

ANNOUNCEMENT

ENTRY INTO JOINT VENTURE AGREEMENT FOR THE FORMATION OF OILFIELD SERVICES & SUPPLIES (BRUNEI) SDN BHD

The Board of Directors ("Board") of EMS Energy Limited (the "Company") is pleased to announce that the subsidiary of the Company, Oilfield Services & Supplies Pte Ltd ("OSSPL"), has on 29 December 2010 entered into a joint venture agreement (the "Agreement") with Megalift Sdn Bhd ("MSB") to incorporate a private limited liability joint venture company in the State of Brunei Darussalam to be known as Oilfield Services & Supplies (Brunei) Sdn Bhd (the "JV Company"), for the purpose of conducting business within Brunei in the manufacture and servicing of high quality downhole tools and drill stem components that are used by the oil, gas and mining exploration and production industries.

Pursuant to the Agreement, the JV Company will be incorporated with an issued and paid-up share capital of Brunei dollar \$2 comprising of 2 ordinary shares. The JV Company will increase its issued and paid-up share capital to Brunei dollar \$200,000 comprising 200,000 ordinary shares of which OSSPL and MSB shall each subscribe for in proportions to reflect the following shareholding structure:

Shareholders	No. of Shares held	Percentage shareholding
MSB	120,000	60%
OSSPL	80,000	40%

MSB is a leader in the provision of transportation and logistics services to the oil and gas industry in Brunei. The Company believes that the investment is beneficial and will facilitate OSSPL's penetration of target markets in the State of Brunei Darussalam. The cash subscription by OSSPL for the JV Company shares will be fully satisfied by internal resources.

In addition, the incorporation of OSSB is not expected to have any material impact on the net tangible assets per share and earnings per share of the Company for the current financial year ending 31 December 2010.

None of the directors or substantial shareholders of the Company have an interest, direct or indirect, in the incorporation of OSSB, other than through their shareholdings in the Company.

By Order of the Board
EMS Energy Limited

Gwendolyn Gn
Company Secretary
29 December 2010

This announcement has been reviewed by the Company's sponsor, KW Capital Pte. Ltd., for compliance with the relevant rules of the Exchange. The Company's Sponsor has not independently verified the contents of this announcement.

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.

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