NEWS RELEASE

HYFLUX NAMED PREFERRED BIDDER FOR SINGAPORE'S SECOND AND LARGEST SEAWATER DESALINATION PLANT BY PUB

Singapore, 7 March 2011 – Mainboard-listed Hyflux Ltd ("Hyflux" or "The Group"), today announced that it has been named the preferred bidder by PUB, Singapore's national water agency, to design, build, own and operate ("DBOO") Singapore's second and largest seawater desalination plant in Tuas for a concession period of 25 years.

The new desalination plant is designed to produce 318,500 cubic metres of water per day. The key technology in the desalination process is Reverse Osmosis where seawater is forced against semi-permeable membranes under pressure in a continuous flow condition. The product water will be supplied to PUB at a first-year price of $0.45 per cubic metre based on the warranted capacity of 318,500 cubic metres per day. Hyflux will also be constructing a 411MW combined cycle gas turbine ("CCGT") power plant to supply electricity to the desalination plant. Excess power will be sold to the power grid.

The total project cost of the desalination plant and power plant is S$890 million. It will be funded through a combination of equity and project financing. Construction is slated to start by the fourth quarter of 2011, and the project is scheduled to commence operations by 2013. The engineering, procurement and construction as well as operations and maintenance of the project will be undertaken by the Group's wholly-owned subsidiaries.

Commenting on the tender win, Ms Olivia Lum, Group CEO and President of Hyflux Ltd, said: "I would like to thank PUB for entrusting us with this second landmark desalination project for Singapore."

"The new desalination plant will incorporate Hyflux's proprietary Kristal® ultrafiltration membrane technology for the pre-treatment of the desalination process. This will be the second largest installation of our ultrafiltration membranes in a desalination plant after the world's largest seawater reverse osmosis plant that Hyflux is developing in Magtaa, Algeria. The on-site generation of power will help us drive higher efficiency and cost effectiveness in operations and maintenance of the desalination plant," said Ms Lum.

The project is situated on a 14-hectare site close to SingSpring Desalination Plant which was also developed by Hyflux. The SingSpring Desalination Plant has a designed capacity of 136,000 cubic metres per day, while the Magtaa Desalination Plant is designed to supply 500,000 cubic metres of water a day.

"This project demonstrates Hyflux's ability to put together a technologically advanced and cost-efficient solution while combining a sound financial offering that meet our client's requirements. With the global trends moving to the integration of water and power projects, this is part of our strategy to expand our capabilities and sharpen our competitive edge for large-scale international seawater desalination projects in our key markets," said Ms Lum.

This project is expected to have a material financial impact on Hyflux for the financial year ending 31 December 2011.

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About Hyflux

Hyflux is one of the world's leading fully-integrated water solutions companies, with operations and Projects in Southeast Asia, China, India, the Middle East and North Africa.

Hyflux's spirit of innovation and entrepreneurship drives its technological advancements in membranes, commercialisation of applications, Project management, and operations and maintenance.

Hyflux is committed to providing cost-effective, reliable and sustainable solutions to its customers worldwide, from 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 seawater desalination plant and China's largest membrane-based seawater desalination plant in Tianjin Dagang. The company is building the world's largest membrane-based seawater desalination plant in Magtaa, Algeria.

For more information, please visit www.hyflux.com

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