



BAKER TECHNOLOGY LIMITED
Company Registration No.: 198100637D

Media Release

**Baker Tech doubles order book to US\$67 million;
reports 1Q FY2011 net profit of \$1.4 million on revenue of \$10.6 million**

Y/E Dec (S\$ million)	1QFY11	1QFY10	% Chg
Revenue	10.6	6.2	71
Cost of goods sold	(5.3)	(1.8)	190
Gross Profit	5.4	4.4	22
Administrative Expenses	(2.3)	(1.4)	66
Other Operating Expenses	(1.4)	^	7,037
Share of Associates	0.5	0.08	478
Profit before tax	2.1	3.1	(30)
Net Profit	1.4	2.5	(43)
Basic EPS* (cents)	0.20	0.37	
Diluted EPS ⁺ (cents)	0.14	0.37	

^ Amount less than S\$0.1 million

* based on a weighted average number of 682,578,493 ordinary shares for the financial period ended 31 March 2011 (31 March 2010—654,794,417)

+ based on the number of ordinary shares in issue during the financial period ended 31 March 2011 adjusted for dilutive effect of 300,305,334 warrants (31 March 2010—24,121,243).

- **Net order book rises from US\$33 million to US\$67 million**
- **Outlook improving with sustained high oil prices and rising E&P spending.**
- **Group is debt-free and has net cash and cash equivalents of S\$207 million (or about 30.3 cents per share).**

29 April 2011 – Baker Technology Limited ('Baker Tech' or 'the Group') 巴克科技有限公司, a manufacturer and provider of specialised marine offshore equipment and services for the oil and gas industry has reported a net profit of S\$1.4 million for the three months ended 31 March 2011 (1Q2011).

Group revenue was up 71% to S\$10.6 million in 1Q2011 as compared to a year ago, thanks to a higher level of completions and progressive recognition of new orders. However, gross profit was up 22% to S\$5.4 million, mainly due to a lower write-back of unutilised warranty provision of S\$0.3 million, compared to S\$1.1 million in 1Q 2010.

1Q2011 pretax profits declined 30% to S\$2.1 million as administrative and other operating costs rose. Administrative expenses were 66% higher at S\$2.3 million due to higher professional and legal fees. The Group also reported a higher foreign exchange loss of S\$1.4 million as the US\$ fell against the S\$ in the first quarter of the year. The Group's share of results from its 49%-owned associate—York Transport Equipment Asia ("York") – improved from S\$79,000 to

S\$457,000. This was achieved on the back of an improving operating environment in the trailer axle industry, particularly in the Indian market.

In 1Q 2011, the Group generated S\$3.4 million from operating activities as compared to a cash outflow of S\$9.1 million in 1Q2010. This was primarily attributed to the decrease in trade and other receivables and inventories. The Group also invested S\$10.4 million in quoted shares of a foreign offshore drilling company. Overall, the group ended the quarter on a healthy position; cash and cash equivalents were S\$207.0 million (or approximately 30.3 cents per share) and zero bank borrowings.

Shareholders' fund increased to S\$189.8 million as at 31 March 2011 due to retained earnings in 1Q2011 and a S\$1.3 million net gain on the fair value adjustment of its quoted shares investment. Net asset value per share was 27.8 cents as at 31 March 2011 compared to 27.4 cents as at 31 December 2010.

Outlook

The Group's net order book as at 31 March 2011 stood at US\$67 million. This represented a doubling of the US\$33 million order book as at 31 December 2010, and more than tripling of the US\$20 million order book a year ago. These orders are expected to be completed within the next 12 to 18 months.

The U.S. Energy Information Administration (EIA) said in April 2011 that it expects oil markets to continue to tighten over the next two years given expected robust growth in world oil demand and slow growth in supply from non-Organization of the Petroleum Exporting Countries (non-OPEC) countries. It also expects crude oil prices to stay above US\$100 per barrel in 2011. With sustained high oil prices, worldwide capital spending is also expected to rise further. According to 402 oil and gas firms surveyed by Barclays Capital, such spending is expected to rise 11% in 2011 to US\$490 billion from US\$442 billion.

"1Q 2011 results reflected the last lingering effects of the slow order intake in 2009 and 1H2010. Going forward we expect to do better with the recent pickup in our order intake. The strong resurgence in confidence in the oil and gas market is likely to be sustained throughout 2011 and bodes well for the Group. In addition, we are actively seeking out new growth businesses in the marine offshore sector with our cash reserves of more than S\$200 million."

- Chairman, Mr. Lim Ho Seng (林穆升)

The Group expects to remain profitable in 2011.

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About Baker Technology Limited (Bloomberg: BTL SP, Reuters: BATE.SI)

Baker Technology Limited (Baker Tech) is a leading manufacturer and provider of specialised equipment and services for the oil & gas industry. Its core business is in the design and construction of a wide range of equipment and components for use in the offshore environment. These include offshore pedestal cranes, anchor winches, skidding systems, jacking systems and raw water tower structures. It also provides services such as project management, engineering services, quality assurance, and construction supervision. Baker Tech has market presence in China, the Middle East, Asia and USA. Baker Tech also has a 49% interest in York Transport Equipment (Asia) Pte Ltd, a manufacturer and distributor of trailer axles and related components. Please visit us at www.bakertech.com.sg

Media/IR Contact:

Juliet Ang, NRA Capital

Tel: 6236 6895/9839 9016

Email: juliet.ang@nracapital.com

Hu Junli, NRA Capital

Tel: 6236 6894/9826 5516

Email: junli.hu@nracapital.com