



Kentz Corporation Limited Full Year Financial Results 2009

London, 22nd March 2010: Kentz Corporation Limited (the “Company”), the holding company of the Kentz engineering and construction Group, today announces its unaudited results for year ending 31st December 2009.

Financial Highlights

- Revenue in 2009 increased by 9.5% to US\$704.7m (2008: US\$643.4m)*
- Profit before tax in 2009 increased by 9.2% to US\$44.5m (2008: US\$40.7m)**
- Profit before tax margin was maintained at 6.3%, in line with 2008**
- Gross cash balance*** at the end of 2009 increased by 16.7% to US\$180.3m (2008: US\$154.5m)
- EPS (basic) 26.46 US\$ cents up 5.5% (2008: 25.09** US\$ cents). EPS (diluted) 26.35 US\$ cents up 5.0% (2008: 25.09** US\$ cents)
- Backlog at the end of 2009 increased by 49.2% to US\$1,497.4m (2008: US\$1,003.8m)
- Proposed final dividend of 4.0 US\$ cents per share

* Excluding JV operations

**Before flotation costs of US\$4.695m in 2008

***Gross cash represents total cash held at bank and in hand at year end

Current Trading and Prospects

- Backlog has increased further as at the end of January 2010 to US\$1,564.8m
- Letters of intent and orders for new projects received since the end of January in excess of US\$43m. These are expected to be converted to backlog within two months
- Strong visibility of current projects with approximately US\$695m of backlog to be executed in 2010 and the remaining US\$870m in the following years
- Awarded significant Specialist Engineering, Procurement and Construction (“EPC”) contracts on the Gorgon Liquefied Natural Gas (LNG) and Pluto LNG projects, valued in excess of US\$358m

- Awarded Specialist EPC contract at the 30,000barrels per day bpd oil and gas central processing facility in Yemen, valued in excess of US\$146m
- Signed a five year Global Framework Continuing Engineering Service Agreement with ExxonMobil Global Services Company, for the provision of engineering, design and technical support services to ExxonMobil projects around the world
- Awarded a contract for the Moatize Coal Project in Mozambique worth approximately US\$69m
- Future prospects for Kentz exceed US\$2.95bn. Decisions on the award of these prospects expected within the next six months

Corporate Development and Operational Highlights

- Successfully completed re-organisation of the Group into three Global Business Units (“GBUs”); Specialist EPC, Construction and Technical Support Services
- Kentz’s Australian operations entered 2010 with a backlog of over US\$376m, primarily linked to a number of mega liquefied natural gas (“LNG”) projects going ahead
- Scope of work grown on both the Sakhalin I and II developments together with the Company’s Russian joint venture partners. Kentz’s volume of total work is forecast to exceed US\$150m, which includes services for the Sakhalin 1 third phase Arkun Dagi
- Further involvement in the main process and utility areas for the mega Shell Pearl gas to liquids (“GTL”) project in Qatar where Kentz’s volume of total work is forecast to exceed US\$400m
- Continued participation on the Medupi project in South Africa, a 4,800MW power station for Eskom
- Successful completion of the Saudi Aramco Khurais construction project in Saudi Arabia and the Rio Tinto Ilmenite project in Madagascar, valued in excess of US\$60m and approximately US\$80m, respectively
- Continued participation on several Sipchem projects in Saudi Arabia including commencement of engineering and procurement services for the new Acetyls Polishing Plant with a total value of approximately US\$150m
- Continued participation on the Gautrain infrastructure project in South Africa with commissioning in time for the 2010 FIFA World Cup

For more information about Kentz please refer to our website www.kentz.com or contact

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Current Trading and Outlook

Despite the volatility in world markets during 2008 and 2009, Kentz has reported a solid performance and remains well positioned to continue to deliver strong growth in the coming year. Sales for 2009 have increased by 9.5% and we have achieved another record backlog, up 49.2% year-on-year, providing a strong basis to continue to perform. The re-organisation of the company into three GBUs has also laid the foundation for continued growth, with each business unit increasing in geographic reach and sales through new awards, during the period.

At the end of January 2010 the backlog stood at US\$1,564.8m, the largest in the Company's history, and the pipeline of target prospects was in excess of US\$2.95bn. Our strategy of focusing on oil and gas, petrochemicals and energy projects in developing regions has been highly successful, and we continue to build on the strong foundations in our core markets. In addition, we have seen a significant increase in our metals and mining business in Southern Africa and Australia, which we expect to continue in the long term.

Kentz is encouraged by the fact that a large number of International Oil Companies ("IOCs") and National Oil Companies ("NOCs") have maintained their exploration and production capital spending during 2009. Whilst capital expenditure plans for these companies vary considerably for 2010, we are seeing positive capital investment sentiments for upstream exploration and production projects from important Kentz clients, such as Shell, ExxonMobil, Chevron, BP, Abu Dhabi National Oil Company and Saudi Aramco.

Oil prices have remained reasonably stable over the past six months, at between US\$70 to US\$80 per barrel. This provided the catalyst for some delayed projects to gain momentum and subsequently move into project execution. We remain comparatively insulated against the fluctuation in oil prices as our key regional market for oil production services, the Middle East, has production costs that are amongst the lowest in the world.

The development of the Pacific Rim as a major LNG liquefaction centre gained strength during 2009. Kentz has been awarded significant LNG projects in this area and we expect investment to continue. Kentz's strength is in its ability to provide engineering, procurement and construction services to remote and logistically challenging projects, and is therefore well placed to service this demand. Our GBUs are enabling us to fully service our clients' needs in these areas, as seen by the recent award of contracts for approximately US\$107m on the Pluto LNG project and US\$251m on the Gorgon LNG project.

Power and infrastructure projects also gained momentum in 2009 and our work in this sector, in Southern Africa and the Middle East, has been particularly successful. We expect to increase revenues in this area during 2010 and beyond.

With the award of new Specialist EPC contracts, we have continued to expand our services in brown field projects, plant upgrades and expansion developments. The award of the Storex Control System Upgrade Project consists of the replacement of existing process control systems and associated electrical and instrumentation devices for Abu Dhabi Gas Liquefaction Company Ltd ("ADGAS"), an Abu Dhabi National Oil Company ("ADNOC") Group company, on Das Island, United Arab Emirates.

Kentz's maintenance and shutdown services group has been successful across all our regional operations. A good example of this is the recent award for the shutdown services and operations support contract with ExxonNeftegas Ltd, within the Sakhalin 1 development project. This contract includes all personnel, permits, equipment, transportation and front end execution planning, as well as the management of contractor and subcontractor resources for the shutdown during 2010. A number of our clients have also indicated that they are assessing opportunities for "de-bottlenecking" plants as well as increasing the product quality, productivity and capacity on existing installations, which will create further opportunities for Kentz.

The central oil processing facilities in Yemen is representative of Kentz's strategy for providing complete oil production facilities, both early and permanent, in marginal field developments. This Specialist EPC contract for the 30,000bpd facility will hopefully be the first of many similar type projects for Kentz on a global basis.

Chairman's Report

In 2009, the world economy came close to collapse, brought on by a global crisis in the international financial markets. Whilst the current signs point to the beginnings of a global upturn, there remain a number of hurdles to overcome before we can safely predict a full recovery.

