



MTQ CORPORATION LIMITED

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FOR IMMEDIATE RELEASE

MTQ's earnings improves to S\$7.2 million in 1HFY2010

- Interim dividend payout of 1.0 Singapore cents per ordinary share, representing 12.3% of 1HFY2010 earnings
- Reasonably confident that the twin engines of growth will continue to maintain in 2HFY2010

Singapore, 28 October 2009 – SGX Mainboard-listed MTQ Corporation Limited (“MTQ” or “Group”), one of the leading regional engineering specialists in the fabrication, repair and maintenance of oilfield equipment, is pleased to report a net profit attributable to shareholders of S\$7.2 million for the six months ended 30 September 2009 (“1HFY2010”).

Financial Highlights

Overall Highlights	1HFY2010 S\$ '000	1HFY2009 S\$ '000	% Change
Revenue	39,767	45,363	(12%)
Profit from operating activities	8,542	8,557	NM
Profit before taxation	8,470	8,472	NM
Net profit attributable to shareholders	7,185	7,002	3%
Basic earnings per ordinary share (cents)	8.16*	7.60**	7%

NM: Not meaningful

* Based on 88.059 million shares

** Based on 92.125 million shares

Note: The total 7.4 million treasury shares as at 30 September 2009 (30 September 2008: 5.5 million) are excluded from the computation of per share

For the period under review, the Group recorded a 12% decline in revenue from S\$45.4 million in 1HFY2009 to S\$39.8 million in 1HFY2010. This is mainly due to softer demand for the repair, complementary fabrication and equipment rental businesses under its Oilfield Engineering Division, which contributed S\$19.7 million or 50% of total revenue. The decline was partially mitigated by improved sales from the Engine Systems division, which registered a A\$1.5 million increase in revenue to A\$17.1 million as compared to 1HFY2009. However, the foreign exchange translation impact upon consolidation at Group level has resulted in a slight 1% decrease in revenue, on the back of weaker Australian dollar during the period.

In terms of profitability, the Group posted a marginal 3% increase in bottomline for 1HFY2010, in contrast to the lower revenue registered. This is mainly due to a one-off S\$1.9 million net gain on partial disposal of long-term investment in quoted shares.

As a result of the above, basic earnings per ordinary share increased from 7.60 Singapore cents in 1HFY2009 to 8.16 Singapore cents in 1HFY2010, calculated based on 92.1 million shares and 88.1 million shares respectively. The computation does not include the 7.4 million treasury shares as at 30 September 2009.

MTQ continues to maintain a healthy and strong balance sheet, which saw improvement in net cash position to S\$23.2 million as at 30 September 2009 from S\$17.5 million as at 31 March 2009, while net asset value per ordinary share stood at 82.0 Singapore cents as at 30 September 2009.

Rewarding the shareholders

The Board of Directors maintains a recommended tax-exempt (one tier) interim dividend of 1.0 Singapore cents per share for 1HFY2010 (1HFY2009: 1.0 Singapore cents per share), representing a dividend payout ratio of 12.3%.

Going Forward

As an update to the recent developments within the Group, MTQ has successfully incorporated MTQ Oilfield Services W.L.L (“MTQ Bahrain”), its Middle East initiative to set up a state-of-art facility strategically located among oil producing countries in the Gulf. MTQ Bahrain is a Greenfield project of US\$20 million and is an extension of the Group’s core competences in the region with vast business opportunities. This sets the pace for the Group to grow organically and steadily in the long run.

Looking at MTQ's business footprints in Australia, the Engine Systems has shown resilience with a positive performance. With the recent success in securing the distribution rights with the global brand Bosch to distribute a full range of products to the aftermarket repairers network, MTQ has further strengthened its market positioning in the Australian Automotive Aftermarket. Known as the "Bosch Superstore", the initiative is expected to contribute significantly to the Australian business as it continues to gain growth momentum when it commences in November 2009.

Commenting on the outlook, Mr Kuah Kok Kim, Chairman and CEO said,

"With oil prices rising on hopes of global economic recovery, we are witnessing higher demand in the oil and gas industry in the recent months, especially in the sector where MTQ operates. This spells in favor for the demand for our products and services under the Oilfield Engineering Division. Our strategic investment in Bahrain has been on track as planned, and we hope to capitalize on the growing demand and vast business opportunities in both Southeast Asia and Middle East region within the next few years.

At the same time, we are pleased to see the improved performance of the Engine Systems Division, and will continue to focus our efforts to enhance our market leadership in Australia. Barring any further worsening of market conditions, we are reasonably confident that the two engines of growth will continue to maintain their respective performance in the second half of FY2010."

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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

Issued for and on behalf of MTQ Corporation Limited

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