

ANNOUNCEMENT

ACQUISITION OF A JURONG TOWN CORPORATION (“JTC”) STANDARD FACTORY AT 20 TUAS AVENUE 10

1. Introduction

The Board of Directors of EMS Energy Limited (the “Company”) is pleased to announce that its majority owned subsidiary, Oilfield Services & Supplies Pte Ltd (“OSSPL”) is acquiring a factory building having an area of approximately 5,761 metres square, located at 20 Tuas Avenue 10 (the “Property”) from JTC at S\$1,682,600 (the “Acquisition”).

2. Information on the Property

The Property is a leasehold building with a lease term of 30 years from 1 March 2011 (“Commencement Date”). The lease term is subject to compliance with fixed investment criteria of S\$10,136,133 and the development of the land to a minimum gross floor area at the gross plot ratio of not less than 1.33, both within three years from the Commencement Date. The Property is a JTC type C6 factory building and is zone for industrial usage.

3. Rationale

The Property will be self-occupied by OSSPL and the Acquisition will allow OSSPL to meet its current production, consolidate its operations into a larger location and facilitate expansion into new product offerings. The current premises and facility of OSSPL at 11, Joo Koon Road, Singapore 628974 is no longer able to meet the space required for its operations.

4. Valuation and Purchase Consideration

The purchase consideration of S\$1,682,600 is based on a public tender conducted by JTC.

An amount of S\$277,507 is to be paid to JTC within two weeks from the date of the letter of offer. This amount is inclusive of ten percent of the purchase consideration, the goods and services tax on the entire purchase consideration, a one-month land rent, processing fees and net of the application deposit. The balance ninety percent of the purchase consideration of S\$1,514,340 is to be paid by the Commencement Date. The Acquisition will be fully satisfied by a combination of bank borrowings and internal resources.

5. Financial Effects

The Acquisition is not expected to have any material impact on the Group’s financial performance for the current financial year. Based on the Company audited consolidated financial statements for the year ended 31 December 2009, the financial impact to the Group’s earnings per share and net tangible assets would not be material as the Acquisition is not an acquisition of a profit generating business.

6. Relative Figures

The effect of the Acquisition vis-à-vis the four bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") is as follows:

i. Net Asset Value

The basis of comparison set out in Rule 1006(a) of the Listing Manual of the SGX-ST is not applicable, as the Acquisition does not involve disposal of any of the assets of the Company.

ii. Net Profits

The basis of comparison set out in Rule 1006(b) of the Listing Manual of the SGX-ST is not applicable, as the Acquisition is not an acquisition of a profit generating business.

iii. Market Capitalisation

The relative figures as computed on the basis set out in Rule 1006(c) of the Listing Manual of the SGX-ST are as follows:

The total purchase consideration paid for the Acquisition constitutes approximately six percent of the market capitalisation of the Company. The market capitalisation of the Company, based on the weighted average price of the Company's shares transacted on 29 December 2010, being the last market day preceding the date of this announcement, is S\$25,817,740.

iv. Equity Securities

The basis of comparison set out in Rule 1006(d) of the Listing Manual of the SGX-ST is not applicable, as no equity securities will be issued as consideration for the Acquisition.

7. Discloseable Transaction

The effect of the Acquisition vis-à-vis the market capitalisation under the Rule 1006(c) exceeds five percent and thus the Acquisition is classified as a discloseable transaction under Chapter 10 of the SGX-ST Listing Manual.

8. Interests of Directors and Controlling Shareholders

None of the directors or controlling shareholders of the Company have any interest, direct or indirect, in the Acquisition.

9. Documents for Inspection

A copy of the offer of lease from JTC is available for inspection during normal business hours at the Company's registered office at 1 Robinson Road, #17-00, AIA Tower, Singapore 048542 for three months from the date of this Announcement.

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.

The details of the contact person for the Sponsor are: -

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