The precipitous drop in energy prices at the end of 2008, continued into early 2009 and was followed by a steady rise, sufficient enough to stimulate new growth in our clients' investments. Within this environment we are pleased to report that Kentz continued its growth in sales and earnings, marking its performance as a stand out in the international engineering and construction industry. As we entered 2010, Kentz's backlog stood at a record US\$1,497.4m, a 49.2% increase over 2008.

The Board congratulates our Chief Executive, Hugh O'Donnell, and his management team in navigating the Company through this difficult year whilst maintaining the steady and continuous growth of Kentz. The core strategy of focusing on our blue chip client base and providing consistent, high quality value added services has served the Company very well, and continues to do so.

We have successfully utilised our strong balance sheet to invest in Kentz's future, despite the past year's economic outlook. An example of this was the investment in personnel and management made in the Australian market. Kentz has been operating in Australia for a number of years, but by assessing the opportunities for new LNG projects, we were able to allocate additional human resources to this market. This has resulted in large and diverse awards in our Construction and Specialist EPC business units, and today we are a strong force in Australia ready to leverage our presence to participate in the current and future commodity-based project investments by our blue chip clients.

Our largest and most important market continues to be the Middle East; and although we witnessed some delay in the award of certain projects at the start of 2009, the second half was very buoyant. New opportunities for our Specialist EPC business unit are emerging in Kuwait, Oman, and Syria. In addition, the increased political stability in Iraq and the return of many of our core clients to the country offers the potential for new opportunities and geographic expansion for Kentz in the Middle East.

Africa proved to be a strong market for Kentz in 2009 with all three GBUs exceeding their sales targets. Although new investments in the oil and gas sector have been delayed, the growth in power and metals and mining projects underpinned our 2009 sales performance. We foresee a return to higher levels of energy investments in Africa, particularly in the Coal to Liquid and refining sectors of the market.

Despite a reduction in worldwide energy demand in 2009, we are convinced that over both the immediate and long term future, the energy demands, particularly of new emerging economies, will fuel our industry and the continued growth of Kentz. The International Energy Agency predicts that by the year 2030 energy demand will have grown by 50%, with half of the total coming from fossil fuel sources not yet developed. The Board continues to support our investment strategy of enlarging Kentz's presence in the upstream oil and gas services market in order to take full advantage of this demand.

The Board is confident that the Company has the correct vision and strategy, coupled with an outstanding management team, to enable us to bring value to our employees, to the communities in which Kentz operates, and to our shareholders.

Tan Sri Mohd Razali Abdul Rahman
Chairman

Chief Executive Officer's Report

It has been another successful year for Kentz, with a strong performance across all business units and some significant new contract awards. Despite the ongoing challenges in the global economy, revenue increased 9.5% to US\$704.7m, profit before tax increased 9.2% to US\$44.5m and our profit before tax margin was maintained at 6.3%, in line with 2008.

Backlog has increased further to US\$1,564.8m at the end of January 2010, up from US\$1,003.8m at the end of December 2008 and US\$1,100.9m at 30 June 2009. During 2009 the total order intake to backlog was US\$1,039.4m, with a strong performance in the second half as new orders and natural growth from existing projects increased by 44.1% (H1 US\$425.8m and H2 US\$613.6m) over the first half of 2009. The Group's cash position remains very strong. Gross Cash at the end of 2009 was US\$180.3m, up 16.7% from US\$154.5m at the end of 2008. Net cash* at the end of December 2009 was US\$168.3m, up from US\$152.5m at December 2008. Approximately US\$134.1m of this is Kentz's own cash, with the majority of the balance being customer prepayments on contracts.

The total dividend payment for 2009 will be 6.0 US\$ cents per share. The final dividend payment of 4.0 US\$ cents per share represents two-thirds of the total payment for 2009 and is scheduled to be paid in June 2010.

Kentz's pipeline of prospects is currently in excess of US\$2.95bn (Dec 2008: US\$2.15bn) and continues to grow. In assessing prospects, in which bids have a period of up to six months before being awarded, Kentz focuses on projects that have a high probability of proceeding and where it has the greatest chance of success.

* Net cash represents gross cash less bank overdraft, bank borrowings and finance lease obligations.

Kentz is currently involved in some of the largest and most prestigious projects in the world: the Gorgon LNG project in Australia; the Shell Pearl GTL in Qatar; the development of the Jubail II infrastructure in Saudi Arabia; the Sakhalin 1 and 2 developments in Far East Russia; and the 4800MW Eskom Medupi Power Station in South Africa.

Projects in remote global locations are those where Kentz's experience can add real value to clients. The reorganisation of the Group into three Global Business Units, completed during the second half of 2009, has allowed us to leverage our well-established regional hubs to support work in remote locations, with the potential for greater profitability.

Each of the GBUs: Specialist Engineering, Procurement and Construction; Construction; and Technical Support Services, has benefited from increased exposure across the extended Kentz global network. The internal reorganisation has provided a number of additional strategic prospects for the Company and has helped unlock latent synergy that exists within Kentz's business areas, which has been reflected in the growth of the backlog and prospects. The most significant growth in backlog was seen in the Specialist EPC business unit: from US\$316m at December 2008 to over US\$837m at December 2009.

While the Middle East remains the most significant area of revenue generation for Kentz, accounting for 63% of the overall revenue in 2009, we have seen significant growth in other regions. The global oil and gas landscape for project development changed significantly during 2008 and 2009 and Kentz is well positioned to service new opportunities as many of our core clients are involved in developing these major projects.

In particular, Australia has emerged as the world LNG liquefaction hub, following Qatar's decision to put on hold further north field gas developments. Iraq is also set to become the largest developer of upstream onshore oil and gas projects with several major IOCs signing up to new service contracts with the Iraq Oil Ministry. Brazil's pre-salt reserve finds will set a new wave of FPSO projects in both Brazil and in several fabrication centres around the world. Developments by US IOCs on large scale Alaskan gas projects to support domestic US energy demands look set to open up a new market of projects in this area and Saudi Arabia is developing a number of downstream oil and gas projects in joint venture with IOCs to service domestic, regional and Asian demands.

During 2009 the belief that the oil majors would continue to invest in oil and gas processing capacity for future demand, in order to keep oil prices from "over-boiling", has proven to be true. Capital investments from the major IOCs continued at significant levels throughout 2009 and are likely to remain buoyant for the foreseeable future. Economic growth witnessed during the latter half of 2009 in developing economies, supports the current outlook that world demand for oil and gas will continue to grow.

The volatile global economic conditions during 2009 had some impact on our industry, but Kentz's clients have continued to finance a significant number of developments in the areas in which we operate. The recent trend for IOCs to invest in locations where hydrocarbon extraction costs are marginally higher, but access and ownership risk are lower, has worked to Kentz's advantage and many clients are taking a strategic long-term view of future developments in order to grow reserves, resulting in additional project opportunities. Kentz continues to gain access to an

expanded diversity of sectors, through a solid portfolio of projects and competencies across upstream oil and gas, downstream petrochemical, metals and mining, power and infrastructure. Kentz works with a well established base of blue-chip clients, consisting of international oil, national oil and natural resource companies, along with leading engineering and project management companies.

