

PRESS RELEASE

EMS ENERGY EXPECTS BETTER PERFORMANCE IN SECOND HALF OF FY2010

- **Registers revenue of S\$17.8 million for 1H10, with continued strong contribution from the Oilfield Services and Supplies segment**
- **The Group's order book stands at S\$70 million and will contribute positively to the Group's second half financial performance**

Singapore, 4 August 2010 – The Board of Directors of EMS Energy Limited (“EMS” or together with its subsidiaries, “the Group”) today announced that they are expecting an improvement in the operating performance for the second half of financial year ended 31 December 2010 (“2H10”), after securing two turnkey projects recently worth US\$40 million. This follows the Group’s announcement of its results for the 6 months ended 30 June 2010 (“1H10”), where it registered revenue of S\$17.78 million for 1H10 and an operating profit attributable to equity holders of the Company of S\$69,000.

Commenting on the 1H10 results, Mr Ting Teck Jin, Executive Chairman and CEO said; *“With the recovery in the Oil & Gas sector, we are focused on securing more projects for our Engineering Equipment Services business. This is balanced with our Oilfield Services and Supplies business, which is relatively stable and growing steadily. During the first half of FY2010, the two major contracts secured brought our order book to S\$70 million, and we will continue to work hard to build it up.”*

The Group on 23 June 2010 announced that it secured an engineering, procurement and construction (“EPC”) contract worth US\$22.35 million from a regional shipyard to design and build a ship transfer system, with a delivery schedule of 14 months. On 24 May 2010, the Group secured a US\$17 million repeat order from Vietnamese oil major Vietsovpetro to build a Mobile Modular Workover Unit on a turnkey basis, with a delivery schedule of 23 months.

Group revenue for 1H10 saw slight increase of 2% from S\$17.51 million for the 6 months ended 30 June 2009 (“1H09”) to S\$17.78 million for the 6 months ended 30 June 2010. The increase of revenue was contributed by higher revenue from OSS segment, revenue of OSS has increased by S\$1.01 million from S\$8.53 million in 1H09 to S\$9.54 million in 1H10, which was partially offset by lower revenue from EES segment due to slowing demand during the financial period, resulting in a decrease of S\$0.74 million from S\$8.97 million in 1H09 to S\$8.23 million in 1H10.

Gross profit fell from S\$6.50 million in 1H10 to S\$4.95 million in 1H09. Gross profit contribution mainly came from EES of S\$1.68 million and OSS of S\$3.27 million. Gross profit margin for 1H10 dropped to 28% as compared to 37% in 1H09 due to the lower margin generated.

Other income fell in 1H10 due to lesser bank interest income and cash grants from job credit schemes.

In 1H10, depreciation of property, plant and equipment increased slightly from S\$516,000 to S\$611,000 due to additional plant and equipment acquired during the period. There was also a foreign exchange gain of S\$96,000 compared to a loss of S\$545,000 in the previous corresponding period due to the weakening of the US Dollar vis-a-vis the Singapore Dollar. A gain of S\$113,000 was recorded in 1H10 for the disposal of Asia Eco Environmental

Technologies Pvt Ltd and Eco Water Technologies (M) Sdn Bhd, which was part of the Group's divested ENV business.

All in all, the Group recorded an operating profit after tax attributable to shareholders in 1H10 of S\$69,000 compared to S\$390,000 in 1H09.

Barring any unforeseen circumstances, the Board is of the view that the operating performance for the next reporting period will be better than that of 1H10.

Note: This press release is to be read in conjunction with the 1H10 results announcement released by the Company on 4 August 2010 on the SGXnet.

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About EMS Energy Limited

EMS Energy Limited, listed on Catalist of the Singapore Exchange, is an established provider of engineering solutions for the marine, oil & gas industry. Its bespoke products and solutions include drilling and workover, down hole drilling accessories, mechanical handling and moorings for Anchor Handling Tugs Supply Vessels (AHTS), Floating Production Storage and Offloading (FPSO), Pipe Laying and Construction Vessels and Mobile Offshore Drilling Units (MODU). More information on EMS Energy is available at www.emsenergy.com.sg

This announcement has been reviewed by the Company's sponsor, KW Capital Pte. Ltd., for compliance with the relevant rules of the Exchange. The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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