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Darco Water secures S\$12.85m of new projects

- ***Largest is a S\$4.4m wastewater treatment contract using proprietary UNOX technology for first time in Singapore***
- ***Remaining S\$8.45m comes from 12 other environmental related contracts***

Singapore, 9 Oct 2006 – SGX Sesdaq-listed Darco Water Technologies Limited (“Darco” or the “Group”) has secured S\$12.85 million of new projects, which are expected to have a positive material impact on the revenue of the Group for the year ending 31st December 2007. This sum is equal to 23.4% of the Group’s revenue in FY2005.

The largest of these new projects is a S\$4.4 million contract from Showa Kankyo Systems (S) Pte Ltd for the design, engineering, construction, installation, testing and commissioning of a 22.2 cubic meter per hour UNOX wastewater treatment system in Showa Denko HD Singapore Pte Ltd’s new 4th hard disk plant in Singapore.

Chief Executive Officer Mr K.M. Thye said, “This is the first time that a UNOX wastewater treatment system is being selected, installed and commissioned for land- scarce Singapore, and the contract represents a direct consequence of the strategic technical and marketing alliance between Showa Engineering Co. and Darco.”

The UNOX technology is supplied to Darco by the Showa Engineering Co, its strategic partner in wastewater treatment. It uses a proprietary technology to produce high purity oxygen as an aeration gas for treatment of organic wastewater. This technology is superior to conventional treatment of wastewater, using bacteria to breakdown organic waste, which has a more limited ability to supply as much as possible the oxygen necessary for bacteria growth.

The UNOX system's advantages include reduced land requirement, cost effectiveness and prevention of secondary pollution that may be caused by objectionable mist and odor in and around a treatment plant. It has been successfully deployed in a variety of industrial sectors such as petrochemicals, pulp and paper, and food processing

Besides the UNOX project, the Group has also secured 12 other new environmental related contracts in Malaysia, Taiwan and China amounting to some S\$8.45 million in total. These new environmental contracts were secured by the Group in FY2006 and are for the design, fabrication, delivery and commissioning of pure water and wastewater treatment plants as well as for solids and air management.

These new contracts were mainly from the following companies:

- Nomura Micro Science Co., Ltd
- Lewe Engineering Pte Ltd
- Li-Peng Enterprise Co., Ltd
- Top Green Technologies Inc.
- Taipei City Environmental Protection Bureau – Mucha Garbage Incineration Plant
- Huaton Holdings Limited
- MEMC Electronics Materials Sdn Bhd
- Idaman Pharma Manufacturing Sdn Bhd, and
- Possehl Electronics (M) Sdn Bhd.

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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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