



Purity with Innovation

Asia Water Technology Ltd.

(Receiver Appointed)
(Incorporated in Singapore)
(Co. Reg. No: 200210042R)

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CLARIFICATION OF REPORT IN BUSINESS TIMES – 21 October 2009

The Board of Directors (the “Board”) of Asia Water Technology Ltd. (the “Company”) refers to the following article reported in the Business Times (BT) today, 21 October 2009:

BT Article by Oh Boon Ping under the title “Investor sweetens Asia Water offer”

The Board wishes to clarify as follows:

- The talks with SI which BT describes as a ‘*white knight*’ are at a discussion stage, as part of a broad search by the Company for investors. These talks were and are to remain strictly confidential.
- The ‘*sweetened offer*’ and its terms (as described by BT) are neither firm nor certain at this time.
- Specifically as to the third paragraph of the article which reads:
 - “*The difference: the Chinese company is now prepared to throw in corporate guarantees of up to a billion yuan (S\$204 million) to help AWT stave off immediate debt repayment demands from Chinese banks.*”

This is a differentiation made by BT as between the so-called ‘*previous bail-out proposal*’ and the ‘*sweetened offer*’ and not one made by the Company.

- The Company continues to talk to various parties in its search for potential investors; which is as stated in the article, namely that the Company ‘*is still in discussions with a number of parties and will make the appropriate announcements as soon as practicable.*’

By Order of the Board
Asia Water Technology Ltd.

Kareti Venkataramana
Interim Executive Director

21 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.”