Central to Kentz's operations is the health and safety of our employees. During 2009 the workforce remained at an average of approximately 10,500 employees worldwide and we delivered over 34 million man-hours of work on projects in 26 countries. The Total Recordable Incident Rate (TRIR) for the Group was 0.17. We maintain an appropriate mix of contract and permanent employees to provide a flexible approach to our fixed cost base.

Effective risk management remains a governing principle for the management executive. In the current operating environment, there are fluctuations in a number of the variables that make up our costs, and ensuring these are addressed at bidding stage is of paramount importance. Kentz maintains its strict focus on risk management through regular bid proposal and ongoing project reviews.

The management team believe the Company's outlook is very positive. Oil prices have remained stable in the US\$70 to US\$80 per barrel range and many OECD and non-OECD countries are now moving out of recession, providing a positive long-term view for oil and gas demand.

We are confident that the expected long-term increase in demand for oil will drive the expansion of both the onshore and offshore oil and gas markets and there are also several large downstream oil and gas developments being planned. This view is further supported by the capital expenditure plans of many of our core clients, which remain intact.

Kentz is focused on identifying and assessing potential strategic investment opportunities in our sector, whether in the form of a joint venture, an investment or an acquisition. We maintain a prudent approach to any such transaction in order to ensure that any strategic investment will be value enhancing for our shareholders.

Given the diversity of the sectors in which we are involved and our strong track record of operating across the world, we feel well positioned to capitalise on the opportunities available to Kentz in the years ahead.

Hugh O'Donnell
Chief Executive Officer

Our markets and sector focus

Economic drivers

- Oil prices have remained stable at between US\$70 to US\$80 per barrel. Many OECD and non-OECD countries are now moving out of recession, providing a positive long-term view for oil and gas demand. This view is further supported by the capital expenditure plans of many of Kentz's core clients, which remain intact.
- Global demand for oil is on track for year-on-year growth in 4Q09, the first time since 2Q08. The International Energy Agency (IEA) stated in February 2010 that oil demand is expected to rise from 84.9 million barrels per day (mbpd) in 2009 to 86.5mbpd in 2010, with growth entirely in non-OECD countries, by 2030 this is forecast to reach 105mbpd. Of this, non OECD countries will account for 93% of the increase in global demand between 2007 and 2030, driven largely by China and India, with fossil fuels accounting for 77% of the increase in the world primary energy demand.
- The IEA predicts that an energy supply infrastructure investment of US\$26,000bn, or over US\$1,100bn per year by 2030, is needed. This figure includes US\$13,600bn in power projects, US\$6,300bn in oil projects (80% of which will be targeted at exploration and development), and US\$5,500bn in gas orientated projects (61% of which will be targeted at exploration and development). Over half of this energy investment worldwide is needed in non-OECD countries, where demand and production are projected to increase at the quickest rate. These are all key industries for Kentz.

Regional factors

- The Middle East Economic Digest (MEED) noted in January 2010 that it expects contract awards in the oil, gas and petrochemicals industry in the Middle East to reach US\$97.9bn in 2010 and US\$212.6bn between 2010 to 2012. Revenues from the Middle East region made up 63.2% of total Kentz revenues in 2009. Middle East backlog as of the end of January 2010 is US\$676.2m
- Kentz estimates that over US\$170bn of capital expenditure on LNG type projects could take place in Australasia following the LNG new project development shift from the Middle East to Australasia and with a current backlog of project orders in Australia totalling US\$368.5m Kentz is already ideally positioned to benefit from this. Kentz is also seeing a significant expansion in projects in Sub Saharan Africa and at the end of January 2010 had a backlog of US\$444.9m for projects in this region.

Overview

Kentz is a fully integrated services solution provider delivering Specialist EPC solutions, Construction, and Technical Support Services for projects involving oil and gas upstream developments (both offshore and onshore), LNG, Gas to Liquid (GTL), refining, petrochemicals, power, metals and mining and infrastructure. Our core clients include international oil companies, national oil companies and leading engineering and project management companies.

Our global workforce, which averaged approximately 10,500 during 2009, completed over 34 million man-hours of work on projects with a Total Recordable Incident Rate (TRIR) of 0.17.

New Initiatives

The successful transition of the Group to Global Business Units during 2009, has allowed Kentz to offer Specialist EPC and multidiscipline construction services across all our regions using regional centres of excellence to support new projects and clients.

Separately, the development resources of our teams in Canada, the USA, Caribbean and South America have been pooled to improve efficiency and information sharing across projects and targets in the Americas.

We continue to target turnkey onshore oil and gas early and interim production systems, providing cost effective solutions to oil and gas process plants as well as all balance of plant services in the upstream oil and gas market. We are presently providing a 30,000 bpd central process facility in Yemen and targeting additional marginal field developments.

Global Business Units

In 2009, Specialist EPC revenue was US\$166.0m (2008: US\$184.5m), Construction services was US\$348.1m (2008: US\$279.2m); and Technical Support Services was US\$190.5m (2008: US\$179.7m). Recent project award values range between: US\$50m to US\$210m for Specialist EPC; US\$30m to US\$260m for Construction; and US\$3m to US\$50m for Technical Support Services projects.

Our main aim is to be recognised across the globe as the preferred specialist solutions provider for all of our clients, and we have continued to see strong demand for Kentz's services across our GBUs.

As a general rule, our Specialist EPC contracts are fixed price, lump sum and are often competitively bid; Construction contracts are based on a re-measurable work unit rate; and our Technical Support Services are usually on a fully reimbursable basis. Our lump sum fixed price contracts meeting specified criteria undergo risk assessment by the Risk Review Committee prior to submission.

Specialist Engineering, Procurement and Construction (EPC)

The Group has seen considerable benefits from the newly formed global Specialist EPC business unit, resulting in a record backlog for the business line of US\$837.3m as of the end of December 2009. Middle Eastern and African regions have continued to experience sustained growth in backlog and this has been supported by two large EPC contract awards in the Australasian region. There continues to be strong demand for onshore oil and gas process facilities and infrastructure in these particular regions. EPC revenues in 2009 were US\$166.0m, down from US\$184.5m in 2008 due to some delays in the award of new projects in the latter half of 2008. However, there have been a number of new large EPC contracts awarded that have increased our EPC backlog by over 165% since that time.

Kentz has continued to develop a strong presence in Australia, with a number of new contract awards. Chevron Australia Pty Ltd awarded Kentz, in a joint venture with Decmil and Thiess (TDKJV), an AUD\$500m contract for the Gorgon LNG project Construction Village on Barrow Island. The accommodation facility is expected to accommodate 3,300 construction workers. All materials for the project will be shipped to the remote island via landing craft transport from Dampier in the northwest of Australia. The Gorgon Project is a joint venture between the Australian subsidiaries of Chevron (Operator), ExxonMobil and Shell, to develop the Greater Gorgon gas fields, located 130-200km off the northwest coast of Western Australia. The Greater Gorgon gas fields contain resources of about 40 trillion cubic feet of gas, and are Australia's largest-known gas resource.

