



Aqua-Terra Supply Co. Limited

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NEWS RELEASE

**Aqua-Terra acquires 28.4% of SSH
and
enters into Supply Contract with PT Citra Tubindo**

Singapore, 28 August 2006 – SGX- SESDAQ listed integrated oil and gas and marine service provider and procurement specialist, Aqua-Terra Supply Co., Ltd (“Aqua-Terra”, the “Group”) today announced that it has entered into:

- 1) A Conditional Sale and Purchase Agreement to acquire a 28.4% interest in SSH Corporation Ltd at S\$0.27 per SSH share for a total consideration of S\$41,175,000 (“the Proposed Acquisition”).
- 2) An MOU with PT Citra Tubindo Tbk (“PTCT”) to supply all equipment, parts, consumables and accessories to a rig refurbishment facility in Batam, Indonesia operated by PTCT. Aqua-Terra will also undertake to supply directly to the customers for the rig refurbishment facility if required.

SSH supplies high-grade industrial materials and products such as seamless pipes, flanges, valves, fittings as well as welding equipment and consumables to its core oil and gas, petrochemical, marine, power-generation and other infrastructure-related customers. This acquisition effectively paves the way for the creation of an integrated oil and gas supply hub by combining the competencies between SSH and Aqua-Terra (including its holding company, KS Energy Services Limited).

PTCT has been granted approval by the relevant authorities in Indonesia to establish an oil rig inspection centre (“ORIC”) on Batam Island to provide testing, technical

inspection and mandatory certification of all drilling oil rigs operating in Indonesia. The MOU is in conjunction with PTCT's plans to establish and operate a comprehensive rig refurbishment facility in Batam, Indonesia to repair, upgrade or modify oil rigs in accordance with applicable international standards and the Indonesian Directorate General of Oil and Gas "SILO" (Surat Izin Layak Operasi/License of Operation Worthiness) Permit.

Mr. Kris Wiluan, the President Director of PTCT commented, "The establishment of the ORIC and rig refurbishment facility has the strong support of Asosiasi Pemboran Minyak & Gas Bumi Indonesia ("APMI"). APMI, the Association of Indonesian Oil & Gas Drilling Contractors, oversees 135 members who own and/or operate 178 units of onshore and offshore drilling oil rigs in Indonesia. According to APMI, up to 60% of its members' rigs require refurbishment. The MOU presents good opportunities for the Aqua-Terra Group to generate additional revenue in the supply business and strengthen its competitive position in the supply sector of the oil and gas industry."

Mr. Eng Chiaw Koon ("翁超群"), Chief Executive Officer of Aqua-Terra said, "The businesses of SSH and the Aqua-Terra Group are complementary with each other. The Proposed Acquisition allows both parties to cross-sell each other's products to their respective customers, thereby generating revenue synergies in the supply operations. There may also be opportunities to benefit from economies of scale in the area of procurement from key suppliers which may translate to cost savings for both the Group and SSH."

Mr. Eng added, "With a significantly expanded range of products and capabilities, the Aqua-Terra Group will be better positioned to fulfill the requirements under the MOU with Citra Tubindo. The Proposed Acquisition is also consistent with the Group's strategy of being an integrated service provider and will significantly reinforce its position as a leading procurement specialist for the oil & gas and marine industries."

Please refer to Aqua-Terra's announcements on SGXnet for further details of the proposed transactions.

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About Aqua-Terra Supply Co. Limited

Aqua-Terra Supply Co. Limited (“Aqua-Terra”) is an integrated service provider and procurement specialist serving customers in the oil & gas, marine and mining industries. We are focused on material procurement of oil & gas consumables, a gradual shift from our previous emphasis on product distribution, a move we undertook since our listing on SGX-SESDAQ in March 2004.

As a one-stop shop solution provider to the energy sector, Aqua-Terra provides both hardware and customised engineering solutions to our customers. We presently have 21 authorised distributorships for over 160 types of consumable products such as high pressure flow control equipment, fluid connector assemblies, professional heavy-duty hand tools, oil country tubular goods, wellhead lubricants and offshore cargo nets. Our “red book”, a comprehensive product catalogue for oil & gas consumables, is well known and widely used in Asia by rig managers and other oil & gas industry professionals.

For more information, please visit Aqua-Terra’s website at www.aqua-terra.com.

About PT Citra Tubindo Tbk (“Citra Tubindo”)

Listed on the Jakarta Stock Exchange as well as the Surabaya Stock Exchange, Citra Tubindo was established in 1983 on Batam Island to process Oil Country Tubular Goods (OCTG) for the oil & gas industry of Indonesia.

Citra Tubindo’s first processing facility in 1984 was a pipe threading plant. Core activities included the threading of seamless pipes, production of couplings and oilfield accessories (such as pup joints, cross-overs, blast joints and thread protectors for threaded pipes), surface treating of threads and couplings as well as Aluminium Thermal Spray (TSA) for pipes corrosive control.

By 1994, Citra Tubindo had integrated its original pipe threading plant with a state-of-the-art OCTG processing facility which contained the first tubular heat treatment facility in Southeast. Over the next two decades, the Group expanded significantly to become a reputable manufacturer and comprehensive service provider of patented drill pipes, structure pipes, welded line pipes, casings and tubings for the global oil and gas industry.

Today, Citra Tubindo’s products are sold in its domestic Indonesian market and exported worldwide to major oil & gas companies in Asia, Australia, Middle East, Russia, South America and USA.