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Sinwa signs MOU with Longzhu for joint venture in Perth

- *Expands Sinwa's reach into the offshore supply industry*

SINGAPORE – 1 February 2005 – In a drive to expand its presence in Australia, mainboard-listed regional marine supply and logistics provider **Sinwa Limited** (“Sinwa” or “the Group”) today announced that it has signed a Memorandum of Understanding (“MOU”) with Longzhu Oilfield Services (S) Pte Ltd (“Longzhu”) to form a joint venture company in Perth, Western Australia.

Under the MOU, Sinwa will take a 51% stake in LS Offshore Services Pty Ltd with an investment of A\$102,000 (S\$130,000). Longzhu will hold the remaining 49% in the joint venture company.

LS Offshore Services Pty Ltd will provide crew and manpower support, as well as the supply of equipment, general consumables and provisions to the offshore oil and gas industry in Australia.

Commenting on the rationale for the Australian joint venture, Mr Mike Sim, Sinwa's Executive Chairman and CEO said, “The Australian market is an important one for us because it is an established market for the transportation of heavy bulk, livestock and grains. Besides having a well-developed cruise ship industry, Australia is also benefiting

from its proximity to offshore oil and gas fields. This is where our joint venture partner, Longzhu Oilfield Services, has established a strong customer base particularly amongst China oil rig owners.”

The joint venture will further extend Sinwa’s presence in Australia. Coupled with its existing four Australian operations in Sydney, Melbourne, Perth and Brisbane, Sinwa is able to effectively tap into the markets and customer bases in virtually all ports, from Darwin in the north to Fremantle, and from Albany in the south to Adelaide, Melbourne and Sydney.

With an increased presence in Australia, Sinwa, already Asia-Pacific’s leading marine supply and logistics group, is able to enjoy even greater economies of scale, and provide seamless supply chain for its global customers.

About Sinwa Limited

With a history that dates back to the 1960s, Sinwa, a winner of EDB/Business Time's Enterprise 50 Awards in 1998, is today an established ISO 9001:2000-certified marine supply and logistics company servicing the oil and gas industry and sea-going vessels in Singapore, the PRC and Australia.

Sinwa's core business is in the supply of a wide range of ships' stores, provisions and equipment to ships and oil rigs, as well as providing their operators and owners with shipping agency and related services, such as supply, fabrication and installation of thermal insulations to LNG and chemical tankers, heating, ventilation and air-conditioning (HVAC), contract labour supply to oil-rigs and other projects.

About Longzhu Oilfield Services Limited

Longzhu Oilfield Services Limited, a member of the Longzhu Group, supplies and provides services in oil and gas equipment, instrumentation and spare parts to the oil and gas, marine and petrochemical industries in Southeast Asia and China. The Company also has vast experience in providing logistics services and the management of seismic ships, research boats, and offshore platform barges to a global clientele.

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