NEWS RELEASE

HYFLUX SECURES LETTER OF INTENT FOR TURNKEY EPC CONTRACT FOR INTEGRATED WATER AND POWER PROJECT IN EGYPT VALUED AT USD 500 MILLION.

Singapore, 9 March 2016 – Hyflux Ltd (Hyflux or The Group) is pleased to announce that it has been given a letter of intent for a contract by the General Authority for the Suez Canal Economic Zone (SCZone) to construct the Ain Sokhna Integrated Water and Power Project in Egypt. This letter of intent will be followed by signing of relevant contracts.

The desalination plant is designed to produce 150,000 cubic metres of water per day. An on-site 457 MW combined cycle gas turbine power plant will be constructed to generate power and supply electricity to the desalination plant. Excess power will be dispatched to the grid and go towards supplying the Egyptian's governorates needs.

The total value of the engineering, procurement and construction (EPC) contract is US$500 million, with construction slated to commence following finalisation of contract terms. A 25 years operation and maintenance contract will be awarded to Hyflux for this plant.

"The entry into the Egyptian market presents exciting opportunities for Hyflux. We are delighted to be awarded the project and honoured to be given this opportunity to work with SCZone. This project is significant to us because it is our first integrated water and power project abroad and demonstrates our ability to put together an innovative solution that is recognised internationally," said Ms Olivia Lum, Executive Chairman and Group CEO of Hyflux.

This project is expected to have a material financial impact on Hyflux for the financial year ending 31 December 2016 subject to the signing of the relevant contracts.

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About Hyflux

Hyflux is a global leader in sustainable solutions, focusing on the areas of water and energy. Headquartered and listed in Singapore, the Group has operations and projects in Southeast Asia, China, India, the Middle East, Africa and the Americas. Hyflux is committed to providing cost-effective and innovative solutions that contribute to resource optimisation and sustainable growth for communities and industries. A specialist in water treatment, Hyflux is distinctive in its ability to address the challenges at every point of the entire water value chain. The Group's track record includes Singapore's first water recycling plant and some of the world's largest seawater reverse osmosis desalination plants in Algeria, China and Singapore.

For more information, please visit www.hyflux.com

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