



**MTQ CORPORATION LIMITED**

182 PANDAN LOOP SINGAPORE 128373 TEL: (65) 6774 9332 FAX: (65) 6777 6433

**FOR IMMEDIATE RELEASE**

**MTQ advance organic growth via first major foray into the Middle East with expected investment of US\$20 million**

- **Set up a state-of-the-art facility in Bahrain, to access neighboring major oil producing countries - Saudi Arabia, Kuwait, UAE, Oman and Qatar in the Middle East region**
- **Bridge the geographic distance and capacity constraints to tap into new as well as its existing client base in the Middle East region**

**Singapore, 5 January 2009** – SGX Mainboard-listed MTQ Corporation Limited (“MTQ” or “Group”), one of the leading regional engineering solution providers specializing in the fabrication, repair and maintenance of oilfield equipment, announced today that it has obtained in-principal approval from the Ministry of Industry and Commerce of the Kingdom of Bahrain (“Bahrain”) to provide services to the oil and gas industry in Bahrain and the Gulf States.

MTQ’s operations in the Middle East will be conducted via a newly incorporated wholly owned subsidiary (“MTQ Bahrain”). MTQ Bahrain will be based in the Bahrain International Investment Park, a strategic location for high quality foreign direct investment in Bahrain, offering a good logistic base with full duty free access to the Gulf Cooperation Council, being Saudi Arabia, Kuwait, Qatar, the United Arab Emirates, the Sultanate of Oman and Bahrain.

With an expected investment of US\$20 million over the coming two to three years, MTQ Bahrain plans to construct a state-of-the-art facility to provide engineering, repair and refurbishment services to new and existing clients in the oil and gas sector. This upcoming facility is expected to be of a larger scale than MTQ's existing Singapore operations. The setup, including capital expenditure for new machineries, shall be funded via a combination of shareholders' fund and external borrowings.

By leveraging on its valuable experience gained over the past three decades, this proposed investment represents a significant milestone in MTQ's expansion programme – to strengthen its presence in the Middle East markets. The Middle East has over half of the world's proven oil reserves and remains the center of gravity in the global oil market. Despite the recent dips in oil prices, the level of oil exploration work is expected to remain high due to relatively low marginal costs of production. As MTQ primary revenue driver comes from regular maintenance of oilfield equipments, such favorable environment suggests good business prospects and growth potential for the Group.



**“We believe that MTQ Bahrain will open up exciting doors for MTQ to the larger Middle East markets, such as Saudi Arabia, Kuwait, Qatar, UAE and others. Given its central location among Persian Gulf countries, Bahrain offers not only the avenue to reach out to some of the most active oil-producing countries in the world, but also a golden opportunity for the Group to expand its capacity and geographical reach by tapping into new and existing clienteles in the Middle East region.”**

**“We’d like to take this opportunity to thank for the government support from both Bahrain and Singapore, to bring about the successful conclusion in the search for a suitable site to advance our business interests in the Middle East region.”**

**Mr Kuah Kok Kim  
Chairman and CEO**

As MTQ Bahrain starts out as a Greenfield venture, management does not expect the project to have major contribution to the bottom line of the Group for the first two to three years. Having said that, management believes that such expansion of its core operations has well positioned MTQ to benefit from the good expertise and business reputation shared among the existing client base in the Middle East, which offers a bigger market than Asia region. This sets the pace for the Group to grow organically and steadily in the long run.

For the recently announced 1H2009 results, the Group recorded a 13.4% improvement to S\$45.4 million on the back of strong performance of the Oilfield Engineering division. With a registered growth of 24.5% over the previous corresponding period, the division managed to maintain its growth momentum as well as profitability due to strong market demands in first half of FY2009.

- End -

**About MTQ Corporation Limited (Bloomberg Code: MTQ.SP)**

Established in 1969, **MTQ Corporation Limited (“MTQ”)** specializes in engineering solutions for oilfield equipments, including repair, manufacture and rental operations. Well-known for its broad experience for over 30 years and commitment to service quality, MTQ is the authorized working partner for some of the world’s largest OEMs in wellhead equipment, and is accredited to carry out manufacturing and repair works in accordance to American Petroleum Institute Standards. Through its wholly owned subsidiary MTQ Engine Systems (Aust) Pty Ltd, the Group is also the leading independent supplier of turbocharger and fuel injection parts and services in Australia with a nationwide network.

For more information, please log on [www.mtq.com.sg](http://www.mtq.com.sg)

---

**Issued for and on behalf of MTQ Corporation Limited  
By Financial PR Pte Ltd**

**For more information please contact:**  
**Kathy ZHANG** [kathy@financialpr.com.sg](mailto:kathy@financialpr.com.sg)  
**LOOI Jo-Anne** [joanne@financialpr.com.sg](mailto:joanne@financialpr.com.sg)  
**Tel: (65) 64382990      Fax: (65) 64380064**