A second contract award by Chevron Australia Pty Ltd for the Gorgon Project is the EPC telecommunications package, awarded to Kentz, through its Australian arm Kentz (Pty) Ltd. Owing to the remoteness of the project site, the AUD\$150m contract calls for the use of state-of-the-art telecommunications technology, including converged IP networks for multiple data streams, satellite data communications, navigational aids including radar and vessel tracking, meteorological and oceanographic systems, site wide WAN/LAN with network management, central fire and security monitoring, and data transmission on both fibre optic and microwave.

In Qatar, Kentz continues to be involved in the prestigious Shell Pearl GTL project including a number of Specialist EPC, Construction and Technical Support Service packages in excess of US\$400m. During 2010, the main focus will be on delivering the commissioning support of utilities packages and enabling the commencement of critically important process utilities, a precursor to plant-wide systems completion. During 2009 more than 2,800 specialist personnel were working on the project. Kentz also has a general services contract to support project completion activities.

Engineering and procurement has commenced on the EPC US\$85m Ras Laffan Refinery port project for Qatar Gas. This contract will include full site development of the main fuel truck distribution point for the Laffan Refinery Tank Farm, and the installation of the interconnecting pipelines between the tank farm, loading facility and the Ras Laffan jetty.

Kentz has also recently been awarded an EPC contract to replace two existing glycol regeneration trains at Qatar Petroleum's Fahahil Stripping Plant in Dukhan, Qatar.

EPC activities continue on the Sidra project, where Kentz is carrying out a US\$208m contract for the design, supply and delivery of the main electrical systems on the Qatar Foundation and Qatar Petroleum supported Sidra Medical and Research Centre.

Separately, work has commenced on the Qatargas Operating Company's phase six LNG storage and loading facility in Ras Laffan Industrial City, which is located on the northeast coast of Qatar. Kentz is providing electrical, instrumentation and telecommunications services.

In Abu Dhabi, engineering and procurement has commenced on the US\$30m Storex Control System Upgrade project for ADGAS on Das Island, which will run for three years. The project consists of the replacement of the existing control system and associated electrical and instrumentation devices. Process units include ADGAS LNG, LPG, Sulphur Storage and Jetty Loading facilities, which will then be integrated into the existing systems of the three LNG/LPG processing facilities.

Capital spending on some of the large oil and gas projects in Saudi Arabia was delayed during late 2008 and early 2009. However some of the delayed projects at export refineries in Jubail and Yanbu are now proceeding, with a final investment decision for Yanbu expected in 2010. Saudi Aramco also continues to move ahead in a joint venture with Dow to upgrade and integrate the existing Rastanura refinery with a large scale petrochemical complex through a projected spend of US\$26bn. In addition, Saudi Aramco has a clean fuels programme to upgrade its existing refineries to meet US and European emission standards in future years and Kentz is well-positioned to participate in these upcoming mega-projects. Our track record in Saudi Arabia over the last 33 years coupled with Saudi Aramco's stated intention to increase both onshore and offshore oil and gas production suggests this is an area set for growth.

Engineering and procurement has also commenced on the US\$10m Isopentane unit for Petrokemya.

We continue to remain focused on the development of important infrastructure with the Royal Commission for Jubail and Yanbu, including the provision of engineering, consultancy, procurement and on-site construction support services for the development of approximately 2,000 hectares of land to the west of Jubail 2.

In 2009 Kentz was awarded an additional five year contract on Jubail 2. This development of approximately 1,000 hectares of land will require 850,000 man-hours of engineering and consultancy services. The scope of work will include engineering studies and assessments for urban planning; the design site development for Mutrafiah, Jalmudah, and Regga; and infrastructure projects, including landscaping, schools, universities, sports facilities, community buildings, clinics and power systems. When completed, Jubail Industrial City will be the largest of its kind in the world. Future scopes of work under discussion with the Royal Commission include security systems for the complete industrial area, and the development of a railway system from the new industrial area to the port.

Kentz continues to provide EPC services to Sipchem, one of the largest, fully-integrated, petrochemical companies in the Middle East, owned and operated by the private sector. Kentz is executing EPC projects for the product pipelines, port expansion and some buildings on the new major Acetyls complex. The Acetyls complex consists of an Acetic Acid, Vinyl Acetate Monomer and a Carbon Monoxide plant. Kentz is also contracted to provide EPC services on several smaller upgrade projects in the region.

In Yemen, the award of the US\$146m contract for EPC services on the onshore 30,000 bpd oil production facility follows the formation of Kentz Global Oil and Gas Process Systems Ltd., a joint venture with GPS Inc. This project is a significant step forward in upstream onshore oil and gas production facilities business for Kentz.

In South Africa, design work has continued on the Gautrain Tunnel Ventilation systems and an additional EPC contract for the tunnel control systems.

Our newly-signed engineering and construction agreement with Sasol is also getting off to a strong start with the award of a number of small EPC packages.

In Ireland, we continue to provide Specialist EPC services to the medical industry as well as the Aviva Sports Stadium, where we are providing construction management and installation for the electrical systems and EPC services for the telecommunications systems. This is expected to be completed during 2010.

In Canada, our work on oil sands has now grown to an expected value of US\$25m, and will include additional engineering and procurement services for the plant-wide telecommunications activities.

Construction services

Kentz manages and executes multi-discipline construction projects, including inter alia, construction and site management, field engineering and procurement, HSE and testing for our clients. We also specialise in the provision of commissioning and start-up services in conjunction with, or independent of, project construction activities. The Group's workforce has wide experience in the commissioning and start-up of large and often complex plant facilities in remote locations.

The Construction business unit performed particularly well during 2009 with 24.7% growth in revenues to US\$348.1m (2008 US\$279.2m). Project activity across sectors such as oil and gas, metals and mining and power sectors remains strong for Kentz, evidenced by the volume in both natural growth and new awards during 2009. We have also continued to supply significant construction services on industrial related projects to Fluor, Technip and Linde in Qatar. The Construction business unit had a backlog of US\$529.4m as of the end of December 2009

In Saudi Arabia, Kentz's participation in the Aramco Khurais project was primarily focused on supporting the completion of the plant-wide electrical, controls and automation systems to support start-up. This gas processing plant and water injection facility has a capacity of 1.2 mbpd of high-quality Arabian light crude for Saudi Arabia's export facility. The Khurais programme will also increase the capacity of the Qurayyah seawater injection system by 4.5 mbpd of treated water for injection at Khurais and South Ghawar fields.

In Qatar, construction has started on Qatar Gas's new LNG Berth 6 loading facility where Kentz is providing instrumentation, electrical and telecommunications services.

In the UAE, we continue to be involved with a number of major EPC contractors. We are currently completing the construction and installation services for Bechtel on the GASCO OGDIII gas development programme. This is designed to produce 125,000 bpd of condensate and 12,000 tonnes per day (tpd) of NLG's, including about 3,200

tpd of ethane. It will also recycle an equal volume of produced gas into a reservoir via a high pressure gas injection system.

In Sub-Saharan Africa, Kentz has started construction on the Moatize Coal Project in Mozambique, worth approximately US\$69m. The project is being developed by Vale. Kentz will undertake the structural (steel), mechanical, electrical, instrumentation and piping erection work for the coal processing plant. A number of additional coal projects are being planned in the region. Kentz has been active in Mozambique for over 10 years and we are well placed to secure future contacts in this region.

