

DARCO WATER TECHNOLOGIES LIMITED
(Incorporated in Singapore)
(Registration No. 200106732C)

SIGNING OF MEMORANDUM OF UNDERSTANDING WITH AQUAPORIN ASIA PTE. LTD.

The Board of Directors of Darco Water Technologies Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company entered into a memorandum of understanding (the “**MOU**”) with Aquaporin Asia Pte. Ltd. (“**Aquaporin Asia**”) for joint piloting and test-bedding under Aquaporin Asia’s 3-year forward osmosis project (the “**Project**”). *The research grant is supported by the Singapore National Research Foundation under its Environmental & Water Technologies Strategic Research Programme and administered by the Environment & Water Industry Programme Office (EWI) of the PUB. The project involves collaborations from NEWRI and the Singapore Membrane Technology Center at Nanyang Technological University as well as DHI Water & Environment (S) along with numerous external collaborators.*

The MOU shall be valid for an initial term of 12 months commencing on the date of the MOU unless terminated in accordance with the provisions of the clause as stated in the MOU.

Under the terms and conditions of the MOU, the Group will collaborate with Aquaporin Asia to jointly pilot low-energy Zero Liquid Discharge (“**ZLD**”) systems for industrial wastewater treatment based on the Aquaporin Inside™ Forward Osmosis Technology. The Group will use its own wastewater treatment know-how to incorporate Aquaporin Asia’s Forward Osmosis membranes into the Group’s overall system as pilot plant scale test units in application for different industries. With this, the Group will position itself as a first-mover within the application of the Aquaporin Inside™ Forward Osmosis technology and have pre-knowledge on ZLD wastewater treatment operations and applications.

Save for their shareholdings in the Company, none of the Directors or substantial shareholders of the Company have any interest, directly or indirectly, in the MOU.

The Company will make such further announcements to inform shareholders of any updates or developments in due course.

Cautionary Statement

Shareholders and potential investors of the Company are hereby reminded to exercise caution when dealing in the securities of the Company. In particular, shareholders and potential investors of the Company are reminded that there is no assurance that any business activities or transactions mentioned in this announcement will materialise. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisors.

By Order of the Board

Thye Kim Meng
Chairman, Managing Director and Chief Executive Officer
1 April 2016

Darco Collaborates with Aquaporin Asia in Forward Osmosis Project

- The 3-year project is funded by a S\$2.5 million grant from the Singapore National Research Foundation
- Piloting and test-bedding of low energy Zero Liquid Discharge system for industrial wastewater treatment
- First mover in the application of Forward Osmosis Technologies to lower operating costs within industrial wastewater treatment

Singapore – April 1st 2016 – Mainboard-listed Darco Water Technologies Limited (the "Company" or "Darco" or the "Group") is pleased to announce that the Company has signed a Memorandum of Understanding (MOU) with Aquaporin Asia Pte. Ltd. ("Aquaporin Asia") for joint piloting and test-bedding under Aquaporin Asia's 3-year forward osmosis project funded by the Singapore National Research Foundation ("NRF").

The research grant is supported by the Singapore National Research Foundation under its Environmental & Water Technologies Strategic Research Programme and administered by the Environment & Water Industry Programme Office (EWI) of the PUB. The project involves collaborations from NEWRI and the Singapore Membrane Technology Center at Nanyang Technological University as well as DHI Water & Environment (S) along with numerous external collaborators.

The Group will collaborate with Aquaporin Asia to jointly pilot low-energy Zero Liquid Discharge ("ZLD") systems for industrial wastewater treatment based on the Aquaporin Inside™ Forward Osmosis Technology.

The Group will use its own wastewater treatment know-how to incorporate Aquaporin Asia's Forward Osmosis membranes into the Group's overall system as pilot plant scale test units in application for different industries. With this, the Group will position itself as a first-mover within the application of the Aquaporin Inside™ Forward Osmosis technology and have pre-knowledge on ZLD wastewater treatment operations and applications.

The conventional ZLD systems via reverse osmosis would require high energy and incur higher operating costs. In contrast, the ZLD system which will be piloted by the Group and Aquaporin Asia based on the Forward Osmosis Technology requires relatively lower energy and operating costs.

Aquaporin Asia was incorporated as a joint venture between Nanyang Technological University (NTU) Ventures, DHI Water & Environment (S) and Aquaporin A/S in Singapore in early 2011. 80% of Aquaporin Asia is owned by Aquaporin A/S, a global Danish CleanTech company which is dedicated to revolutionizing water purification by using industrial biotech technologies.

Mr. Mark Perry, Chief Operating Officer of Aquaporin, said, **“The Aquaporin Inside™ Forward Osmosis Technology has great potential to lower the energy consumption in ZLD systems for industrial wastewater treatment. With Darco Water Technologies Limited, an SGX listed Singapore-based expert in engineered water purification and wastewater treatment systems, we have found a great partner for bringing our technology a big step closer to commercialization.”**

Commenting on the collaboration, Mr. Thye Kim Meng, CEO of the Group, said, **“We are pleased to forge this collaboration with Aquaporin Asia, part of a highly reputable global CleanTech group. The collaboration is in line with our commitment to deliver greater value to our clients by employing innovative technologies. With Aquaporin Asia’s expertise and experience in industrial biotech techniques, together with our wastewater treatment know-how, we believe this collaboration will be a success. Furthermore, *Darco will position itself as a first mover in the application of the Forward Osmosis Technology and further enhance the value proposition of our water and wastewater treatment solutions.*”**

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About Darco Water Technologies Limited

Established in 1999 and listed on SGX in 2002, Darco Water Technologies designs and delivers engineered solutions for water and wastewater systems for industrial and municipal customers. Its core management team has more than 19 years of experience in water treatment for a wide range of industries. Its markets include Mainland China and Southeast Asia.

For more information, please refer to www.darcowater.com

**Issued for and on behalf of Darco Water Technologies Limited
by Financial PR Pte Ltd**

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