



FOR IMMEDIATE RELEASE

Darco Water receives positive response for its syndicated loan facility

- **Syndicated Loan Facility amounts to US\$21million and S\$4million**
- **Proceeds would be used to fund Darco's robust orderbook of projects and other investments as well as refinance existing borrowing and fund working capital requirements**

Singapore, 20 Nov 2006 – SGX Sesdaq-listed Darco Water Technologies Limited (“Darco” or the “Group”) has entered into a Syndicated Loan Facility Agreement (the “Facility”) with a group of international banks and financial institutions selected by Raiffeisen ZentralBank Osterreich AG (“RZB – Austria”), Singapore Branch.

The Company will be using the proceeds from this Facility to fund the Group's projects and other investments as well as refinancing existing borrowings and funding working capital requirements, save for those arising from the municipal wastewater projects in Ker-Ya and Chu-Bei, Taiwan, in respect of which the Group has earlier secured the necessary financing aggregating some S\$24 million from ANZ Banking Group and Chang Hwa Bank in Taiwan.

The Facility comprises a 4-year US\$9 million multi-currency term loan facility, a 4-year US\$12 million multi-currency Revolving Credit Facility and a 4-year S\$4 million Revolving Credit Facility. The 2 said Revolving Credit Facilities are extendable at the Borrower's option at the end of the fourth year.

The Facility received strong responses from five international banks including RZB – Austria. In view of the Group’s robust orderbook of projects and to optimize its capital structure, the Group has decided to upsized the Facility from the original US\$20 million to US\$21million and S\$4 million.

Commenting on the successful closing of this Facility, Chief Executive Officer Mr K.M. Thye said, “The management is pleased with the strong response and would like to thank the various financial institutions for their strong support and confidence in Darco.”

“ Through this Facility, the Group is able to further optimize its capital structure while keeping the Group’s consolidated net debt to equity at a comfortable level. This Facility will significantly enhance our ability to leverage our pipeline of projects and fund new revenue opportunities regionally, particularly, China and Taiwan.” Concluded Mr Thye

Quote by RZB spokesman, "We are pleased to have successfully arranged and closed a USD23 million Dual Trench 4 And 5 Year Syndicated Loan for public listed Darco Water Technologies Ltd. This transaction signifies RZB's commitment to finance and be a strong partner to local companies like Darco Water in their business expansion and future growth."

The Facility is not expected to have a material effect on the net tangible assets per share and earnings per share of the Company for the current financial year ending 31st December 2006.

-- The End --

About Darco Water Technologies

Listed on SGX Sesdaq in July 2002, Darco is a provider of integrated engineering and knowledge-based water treatment and environmental engineering solutions. It was established in 1999 to design, fabricate, assemble, install, commission and service engineered water systems for industrial use in Singapore and Malaysia. Darco has since expanded its technical capabilities and developed systems and services based on membrane, ion exchange, thermal and vacuum technologies. Within a span of about five years, Darco has formulated over 200 engineered water and environmental systems solutions.

The Group, which has operations in Singapore, Malaysia, the PRC, Taiwan, Philippines and Indonesia, serves companies across diverse industries – electronics, semiconductor, power generation, chemicals, petrochemicals, food and beverage and pharmaceuticals.

Issued for and on behalf of Darco Water Technologies Ltd

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