

## **ANNOUNCEMENT**

### **FURTHER DEVELOPMENTS IN RELATION TO THE DISPOSAL OF ECO WATER TECHNOLOGIES (M) SDN BHD (“DISPOSAL”)**

The Board of Directors (the “**Board**”) of EMS Energy Limited (the “**Company**”) refers to the announcement dated 17 November 2009 (“**Announcement**”) in relation to the sale and purchase agreements dated 16 November 2009 (individually a “**SPA**” and collectively “**SPAs**”) entered into between the Company and Synergy Heights Sdn. Bhd. (the “**Purchaser**”), pursuant to which the Company agreed to sell and the Purchaser agreed to purchase 99.9% of the issued and paid-up share capital of Asia Eco Environmental Technologies Pvt Ltd and 49% of the issued and paid-up share capital of Koastal Eco Industries Pte Ltd, as well as 100% of the issued and paid-up share capital of Eco Water Technologies (M) Sdn Bhd, subject to and upon the terms and conditions as contained in the SPAs (the “**Disposal**”); and the supplemental announcement dated 16 December 2009 (“**Supplemental Announcement**”) in which it was announced that the Company and the Purchaser had entered into a supplemental agreement to the SPA for the sale and purchase of shares in the capital of Asia Eco Environmental Technologies Pvt Ltd and Koastal Eco Industries Pte Ltd, pursuant to which the Completion Date of this SPA was amended to be “31 January 2010 or such other date as the Parties may agree in writing” and that the sale and purchase of the 100% of the issued and paid-up share capital of Eco Water Technologies (M) Sdn Bhd was successfully completed by 15 December 2009, in accordance with the Completion Date as set out in the SPA for the sale and purchase of shares in the capital of Eco Water Technologies (M) Sdn Bhd.

Capitalised terms used in this announcement, unless otherwise defined herein, shall have the same meaning as used in the Announcement and Supplemental Announcement.

The Board wishes to inform that notwithstanding the successful transfer of the 100% of the issued and paid-up shares capital of Eco Water Technologies (M) Sdn Bhd to the Purchaser, due to the non-fulfillment of certain conditions precedent by the parties by the Completion Date of 15 December 2009, the SPA was deemed to *ipso facto* cease, lapse and determine in accordance with Clause 3.3 of the SPA.

The Board wishes to announce that the Company and the Purchaser intend to give effect to the SPA and in furtherance to the said intention, the Company has on 18 January 2010 entered into a withholding agreement (“**Withholding Agreement**”) with the Purchaser pursuant to which the Purchaser has offered, and the Company has accepted that, the Purchaser will not sell, transfer, assign, dispose of, realise or enter into any agreement that will directly or indirectly constitute or will be deemed as a disposal of any or all part of its shareholding interests in Eco Water Technologies (M) Sdn Bhd prior to the satisfaction of all the terms and conditions of the Withholding Agreement.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Disposal other than through their shareholdings in the Company.

The Directors of the Company (including those who have been delegated supervision of this Announcement) have collectively and individually accepted full responsibility for the accuracy of the information given in this Announcement and confirm that, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed in this Announcement are accurate and fair in all material aspects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading.

A copy of the Withholding Agreement will be made available for inspection during normal business hours at the registered office of the Company at Shook Lin & Bok LLP, at 1 Robinson Road, #17-00, AIA Tower Singapore 048542 for a period of three (3) months from the date of this announcement.



By Order of the Board of  
EMS Energy Limited

Gwendolyn Gn Jong Yuh  
Company Secretary  
19 January 2010

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

*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.*

*The contact person for the Sponsor is Ms Foo Quee Yin  
Telephone number: 6221 0271*