



NEWS RELEASE

CONSORTIUM SEALS WATER PURCHASE AGREEMENT TO DELIVER DESALINATED WATER TO DAHEJ SEZ, INDIA

Singapore, 11 January 2013 – Hyflux Ltd (“Hyflux” or “Company”) today announced that the water purchase agreement (WPA) to deliver desalinated water to the Dahej Special Economic Zone (Dahej SEZ) in Gujarat, India has been finalised and signed with Dahej SEZ Limited (DSL).

The WPA between DSL and Swarnim DahejSpring Desalination Pvt Ltd (DahejSpring) will become effective once financial close for the desalination project is achieved. DahejSpring is the special purpose company formed by consortium members Hitachi Ltd and Hyflux Utility (India) Pvt Ltd, a wholly-owned subsidiary of Hyflux, for the development of the seawater desalination project in the Dahej SEZ.

The WPA will be for a term of 30 years, including an estimated three-year construction period. DSL is committed to purchase 100% of the water on a take or pay basis.

The signing of the WPA followed the formalisation of the Co-Developer Agreement between DSL and DahejSpring last March. The desalination project, which will have a 336,000m³ per day capacity, will employ ultrafiltration pre-treatment and reverse osmosis membrane technologies to treat the seawater into water suitable for industrial use.

The total project cost is estimated at US\$600 million and will be funded through a combination of equity and non-recourse project finance. The consortium is currently in discussion with financial institutions to provide non-recourse financing for the project.

Ms Olivia Lum, Hyflux’s Executive Chairman and Group CEO, said: “The signing of the WPA culminates months of hard work put in by our team from Hyflux and our consortium partner. Even as we celebrate this milestone, our team will be working hard towards achieving financial close so that we can start building Asia’s largest seawater reverse osmosis desalination plant.”

Hyflux is expected to undertake an estimated US\$420 million worth of the project value. The signing of the WPA may have positive material financial impact to the Company if the financial close is concluded before the end of the current financial year ending 31 December 2013. The Company will update accordingly in due course.

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About Hyflux

Hyflux is one of the world's leading fully-integrated water solutions companies, with operations and projects in Southeast Asia, China, India, the Middle East and North Africa. Hyflux is committed to providing cost-effective and sustainable solutions in seawater desalination, water recycling, wastewater treatment, including membrane bioreactor (MBR) and potable water treatment. Hyflux's track record includes Singapore's first water recycling plant and first seawater reverse osmosis (SWRO) desalination plant and China's largest SWRO desalination plant in Tianjin City. The company is building the world's largest SWRO desalination plant in Magtaa, Algeria as well as Singapore's second SWRO desalination on a design, build, own and operate model.

For more information, please visit www.hyflux.com

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