard of quality. With over 60% of the projects on hand in Singapore, we will have more opportunities to train our next generation of project managers and engineers.”***

Healthy Financial Position

As at 30 June 2013, Rotary had S\$100.9 million in net assets and a net asset value per share of 34.3 Singapore cents. Cash and bank balances were S\$164.7 million, with total loans and borrowings at S\$74.8 million.



On-going projects

Just last month, Rotary announced several contract wins of over S\$260 million in Singapore and Saudi Arabia. One noteworthy project is an EPC contract with a joint venture by three oil majors. It involves the construction of about 80 tanks, common pipelines, import/export jetty topsides and the infrastructure supporting the operations of the shared lubricant storage facility in Tuas South.

The Group is currently working on two major projects, namely the US\$250 million EPC contract for the Fujairah Oil Terminal in the United Arab Emirates and the S\$300 million project for expansion of oil terminal at Pulau Busing in Singapore. These two projects are scheduled to be completed within the next two years.

Business Outlook

Demand for oil and gas infrastructure engineering continues to be strong. This bodes well for the Group as it consistently develops its business through direct negotiations and bidding for projects in ASEAN and Gulf Cooperation Council countries. The Group remained resilient amidst the global economic uncertainties and keen competition.

The Group had also established a representative office recently in the Sultanate of Oman to explore business opportunities there.

Underpinned by its strong order book, the Group is cautiously optimistic on its business prospects in the next 12 months.

~End~



This press release should be read in conjunction with the full SGX announcement released by Rotary dated 6 August 2013. A copy of the announcement is available on www.sgx.com.

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.



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