Elsewhere in Sub-Saharan Africa, Kentz is supporting the maintenance and operation phase for the Kenmare Resources Moma Mineral Sands project in Mozambique, a 700,000 tonnes titanium minerals facility. In Madagascar, we continue to provide maintenance services on the Rio Tinto mineral sands QMM ilmenite titanium dioxide project, which has initial production of 750,000 tonnes of ilmenite per annum.

In South Africa alone there is estimated to be over US\$98bn of infrastructure projects taking place over the next three years that Kentz is ideally positioned to support. In 2008 Kentz was awarded the Medupi power contract worth in excess of US\$250m. Medupi is a Greenfield 6 x 800MW Coal Fired Power Station that forms part of a US\$12bn investment programme by the South African Power Supply and Utility Group Eskom, which will span over six years. Our contract is with GEA Energy, the German technology house, which has responsibility for the turnkey delivery of the overall air cooled condensing system for Medupi. Kentz's scope of work includes the procurement, detailing, shop fabrication and installation of approximately 36,000 tonnes of steel structure and plate work, 40,000 tonnes of mechanical equipment and 1,800 tonnes of piping over a four and half year period.

In Australia, Kentz, together with its Australian joint venture partner Thiess Pty Ltd (Thiess), has also been awarded an US\$77m contract for electrical and instrumentation installation services on Woodside's Pluto LNG project. Separately, Kentz has been awarded the Site Wide Specialist Instrumentation Contract bringing the combined value of work secured to date on the project to in excess of US\$107m.

From January 2010, following an agreement with Thiess, Kentz has now taken over management control of the joint venture company, although its shareholding remains the same. The joint venture company has changed its name to Kentz E&C Pty Ltd.

In the Caribbean, we are mobilised on three new construction projects for the Petrotrin Refinery in Trinidad & Tobago. Kentz is providing construction services to the Isomerisation project, and two contracts on the Acid Alkylation project – part of the Gasoline Optimisation Programme. The isomerisation unit will produce isomerate, which improves the octane rating of light gasoline, thus enabling Petrotrin to increase supplies to premium markets.

Technical Support Services

The Technical Support Services business unit performed well during 2009 with growth of 6.0% in revenues to US\$190.5m (2008 US\$179.7m). We have seen demand for technical services at remote based projects and continued growth on projects where Kentz is also executing either Specialist EPC or Construction services. The Technical Support Services business unit backlog was US\$130.7m as of the end of December 2009.

Kentz works in the early stages of project development at the front-end engineering and design phase (FEED) before EPC works commence. Kentz's perform specific FEED study programmes and has teams of specialist personnel engaged with the client delivering validation and budgeting. Once the project receives approval, a team then typically works as part of an integrated project management group, providing specialist services and systems to support the management of the project.

Kentz also provides maintenance, shutdown and turnaround management services for clients on an international basis, as well as commissioning services for the upstream (offshore and onshore), refining, petrochemicals, metals and mining industries.

We have recently been awarded a number of Technical Support Service contracts with core clients for commissioning services on re-gasification facilities and early production systems. Many LNG developments are expected to come on stream during 2010, including projects in Russia (Sakhalin), Qatar, Indonesia and Europe; all of which will provide opportunities for Kentz to utilise our significant commissioning and start-up expertise.

A significant award for Kentz in 2009 has been a five year Global Framework Continuing Engineering Service Agreement with ExxonMobil Global Services Company. The framework agreement covers the provision of engineering, design and technical support services to ExxonMobil projects around the world.

In Sakhalin, both Sakhalin I and II developments are going through extended phases that are being developed under their original license agreements. On Sakhalin I Kentz is working on ExxonNeftegas's second (Odoptu) and third (Arkutun-Dagi and Chayvo expansion) phase developments. We have now started providing support and construction services on the Chayvo expansion project following a recent award and some preliminary engineering support services on Arkutun-Dagi. We are also providing technical support and construction services, including commissioning and project management personnel to Sakhalin Energy (SEIC) on the Sakhalin II facilities.

Kentz was also awarded a US\$25m shutdown services and operations support contract with Exxon Neftegas Ltd, within the Sakhalin 1 development project, through its Russian joint venture operating company Kentz DEM LLC. The contract includes the provision of all personnel, permits, equipment, transportation and front end execution planning, as well as the management of contractor and subcontractor resources. The shutdown is scheduled to take place during the third quarter of this year.

In South Africa, we continue to provide construction and maintenance, shutdown and turnaround services to Sasol facilities, including Natref, Engen, Hoesel Fibres and Petro SA. Kentz has been a constant presence on these projects since 2002. Several shutdowns are in the planning phase for Engen and a number of Sasol plants.

In Indonesia, we are providing commissioning and start-up support personnel for the 20,000 bpd Cepu early production facility.

In Kuwait, Kentz has a five year PMC support services contract, which includes the provision of engineering and consultancy resources and services to manage national oil and gas projects.

Kentz is also providing completion and commissioning services for the Equate II Petrochemicals Complex to support plant transition from construction through completions and to start-up and production.

In Qatar, Kentz has been awarded a five year contract to provide engineering support services for Qatar Petroleum's offshore operations for plant change requests and engineering studies. The scope of the project includes all engineering disciplines inclusive of process, mechanical, piping, structural, pipeline, electrical and instrumentation.

In Europe, Kentz provided commissioning support services for the LNG re-gasification facilities at South Hook LNG in the UK and for Adriatic LNG, Italy. In Norway, during 2009 we continued to support Aker Kvaerner offshore modular barge works for the Kashagan Project in Kazakhstan.

Geographical review

Over the past reporting period, we have increased our project execution capacity in our core markets, especially in the Middle East, Australia and Southern Africa. In the Middle East revenues have increased to US\$445.6m (2008: US\$406.0), making up 63.2% of Group revenues. In Southern Africa, our revenues have increased to US\$158.6m (2008: US\$131.1m) making up 22.5% of Group revenues. We have expanded our footprint and we are in the process of delivering projects with core clients in three new countries – Italy, Indonesia and Yemen.

Kentz is now established and operating in 26 countries worldwide, including the Middle East, Southern Africa, Australia, Far East Russia, the Caribbean, South East Asia, USA, Canada and Europe.

The Middle East has been our strongest growth area and is still showing signs of significant future expansion. New projects are being developed by both national and international oil companies, especially in the UAE and Saudi Arabia for oil and gas production and refining industries.

Elsewhere, developments in the Caribbean remain small, but existing projects allow us to maintain a presence there. Our activities in this region support the potential to develop in new areas such as Brazil, where we have now mobilised a small office as we focus on oil and gas production for both the onshore and offshore developments. Petrobras has announced its 2009 to 2013 business investment plan of US\$174.4bn, which includes US\$165.4bn for upstream development, refining, gas, energy and petrochemicals projects.

Sector review

During 2009 82.9% of our revenue was derived from oil, gas and petrochemicals projects (2008: 82.7%), 6.5% from our power operations, (2008: 0.7%), 2.4% from our metals and mining operations (2008: 11.1%) and 8.2% from other businesses including governmental, infrastructure and sporting arenas (2008: 5.5%). In addition, we have a joint venture business with Thiess in Australia, Kentz E&C Pty Ltd., for which the majority of the work is for mining, minerals and metals clients. Our share of revenue accounted for an additional US\$36.2m during the period.

