

General Announcement

Reference No **KG-050120-54787**

Company Name : **KNM GROUP BERHAD**
Stock Name : **KNM**
Date Announced : **20/01/2005**
Type : **Announcement**
Subject : **Orders secured by KNM Process Systems Sdn Bhd**

Contents :

1. Introduction

KNM Group Berhad (**KNM**) is pleased to announce that KNM Process Systems Sdn Bhd (**KNMPS**), its wholly-owned subsidiary, secured new orders in December 2004 from its international clients for substantial projects located in Australia and Kazakhstan.

2. The secured orders

KNMPS secured the following substantial orders from its clients to supply the following -

- (a) 34 White Side Tanks and 14 Red Side Tanks for the Gove Third Stage Expansion Project, Australia;
- (b) 30 vessels for the Gove Third Stage Expansion Project, Australia; and
- (c) 18 columns and vessels for the AGIP Kashagan Field Development Project, Kazakhstan.

The total value of the above substantial orders secured amounts to approximately RM188 million.

3. Information on KNMPS

KNMPS is a Malaysian process equipment manufacturer and storage facilities provider with the capability to undertake the designing, manufacturing, fabricating, construction, assembly, commission and maintenance of process equipment, mounded bullets, pressure vessels, heat exchangers, skid mounded assemblies, process piping systems, storage tanks, specialised structural assemblies and module assemblies for the oil, gas and petrochemical industries. Its major products include process vessels, storage facilities, LPG mounded bullets, heat exchangers and air coolers, and specialised steel structural systems. KNMPS also provides its customers with maintenance services as an after sales service.

4. Approvals

The award is not subject to the approval of the shareholders of KNM, KNMPS or the approval of any regulatory authority in Malaysia.

5. Directors' and major shareholders' interest

None of the directors or substantial shareholders of KNM, or any persons connected to them, has any direct or indirect interest in the above secured orders.

6. Effects of the orders

The above orders are expected to contribute substantially to the KNM Group's earnings and net tangible assets for the financial years ending 31 December 2005 and 31 December 2006.

This announcement is dated 20 January 2005.