

DARCO WATER TECHNOLOGIES LIMITED

Recent Projects Secured by Subsidiaries of Darco Water Technologies Limited

The Board of Directors of Darco Water Technologies Limited ("the "Company") is pleased to announce that subsidiaries of the Company have recently secured 15 water & waste water treatment projects in the industrial sectors of about S\$17.4 million Singapore dollars for FY2007. Taking into consideration outstanding orders of S\$5.5 million received in FY 2006 for delivery this year, the total orders for the industrial sector in FY2007 will amount to S\$22.9 million.

The breakdown by geographical market is as follows: S\$2.550 million (Singapore), S\$2.554 million (China), S\$4.625 million (Taiwan), S\$3.531 million (Thailand), S\$2.458 million (Indonesia) and S\$1.695 million (Malaysia).

The projects include a US\$2.31 million (approx S\$3.531 million) awarded by Marubeni Power Systems Corporation for the design, engineering, installation and commissioning of a water treatment plant for the Bang Pakong, Thailand and a US\$1.3 million (approx. S\$1.999 million) from PT Indonesia Power for the supply a Seawater Desalination plant at the latter's steam power plant in Surabaya, Indonesia.

Said KM Thye our Group C.E.O. "These 2 power contracts bear testimony to the Group's successful penetration into the power plant sector, further reducing our over reliance upon the traditional electronics and semi-conductor markets. As to the industrial sector, the total secured orders of S\$22.9 million marks an excellent start to the year; especially if compared with the total amount of \$23.4 million delivered for the industrial sector for the whole of year 2006. "

Financial Effect

The above contracts are expected to have a positive material impact on the revenue of the Group for the financial year ending 31 December 2007.

The Directors are of the view that disclosure of the gross margin of individual projects are sensitive market information and therefore it would not be in the company's interest to disclose the financial impact of individual projects. The contract value of each individual contract also constitutes sensitive market information relating to the scale of the customer's operations.

Director's and Substantial Shareholder's Interest

None of Darco's Directors or substantial shareholders has any direct or indirect interest in the Contract.

About Darco Water Technologies Limited

Listed on SGX Sesdaq in July 2002, Darco is a provider of integrated engineering and knowledge-based water treatment solutions. Established in 1999 to design, fabricate, assemble, install, commission and service engineered water systems for industrial use in Singapore and Malaysia, Darco has developed systems and services based on both membrane and ion exchange technologies. Within a span of three years, Darco has formulated over 200 engineered water system solutions.

The Group, which has operations in Singapore, Malaysia, the PRC, Taiwan, Philippines and Indonesia, serves companies across diverse industries – electronics, semiconductor, textile, food and beverage, printed circuit board and pharmaceuticals and municipal water and wastewater projects.

BY ORDER OF THE BOARD
DARCO WATER TECHNOLOGIES LIMITED

Submitted by [Yap Keck Meng](#), Financial Controller on 2/3/2007 to the SGX