Client review

Kentz continues to maintain a good balance and mix of clients with 48.2% of revenues in 2009 coming from end user international and national oil companies (2008: 48.0%). These clients include Shell, Exxonmobil, Chevron, Sasol, BP, Saudi Aramco, Kuwait Oil Company, Sipchem, Qatar Petroleum, Gasco, Adnoc and KNPC. A further 45.1% of revenues came from leading engineering and project management companies (2008: 52.0%), such as Fluor, Foster Wheeler, Linde, GEA, Snamprogetti, Udhe and Bechtel, and the remaining 6.7% from other sources. Key clients in the mining and metals sector include Mittal Steel, Rio Tinto, Kenmare Resources, Xstrata and Anglo Coal.

Backlog and Revenue Visibility

Backlog is defined as the future work load on our books for the EPC, Construction and Technical Support Services GBUs, comprising current contracts not yet completed and new orders received. Backlog is not an audited measure and other companies may calculate the measure differently.

The Group's backlog of work as of 31 December 2009 was US\$1,497.4m, up 49.2% from US\$1,003.8m as of 31 December 2008. We anticipate approximately US\$661m of the backlog will fall into 2010, an increase of US\$141m compared to the backlog at December 31 2008 for execution in 2009. The remaining US\$836m will fall into 2011 and beyond, which is an increase of US\$352m.

During 2009 our total order intake to backlog was US\$1,039.4m. The second half of 2009 was highly successful, with new orders and natural growth from existing projects increasing by 44% (H1 US\$425.8m and H2 US\$613.6m) over the first half of 2009. An important part of Kentz's success has been its ability not just to win new business, but to achieve growth from its existing contracts. Approximately US\$206.7m of new orders were generated from current contracts during 2009, most of which converts to backlog for 2010. The EBIT and PBT margin expectations for 2009 from this backlog are expected to be generally in line with the margins we delivered in 2009.

All business units have entered 2010 with significant backlog. Of the backlog at 31 December 2009, 55.9% came from EPC projects (31 December 2008: 31.5%), 35.4% came from Construction projects (31 December 2008: 51.5%) and 8.7% came from Technical Support Services (31 December 2008: 17.0%).

However, it is important to note that our projection of future work stretches beyond our backlog. At any given time we typically have a number of additional letters of intent and new orders that are waiting to be converted to contracts. The combined value of these currently sits in excess of US\$43m.

Across all our regions we have a number of prospective projects that are under development in bidding and proposals. As of December 2009, Kentz's pipeline for new work is valued in excess of US\$2.91bn. 47.2% of these prospects are EPC projects, 38.5% are Construction projects and 14.3% are Technical Support Services projects. In addition to the above, we are also involved in a number of strategic prospects that are being developed by our clients and are in pre-investment stage.

Overall our visibility of future work has several layers, and this gives us confidence for the future.

Growth Strategy including acquisitions and business opportunities

We continually monitor trends within our industry and evaluate their potential impact on our regions and sectors. Our understanding of the ever changing industrial environment means that we are able to enhance and improve the services that we offer to our clients on an ongoing basis.

We are building on the success of our GBU role out to challenge the new opportunities within the oil and gas production facilities; from marginal and captive onshore and offshore field developments across Africa, through to extensive major field developments such as those in Brazil and Iraq.

Our GBUs have also enhanced the continued expansion within our core regions through the removal of regional operational bottlenecks. This will provide expansion opportunities within many of our operation centres, including Saudi Arabia and Canada.

Whilst the Americas have in the past been a minor revenue centre for the Group, we will create a new regional development focus during 2010 to take maximum advantage of our new global operations.

We still plan to complete an acquisition in the near term within the upstream oil and gas industry. We are in discussions with potential targets, and our priority is finding an entity that will provide a good strategic investment as well as creating value for our shareholders.

We will continue to evaluate further joint venture and alliance opportunities with other industry participants where we perceive such partnerships can reduce and diversify risks, provide greater cost efficiency, increase the number of opportunities that can be pursued, and capitalise on the client relationships of each party.

Chief Financial Officer's Report

Summary of Key Financial Indicators (values and percentage changes)

For the year ended 31 December:	2009 (US\$M)	2008 (US\$M)	% Change
Sales Revenue	704.7	643.4	+9.5%
EBITDA *	51.1	42.2	+21.3%
Profit before tax *	44.5	40.7	+9.2%
Profit after tax *	33.3	30.9	+7.9%
Profit after tax attributable to shareholders *	30.8	28.8	+6.9%
Cash generated from operations	67.7	21.9	+209.1%
Net Cash from operating activity	56.1	11.0	+408.1%
Cash and equivalents at year end	179.8	154.4	+16.5%
Basic earnings per share (US cents) *	26.46	25.09	+5.5%
Backlog	1,497.4	1,003.8	+49.2%

Group Income Statement - Overview of Trends (values and percent of sales)

Continuing Operations	For the year ended 31 December			
	2009	2008	2007	2006
(Values in US\$ millions)				
Sales Revenue	704.7	643.4	544.6	370.1
Gross Profit	94.8	87.6	68.2	56.0
% of sales	13.5%	13.6%	12.5%	15.1%
S.G. & A. expenses *	55.2	51.4	39.7	33.0
% of sales	7.8%	8.0%	7.3%	8.9%
EBITDA *	51.1	42.2	35.2	27.2
% of sales	7.3%	6.6%	6.5%	7.4%
Profit before tax *	44.5	40.7	34.3	25.1
% of sales	6.3%	6.3%	6.3%	6.8%
Profit for the year – continuing operations *	33.3	30.9	26.3	21.4
% of sales	4.7%	4.8%	4.8%	5.8%
ROCE *	25.7%	27.5%	41.4%	40.4%

* 2008 results are before non-recurring flotation costs of US\$4.695m which were expensed during the period

The Group accounts are prepared in accordance with IFRS

Commentary on Group Income Statement Highlights

Revenue

Sales revenues increased by 9.5% in 2009 to US\$704.7m (2008: US\$643.4m) reflecting continued strong growth in our main geographical business regions, particularly in Australasia, Europe and Caribbean, Africa and the Middle East.

The breakdown of revenue by business unit shows a continuation in the pattern we saw in the first half of 2009, with the Specialist EPC unit showing a reduction and the Construction and Technical Support Services units both showing increased shares. Specialist EPC represented 24% of Group revenue (2008: 29%), Construction 49% (2008: 43%) and Technical Support Services 27% (2008: 28%).

A review of the composition of our order backlog at December 2009 of US\$1,497.4m shows that 55.9% of the total consists of Specialist EPC (31 December 2008: 31.5%). Also, looking at the composition of the pipeline of the future projects that we are pursuing, which are valued at in excess of US\$2.91bn, we can see that 47.2% of that total consists of Specialist EPC projects. This indicates that this sector should account for a larger portion in future years.

Sales to the oil and gas and petrochemicals market in 2009 totalled US\$584.2m or 82.9% of Group revenues, up from US\$532.3m or 82.7% of Group revenues in 2008. Our remaining revenues have come from the power sector (6.5%), mining and metals sector (2.4%) and from other sectors (8.2%).

