

PAN ASIAN WATER SOLUTIONS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 197902790N)

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE – LODGMET AND DESPATCH OF OFFER INFORMATION STATEMENT

The Board of Directors (the “**Directors**”) of Pan Asian Water Solutions Limited (the “**Company**”) refers to the announcements dated 22 October 2010, 24 November 2010 and 3 December 2010 relating to the Rights Issue with Warrants (the “**Announcements**”). Unless otherwise defined herein, all capitalised terms used herein shall bear the meanings ascribed to them in the Announcements and Offer Information Statement (as defined below).

The listing and quotation notice granted by SGX-ST in relation to the Rights Shares, the Warrants and the New Shares is not to be taken as an indication of the merits of the Rights Issue with Warrants, the Rights Shares, the Warrants, the New Shares, the Company, its subsidiaries and their securities.

LODGMET AND DESPATCH OF OFFER INFORMATION STATEMENT AND ACCOMPANYING DOCUMENTS

The Company wishes to announce that the offer information statement dated 6 December 2010 (the “**Offer Information Statement**”) in relation to the Rights Issue with Warrants was lodged with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), acting as agent on behalf of the Monetary Authority of Singapore (the “**Authority**”), today.

Copies of the Offer Information Statement, the Provisional Allotment Letter (“**PAL**”), the Application Form for Rights Shares with Warrants and excess Rights Shares with Warrants (“**ARE**”) and the Application Form for Rights Shares with Warrants (“**ARS**”) will be despatched by the Company to Entitled Shareholders (where applicable) on or around 20 December 2010.

ACCEPTANCES OF PROVISIONAL ALLOTMENTS OF RIGHTS SHARES WITH WARRANTS AND (IF APPLICABLE) APPLICATIONS FOR EXCESS RIGHTS SHARES WITH WARRANTS

Acceptances of provisional allotments of Rights Shares with Warrants and applications for excess Rights Shares with Warrants under the Rights Issue with Warrants may only be made:

- (i) in the case of Entitled Scripholders, on the PAL; and/or
- (ii) in the case of Entitled Depositors, on ARE or by way of an Electronic Application through an ATM of the Participating Bank.

More information on the procedures for acceptance, payment and excess application by Entitled Shareholders may be found in the Offer Information Statement.

Trading of the provisional allotments of Rights Shares with Warrants (or “nil-paid rights”) will commence from 9.00 a.m. on 20 December 2010 and end at 5.00 p.m. on 28 December 2010. Entitled Depositors who sell their “nil-paid” rights during this period need not forward the ARS to the purchasers of the provisional allotments of Rights Shares with Warrants (“**Purchasers**”) as arrangements will be made by The Central Depository (Pte) Limited (“**CDP**”) for a separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, on behalf of the Company, send the ARS accompanied by the Offer Information Statement, BY ORDINARY POST and at the Purchaser’s OWN RISK, to their respective Singapore addresses as recorded with CDP.

The Offer Information Statement and its accompanying documents will not be despatched to Purchasers whose registered addresses with CDP are not in Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares with Warrants credited to their Securities Accounts should make the necessary

arrangements with their Depository Agents or stockbrokers in Singapore. The Company further reserves the right to reject any acceptance of the Rights Shares with Warrants and/or any application for excess Rights Shares with Warrants where it believes, or has reasons to believe, that such acceptance or application may violate the applicable legislation of any jurisdiction.

EXPECTED TIMETABLE OF KEY EVENTS

Shareholders should take note of the following important dates and times relating to the Rights Issue with Warrants:-

Event	Date
Books Closure Date	: 15 December 2010 at 5.00 p.m.
Despatch of Offer Information Statement (together with the ARE or the PAL, as the case may be) to Entitled Shareholders	: 20 December 2010
Commencement of trading of "nil-paid" Rights	: 20 December 2010 from 9.00 a.m.
Last date and time for splitting Rights	: 28 December 2010 at 5.00 p.m.
Last day for trading of "nil-paid" Rights	: 28 December 2010 at 5.00 p.m.
Last date and time for acceptance of and payment for Rights Shares with Warrants	: 3 January 2011 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Last date and time for renunciation of and payment for Rights Shares with Warrants	: 3 January 2011 at 5.00 p.m.
Last date and time for application and payment for excess Rights Shares with Warrants	: 3 January 2011 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Expected date for issuance of Rights Shares with Warrants	: 11 January 2011
Expected date for the listing and commencement of trading of Rights Shares	: 12 January 2011
Expected date for the listing and commencement of trading of Warrants	: 13 January 2011

As at the date hereof, the Company does not expect the timetable to be modified. However, the Company may, upon consultation with its advisers and with the approval of the Sponsor and/or SGX-ST, modify the timetable subject to any limitation under any applicable laws. The Company will announce any changes to the above timetable.

WHERE TO COLLECT THE OFFER INFORMATION STATEMENT

Entitled Shareholders who do not receive the Offer Information Statement and the relevant forms within one week from the date of despatch thereof (being 20 December 2010) may obtain copies of the documents from:-

In the case of Entitled Depositors,

The Central Depository (Pte) Limited
4 Shenton Way #02-01
SGX Centre 2
Singapore 068807

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

In the case of Entitled Scripholders,

Boardroom Corporate & Advisory Services Pte. Ltd.

50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Purchasers who do not receive the ARS and the Offer Information Statement may also obtain copies of the same from CDP (at the address stated above).

By Order of the Board of Directors
Pan Asian Water Solutions Limited

Richard Koh Chye Heng
Executive Chairman
6 December 2010

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Collins Stewart Pte. Limited for compliance with the relevant rules of the SGXST. Collins Stewart Pte. Limited has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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 Alex Tan, Managing Director, Corporate Finance, Collins Stewart Pte. Limited at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.