NEWS RELEASE

HYFLUX SIGNS WATER PURCHASE AGREEMENT FOR QURAYYAT INDEPENDENT WATER PROJECT IN SULTANATE OF OMAN

Muscat, 25 March 2015 – Hyflux Ltd (Hyflux) is pleased to announce that it has been formally awarded the Qurayyat Independent Water Project (Project) by Oman Power and Water Procurement Company SAOC (OPWP), following the signing of the water purchase agreement between OPWP and Hyflux's subsidiary, Qurayyat Desalination SAOC (Qurayyat Desalination Company).

Hyflux holds 85% of the shares of Qurayyat Desalination Company through its wholly-owned subsidiaries, Hyflux Utility (Oman) Pte Ltd and Hyflux International Pte Ltd. Modern Channels Services LLC (MCS) holds the remaining 15% of the shares.

The seawater reverse osmosis desalination plant, which will be located in Qurayyat in the Muscat governorate, is Hyflux's largest desalination project in the Sultanate of Oman. Under the agreement, desalinated water from the Project will be supplied to OPWP for a period of 20 years, from 2017 to 2037. This will add another 200,000 cubic metres per day of drinking water to the country's water supply.

The Project will next move into the construction phase. Hydrochem (S) Pte Ltd, a wholly-owned subsidiary of Hyflux, will be the engineering, procurement and construction contractor while operation and maintenance of the Project will be performed by a subsidiary to be incorporated in the Sultanate of Oman.

The signing ceremony for the water purchase agreement was attended by dignitaries, government officials and business partners including Oman's Minister of Housing Sheikh Saif bin Mohammed Al Shabibi and Singapore's Consul General to the Sultanate of Oman, Mr Richard Grosse.

Executive Chairman and Group CEO Ms Olivia Lum said, "We are pleased to achieve a new project milestone with our partners, OPWP and MCS. This project will play an important role in meeting the growing demand for water in Oman. As we look ahead to project implementation, we also take a moment to remember, with a deep sense of loss, the passing of Singapore's founding father Mr Lee Kuan Yew, a visionary leader with an unwavering belief in the importance of water security. Like Singapore, Oman is investing in water sustainability for the long-term, and we are proud to be able to contribute to this cause."

The Project is expected to have a material financial impact on Hyflux for the financial year ending 31 December 2015.

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About Hyflux

Hyflux is a leading fully-integrated provider of water and power management and innovative environmental solutions. Headquartered and listed in Singapore, Hyflux has 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 two seawater reverse osmosis (SWRO) desalination plants, and some of the world's largest SWRO desalination plants in China and Algeria.

For more information, please visit www.hyflux.com

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