Gross Profit

Gross profits of US\$94.8m or 13.5% of sales were recorded in 2009, an increase of US\$7.2m or 8.2% on the 2008 figure of US\$87.6m.

Selling, General & Administrative Expenses (SG&A)

SG&A expenses in 2009 increased by US\$3.7m to US\$55.2m in absolute terms (2008: US\$51.4m). In relative terms, as a percentage of sales the number is down by 0.2% to 7.8% (2008: 8.0%). This fall in percentage terms has been achieved through prudent management of overheads during the year.

Other operating income

Other operating income for the year was US\$1.7m. This mainly consists of sale of scrap, discounts received and recovery of bad debts previously provided for. This figure is up US\$1.1m on the 2008 figure of US\$0.6m.

Operating profit before finance costs

Operating profit before finance costs for the year increased by US\$4.5m to US\$41.3m or 5.9% of sales, up from US\$36.8m or 5.7% in 2008.

Geographically, the main increase occurred in the Middle East (up US\$8.1m to US\$31.0m). This is mainly attributable to strong performance in our Construction and Technical Support Services business units in Saudi Arabia and Qatar.

In the Arctic and New Areas region, profits are down US\$3.0m to US\$2.9m. Activity levels in the first half of the year were substantially lower than anticipated. However, as indicated in the interim results, the position significantly improved in the latter half of the year.

The operating profit in the Africa region is up US\$2.5m to US\$14.6m. This is attributable to strong performance in the shutdown and construction sectors.

The Australasia, Europe and Caribbean region recorded an operating loss of US\$8.6m, up US\$2.7m on the 2008 loss of US\$5.9m. This is mainly due to costs associated with setting up new structures in Australia to support the Gorgon projects and the roll-out costs associated with the new Global Business Unit structure.

Net finance income

Net finance income for the year was US\$1.3m, down US\$2.7m from the 2008 figure. This reduction is primarily due to reduced deposit interest income during the year.

Share of joint ventures' profit/(loss)

Profit for the period from our joint venture operation was US\$1.8m (2008: loss of US\$0.1m). This income is attributable to an increase in activity levels and improved margins and builds on the steady figures reported in the first half of the year.

Profit before tax

Profit before tax for 2009 is US\$44.5m or 6.3% of sales. This represents an increase of 9.2% on the 2008 figure of US\$40.7m, and maintains the net margin percentage at a level that is consistent with the previous two years.

Taxation

The tax charge for the year is US\$11.2m, which is an effective tax rate of 25.1%. This compares with an effective rate of 24.2% for 2008. The slightly higher percentage in 2009 reflects the fact that the Group has expanded its business into new regions which have higher average tax rates.

Net Profit for the year

Profit for the year from continuing operations was US\$33.3m, up 7.9% on 2008. Net profit equates to 4.7% of revenue which is broadly in line with the prior years.

Non-controlling interest

Non-controlling interest for the year is US\$2.514m or 0.36% of sales (2008: US\$2.068m or 0.32%). The non-controlling interest relates to our Black Economic Empowerment partner in Africa and the higher percentage is due to increased profits in Africa during the year (profits in Africa increased by 20% from 2008).

Earnings per share

Basic earnings per share for the year were 26.46 US\$ cents (2008: 25.09 US\$ cents). This calculation is based on a weighted average number of 116,371,470 shares in issue in 2009.

Diluted earnings per share for the year were 26.35 US\$ cents (2008: 25.09 US\$ cents). This calculation is based on a weighted average number of 116,843,209 shares in issue in 2009.

Dividend

The Group reports its financial results in US dollars and accordingly declares its dividends in US dollars. Dividends are paid in Sterling using an exchange rate calculated at the record date and shareholders have the option of electing to have their dividend paid in another currency. The interim dividend payment amounting to 2.0 US\$ cents per share was made in October 2009 and the Directors intend to propose a final dividend payment of 4.0 US\$ cents per share which would make a total dividend payment of 6.0 US\$ cents per share for the year ended December 2009. The final dividend payment will be made in June 2010 to shareholders on the register at the close of business on May 21st 2010.

Summary of Group Balance Sheet Highlights

Working Capital

Working capital at year end was US\$112.3m, up 9.6% on 2008 year end (US\$102.5m).

Current assets at year end were US\$378.7m, up US\$97.5m or 34.7% on 2008 (US\$281.2m). This growth is due to increased contract receivables of US\$66.3m and increased cash balance of US\$25.8m reflecting the strong trading performance during the year.

Current liabilities at year-end were US\$266.4m, up US\$87.7m or 49.1% on 2008. The increase is attributable to increased trade and other accruals reflecting the strong trading performance during the year.

Equity

Shareholders' equity at year-end was US\$140.1m, up 22.8% on 2008 (US\$114.1m). This reflects the strong growth in retained earnings during the year.

Total Assets

Total Assets at the end of the year were US\$433.9m, up 39.0% or US\$121.8m on 2008. The increase is due to a combination of additional fixed asset purchases (mainly cranes in South Africa), growth in trade receivables and growth in cash balances reflecting the strong trading performance of the Group during the year.

Summary of Group Cash Flow Highlights

Cash flow from operations

Cash generated from operations for the year was US\$67.7m, up 209.1% or US\$45.8m on 2008 levels. This is attributable to a strong trading performance including a significant reduction in work in progress levels.

Cash flow used in investing activities

Net cash used in investing activities was US\$26.0m, up 53.6% on the 2008 year-end level and primarily related to the purchase of plant and equipment in South Africa.

Cash flow generated from financing activities

Net cash generated from financing activities for the year was US\$2.7m. This is the result of net finance lease proceeds of US\$10.0m less dividend payments of approximately US\$7.0m

Net cash and equivalents

Net cash and cash equivalents amounted to US\$179.8m at year end, up US\$25.4m or 16.5% on the 2008 figure of US\$154.4m.

Draft unaudited consolidated income statement

	Year ended 31 December			
<i>In thousands of USD</i>	2009	2008		2008
	Total	Before flotation costs	Flotation costs (Note 3)	Total
<i>Continuing Operations</i>				
Revenue	704,662	643,414	-	643,414
Cost of sales	(609,849)	(555,773)	-	(555,773)
Gross profit	94,813	87,641	-	87,641
Administration expenses	(52,727)	(48,848)	-	(48,848)
Distribution & selling costs	(2,430)	(2,561)	-	(2,561)
Other operating income/(cost)	1,654	609	(4,695)	(4,086)
Operating profit/(loss) before finance costs	41,310	36,841	(4,695)	32,146
Net finance income	1,333	3,994	-	3,994
Share of joint ventures' profit/(loss)	1,813	(118)	-	(118)
Profit/(loss) before tax	44,456	40,717	(4,695)	36,022
Income tax expense	(11,150)	(9,845)	-	(9,845)
Profit/(loss) for the year	33,306	30,872	(4,695)	26,177
Attributable to:				
Equity holders of the parent	30,792	28,804	(4,695)	24,109
Non-controlling interest	2,514	2,068	-	2,068
Profit/(loss) for the year	33,306	30,872	(4,695)	26,177
Basic earnings per share (US\$ cents)	26.46	25.09	(4.09)	21.00
Diluted earnings per share (US\$ cents)	26.35	25.09	(4.09)	21.00

