



HYFLUX LTD
Company Registration No.: 200002722Z
(Incorporated in the Republic of Singapore)

**FIRE AT WAREHOUSE OF SEAWATER DESALINATION PLANT OF
500,000M³/DAY AT MAGTAA, WILAYA OF ORAN, WESTERN ALGERIA
("PROJECT")**

Hyflux Ltd ("the Company") would like to announce that a fire broke out on 28 July 2011 at its warehouse at the Project site.

The Project is now more than 80% completed. All building erected and equipment installed at the construction site are not affected by this fire. There is also no incident of personal injury arising from this fire.

The warehouse which caught fire is sited a few hundred metres away from the construction site for the Project. It houses equipment which are required to be incorporated into the Project. According to preliminary estimates, all related costs and damages arising from this incident are around USD 50 million.

As a result of this incident, all damaged equipment and other supplies will have to be re-procured. Thus, the Project completion is expected to be delayed till May 2012 instead of August 2011.

The Project is covered by a comprehensive construction all risks insurance policy with internationally reputable insurers. The Company will work with its insurers to investigate the cause of the fire and to make claims accordingly.

BY ORDER OF THE BOARD

Cho Wee Peng
Group Chief Financial Officer
Submitted to SGX-ST on 28 July 2011