

ANNOUNCEMENT

COMPLETION OF THE DISPOSAL OF ASIA ECO ENVIRONMENTAL TECHNOLOGIES PVT LTD, KOASTAL ECO INDUSTRIES PTE LTD AND ECO WATER TECHNOLOGIES (M) SDN BHD (“DISPOSAL”)

*Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Company’s announcements dated 17 November 2009, 16 December 2009 and 19 January 2010 in relation to the Disposal (the “**Disposal Announcements**”)*

The Board of Directors (the “**Board**”) of EMS Energy Limited (the “**Company**”) refers to the following Disposal Announcements:

- (1) 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**”);
- (2) 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; and
- (3) Second supplemental announcement dated 19 January 2010 (“**Second Supplemental Announcement**”) in which it was announced that the disposal of Eco Water Technologies (M) Sdn Bhd was not completed due to the non-fulfillment of certain conditions precedent by the Company and the Purchaser by the Completion Date of 15 December 2009, and that the SPA was deemed to *ipso facto* cease, lapse and determine. It was further announced that the Company and the Purchaser intended to give effect to the SPA and in furtherance to the said intention, the Company had on 18 January 2010 entered into a withholding agreement (“**Withholding Agreement**”) with the Purchaser pursuant to which the Purchase had offered, and the Company had accepted that, the Purchaser would not sell, transfer, assign, dispose of, realize or enter into any agreement that would directly or indirectly constitute or would be deemed as a disposal of any or all 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.

The Board is pleased to announce the completion of the Disposal. Both the disposal of Asia Eco Environmental Technologies Pvt Ltd and Koastal Eco Industries Pte Ltd took place on 31 January 2010, pursuant to the Announcement, as supplemented or amended by the Supplemental Announcement.

The disposal of Eco Water Technologies (M) Sdn Bhd was completed on 30 April 2010 pursuant to the fulfillment of the terms and conditions of the Withholding Agreement.

By Order of the Board
EMS Energy Limited

Gwendolyn Gn Jong Yuh
Company Secretary
16 June 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 responsibilities 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 is:-

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