



Purity with Innovation

Asia Water Technology Ltd.

(Receiver Appointed)

(Incorporated in Singapore)

(Co. Reg. No: 200210042R)

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ARTICLES APPEARING IN MERGER MARKET NEWSWIRE AND DEBTWIRE.COM

The Board of Directors ('Board') of Asia Water Technology Ltd. ('the Company') wish to inform shareholders that the articles attached to this announcement appeared this week on mergermarket newswire and Debtwire.com respectively.

The Company confirms that an interview was conducted by mergermarket prior to the publication of the mergermarket article. The Company clarifies that:

- With reference to the fourth last paragraph of the mergermarket article, it was not in early 2008 (as reported) but it was late 2007 that Asia Water issued USD30m in bonds to a consortium of investors.

The Company clarifies that **no interview was conducted by Debtwire.com** and that contents of the Debtwire.com article need to be addressed as follows:

As to the third paragraph of the Debtwire.com article, the statement made by Debtwire.com's purported source is incorrect.

- The Company is actively seeking a white knight but has not confirmed that *'there will be a white knight'*. EGN Nominees Pte Ltd is not, as incorrectly reported, one of the potential white knight investors. The Company has no knowledge of the Chinese municipal government investment arm mentioned by the source.

As to the first paragraph and first sentence of the second paragraph appearing after the sub-heading 'New investors' in the later part of the Debtwire.com article, the Company clarifies that:

- Mr Steven Lee did not say that *'any new investment could either be straight equity or a convertible note'*. This is incorrect. The Company further clarifies that, as set out in the fourth paragraph of the mergermarket article, the correct description is 'An ideal situation could involve an upfront equity infusion which would take out bondholders. The structure could include a convertible piece which would allow potential investors to become equity holders in the company.'
- The Company is in talks with several parties (in actively seeking a white knight) and it has not excluded the possibility of further talks with United Envirotech.

By Order of the Board

Kareti Venkataramana
Interim Executive Director

15 October 2009

Note:

“This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, SAC Capital Private Limited, for compliance with the relevant rules of the Exchange. The Company’s Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Huong Wei Beng (tel: 65-6221 5590) at 79 Anson Road #15-03 Singapore 079906.”