

DARCO WATER TECHNOLOGIES LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 200106732C)

**FURTHER UPDATE ON THE ACQUISITION OF THE TOTAL ISSUED AND PAID-UP SHARE
CAPITAL OF PT PANGHEGAR ENERGY INDONESIA**

1. INTRODUCTION

The Board of Directors (the “**Directors**” or the “**Board**”) of Darco Water Technologies Limited (the “**Company**” and together with its subsidiaries, collectively, the “**Group**”) refers to:

- (a) the Company’s announcement on the proposed acquisition of 75% of the total issued and paid-up share capital of PT Panghegar Energy Indonesia (“**PEI**”) (the “**Acquisition**”) released on the SGXNET on 4 November 2019 (the “**4 November Announcement**”);
- (b) the Company’s announcement on the constitution of PEI as a 75% subsidiary of the Company released on the SGXNET on 28 February 2020;
- (c) the Company’s announcement on 29 May 2020 regarding the update on the Acquisition (the “**Update Announcement**”); and
- (d) the Company’s announcement on 8 June 2020 regarding the update on the Acquisition (the “**Second Update Announcement**”).

Unless otherwise defined herein, capitalised terms shall have the meaning ascribed to them in the 4 November Announcement, the Update Announcement and the Second Update Announcement.

2. UPDATE ON THE ACQUISITION

As disclosed in the Second Update Announcement, JBL had previously made formal submission to the West Java Government which, among others, explained the findings of the Consultant and requested for the re-negotiation of and modifications to the relevant terms of the Cooperation Agreement as recommended by the Consultant (the “**Submission**”).

The Company wishes to update Shareholders that, in response to the Submission, JBL has received a letter from the West Java Government which indicated that the West Java Government are not agreeable to a re-negotiation of the terms of the Cooperation Agreement and that JBL should take steps towards commencing operation of the Project.

Notwithstanding the aforesaid reply from the West Java Government, the Management has informed the Board that, following its further deliberation as well as discussion with the relevant parties involved in the Project, the Business Partner is of the view that there remains room for JBL to continue to engage with the West Java Government to find an acceptable solution with a view towards rendering the Nambo Project viable from a financial perspective.

Having considered the recommendation of the Management, the Board has directed the Management to work closely with JBL to continue with its efforts to engage with the West Java Government to work towards making the Project viable.

3. FURTHER ANNOUNCEMENTS

The Company will make further announcements as and when there are material developments in relation to the above matter. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company and, when in doubt, are advised to consult with their own legal advisors, financial advisors, stockbrokers, bank managers and/or other professional advisors.

BY ORDER OF THE BOARD

Poh Kok Hong
Executive Director and Chief Executive Officer

25 June 2020