Draft unaudited consolidated statement of comprehensive income

	Year Ended 31 December	
<i>In thousands of USD</i>	2009	2008
Profit for the financial year	33,306	26,177
Other comprehensive income		
Exchange translation differences		
- on employee benefits	(402)	802
- on foreign currency net investments	(522)	3,150
Actuarial gains/(losses) on defined benefits plans	2,156	(8,316)
Total other comprehensive income	<u>1,232</u>	<u>(4,364)</u>
Total comprehensive income	<u>34,538</u>	<u>21,813</u>
Total comprehensive income attributable to:		
Equity holders of the parent	32,024	19,745
Non-controlling interest	2,514	2,068
Total recognised income and expenses for the year	<u>34,538</u>	<u>21,813</u>

Draft unaudited consolidated statement of financial position

Year Ended 31 December

In thousands of USD

ASSETS

Non-current assets

Property, plant & equipment	47,447	25,345
Goodwill	-	543
Other investments	7,632	2,902
Trade and other receivables	-	1,936
Deferred tax asset	149	184
	55,228	30,910

Current assets

Inventories	25,150	39,157
Trade and other receivables	161,359	84,078
Amounts owed by related parties	11,868	3,412
Cash and bank balances	180,284	154,504
	378,661	281,151

Total assets

	433,889	312,061
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EQUITY

Share capital	2,284	2,284
Share premium	39,568	39,568
Reserves	3,205	2,388
Retained earnings	95,040	69,861

Total equity attributable to equity holders of the parent

	140,097	114,101
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Non-controlling interest

	2,827	125
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Total equity

	142,924	114,226
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LIABILITIES

Non-current liabilities

Interest bearing loans and borrowings	-	30
Obligations under finance leases – due after 1 year	8,202	-
Employee benefit obligations	13,128	15,670
Amounts owed to related parties	92	92
Trade and other payables	2,805	3,278
Deferred tax liabilities	374	81
	24,601	19,151

Current liabilities

Trade and other payables	254,546	170,464
Corporation tax payable	4,545	4,317
Interest bearing loans and borrowings	1,969	2,009
Obligations under finance leases – due within 1 year	1,850	-
Amounts owed to related parties	3,454	1,894
	266,364	178,684

Total liabilities

	290,965	197,835
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Total equity and liabilities

	433,889	312,061
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Draft unaudited consolidated statement of cash flows

<i>In thousands of USD</i>	Year Ended 31 December	
	2009	2008
Cash flows from operating activities		
Profit before tax	44,456	36,022
Adjustments for:		
Depreciation	8,023	5,448
Net finance income	(1,333)	(3,994)
Loss on sale of property, plant & equipment	80	65
Share of (profit)/loss from joint ventures	(1,813)	118
Share based payments	817	-
Impairment of goodwill	624	-
Current service cost	495	519
(Increase)/decrease in trade and other receivables	(83,111)	22,771
Decrease/(increase) in inventories	14,007	(20,964)
Increase/(decrease) in trade and other payables	85,477	(18,073)
Cash generated from operations	67,722	21,912
Interest paid	(182)	(202)
Income taxes paid	(11,407)	(10,662)
Net cash from operating activities	56,133	11,048
Cash flows from investing activities		
(Investment in)/Return from joint venture	(1,825)	1,476
Disposal of subsidiary (net of cash)	-	1,000
Purchase of property, plant and equipment	(24,258)	(22,112)
Proceeds from sale of equipment	12	826
Interest received	2,005	4,182
Pension contribution	(1,955)	(2,311)
Net cash used in investing activities	(26,021)	(16,939)
Cash flows from financing activities		
Proceeds of share issue	-	37,114
Expenses associated with new share issue	-	(3,071)
Net proceeds from finance lease liabilities	10,052	-
Payments of long-term borrowings	(30)	(86)
Proceeds from short-term borrowings	139	1,387
Payment of short-term borrowings	(503)	(168)
Dividends paid to non-controlling interests	(150)	-
Dividends paid to equity holders of the Company	(6,845)	(2,003)
Net cash generated from financing activities	2,663	33,173
Net increase in cash and cash equivalents	32,775	27,282
Cash and cash equivalents at beginning of year	154,359	123,651
Exchange difference	(7,336)	3,426
Cash and cash equivalents at end of year	179,798	154,359

Kentz Corporation Limited

Notes to the preliminary statement for the year ended 31 December 2009

1. Basis of Preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and its interpretations adopted by the International Accounting Standards Board (IASB) and Jersey Company law.

The Group's date of transition to IFRS was 1 January 2004. The comparative figures have been restated to reflect IFRS, except where otherwise required or permitted by IFRS 1, First Time Adoption of International Financial Reporting Standards.

The currency used in these financial statements is the US Dollar.

2. Segment reporting

Segment information is presented in respect of the Group's geographical and business segments. The primary format, geographical segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

(i) Geographical segments

The Group manages its business on a worldwide basis by organising its activities into four distinct regions. The geographical areas are:

- Middle East
- Africa
- Australasia, Europe and Caribbean
- Arctic and New Areas

In presenting the information on the basis of geographical segments, segment revenue is based on the geographical location of assets.

(ii) Business segments

The Group's activity comprises of the following main business segments:

- Specialist Engineering, Procurement, and Construction (EPC)
- Construction and
- Technical Support Services

2. Segment reporting (continued)

<i>In thousands of USD</i>	Year ended 31 December	
	2009	2008
Revenue by location of assets		
Middle East	445,629	405,951
Africa	158,636	131,108
Australasia, Europe and Caribbean	39,480	15,787
Arctic and New Areas	60,917	90,568
Total Revenue	704,662	643,414
Revenue by business		
Specialist EPC	166,006	184,471
Construction	348,148	279,204
Technical Support Services	190,508	179,739
Total Revenue	704,662	643,414

3. Flotation Costs

On 5 February 2008, the Company commenced trading on AIM. The non-recurring flotation costs associated with this amounted to US\$4.695m.

4. Earnings per ordinary share

<i>In thousands of USD</i>	2009 Total	Year ended 31 December 2008		2008 Total
		Before flotation costs	Flotation costs	
Continuing operations				
Profit/(loss) attributable to ordinary shareholders	30,792	28,804	(4,695)	24,109
Weighted average number of shares of the Company used in Basic EPS	No. '000 116,371	No. '000 114,802	No. '000 114,802	No. '000 114,802
Dilutive effects of:				
- Employee share options	472	n/a	n/a	n/a
Weighted average number of shares of the Company used in Diluted EPS	116,843	114,802	114,802	114,802
Earnings per share (US\$ cents)				
Basic	26.46	25.09	(4.09)	21.00
Diluted	26.35	25.09	(4.09)	21.00

5. Dividends

<i>In thousands of USD</i>	Year ended 31 December	
	2009	2008
Dividends approved	<u>6,845</u>	<u>2,004</u>
	<u>6,845</u>	<u>2,004</u>

The interim dividend payment amounting to 2.0 US\$ cents per share was made in October 2009 and, the Directors intend to propose a final dividend payment of 4.0 US\$ cents per share which would make a total dividend payment of 6.0 US\$ cents per share for the year ended 31 December 2009.