

General Announcement

Reference No **KG-080128-62350**

Company Name : **KNM GROUP BERHAD**
Stock Name : **KNM**
Date Announced : **29/01/2008**

Type : **Announcement**
Subject : **Substantial orders secured by subsidiaries of KNM Group Berhad**
Contents : **KNM Process Systems Sdn Bhd, W E Smith Engineering Pty Ltd, FBM Hudson Italiana SpA and FBM-KNM FZCO, all of which are either direct or indirect wholly-owned subsidiaries of KNM Group Berhad, secured substantial new orders in January 2008 from international clients for overseas projects with a total value of approximately RM185.0 million.**

Announcement Details :

1. Introduction

KNM Group Berhad (**KNM**) is pleased to announce that KNM Process Systems Sdn Bhd (**KNMPS**), W E Smith Engineering Pty Ltd (**WES**), FBM Hudson Italiana SpA (**FBM**) and FBM-KNM FZCO (**FZCO**) secured substantial new orders from international clients for overseas projects.

KNMPS is a wholly-owned subsidiary of KNM and was incorporated in Malaysia. WES, FBM and FZCO are indirect wholly-owned subsidiaries of KNM, and were incorporated in Australia, Italy and the United Arab Emirates respectively.

2. The secured orders

In January 2008, KNMPS, WES, FBM and FZCO secured the following substantial orders to design, manufacture and supply -

- (i) loop reactors for the NCP Petrochemical Project at Al Jubail, Saudi Arabia;
- (ii) residue gas rectifier for Petrochina Fushun Petrochemical Co., China, Petrochina Fushun Project in China;
- (iii) stainless steel flare knock out drums for the Woodside Burrup Pty Ltd's Pluto LNG Project in Australia;
- (iv) deethanizer tower, demethanizer feed contactor and HP depropanizer for the SPT Olefins Recovery Project at Jurong Island, Singapore;
- (v) converter cones for the Sakra Nitric Acid Project in Singapore;

- (vi) waste heat boilers and steam drums for the Sakra Nitric Acid Project in Singapore;
- (vii) air cooled heat exchangers for the UTGCA Mexilhao Project in Brazil;
- (viii) supply reactor effluent combined feed exchangers for the CEMP-Phase II Project in Cochin, India;
- (ix) feed/effluent heat exchangers for the Fort Hills SUG Project in Canada; and
- (x) heater treater vessels for the Occidental Mukhaizna Project in Oman.

The value of the above substantial orders secured amount to approximately RM185.0 million.

3. Information on KNMPS

KNMPS is principally involved in the design, engineering, procurement and manufacturing of process equipment, including without limitation pressure vessels, reactors, columns and towers, drums, heat exchangers, air finned coolers, process gas waste heat boilers and specialised shell and tube heat exchangers, condensers, spheres, process tanks, mounded bullets, process skid packages and turnkey storage facilities as well as technical and project management services in relation to process equipment, plant facilities and general facilities for the oil, gas, petrochemicals, minerals processing and renewable energy industries worldwide.

4. Information on WES

WES is a process equipment manufacturer which undertakes the thermal and mechanical design, drafting, manufacture of shell and tube heat exchangers, vessels, columns and heaters.

5. Information on FBM

FBM is a process equipment manufacturer which undertakes the design and manufacture of air cooled heat exchangers, specialty shell and tube heat exchangers and process gas waste heat boilers for the oil, gas, petrochemicals, desalination and energy industries.

6. Information on the FZCO

FZCO is a process equipment manufacturer which undertakes the design and manufacture of air cooled heat exchangers, specialty shell and tube heat exchangers and process gas waste heat boilers for the oil, gas, petrochemicals and desalination industries.

7. Approvals

The award is not subject to the approval of the shareholders of KNMPS, WES, FBM or FZCO or any regulatory authority in Malaysia or elsewhere.

8. Directors' and major shareholders' interest

None of the directors or substantial shareholders of KNM, or any persons connected to them, has any direct or indirect interest in the above secured orders.

9. Effects of the orders

The above orders are expected to contribute positively to the KNM Group's earnings and net tangible assets for the financial year ending 31 December 2008 and 31 December 2009.

This announcement is dated 29 January 2008.