

DAYEN ENVIRONMENTAL LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number 198602051G

ANNOUNCEMENT

ISSUE OF REDEEMABLE CUMULATIVE CONVERTIBLE PREFERENCE SHARES BY SUBSIDIARY

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Dayen Environmental Limited (the “**Company**”) refers to the subscription agreement dated 11 March 2009 (as amended by a first supplemental agreement dated 19 June 2009 and a second supplemental agreement dated 15 September 2009, the “**Subscription Agreement**”) entered into between its subsidiary, Dowtec Pte. Ltd. (“**Dowtec**”, formerly known as Dayen Oil Water Technologies Pte. Ltd.) and CIC Environmental Services Sdn Bhd (the “**Subscriber**”).

Pursuant to the terms and conditions of the Subscription Agreement, Dowtec had agreed to allot and issue an aggregate of 42,857,143 new redeemable cumulative convertible preference shares (“**RCPS**”) to the Subscriber in two tranches. The subscription by the Subscriber for, and the allotment and issue by Dowtec of, the first tranche of 7,142,857 RCPS (the “**First Tranche RCPS**”) took place on 20 March 2009 (the “**First Closing Date**”). Under the terms of the Subscription Agreement, the subscription by the Subscriber for, and the allotment and issue by Dowtec of, the second tranche of 35,714,286 RCPS (the “**Second Tranche RCPS**”) was scheduled to take place no later than seven months after the First Closing Date, being 20 October 2009 (the “**Second Closing Date**”).

2. CONVERSION OF FIRST TRANCHE RCPS

The Board wishes to announce that following the conversion by the Subscriber of its First Tranche RCPS into 7,142,857 new ordinary shares in Dowtec on 21 October 2009, the Subscriber currently holds 5 per cent. of the enlarged issued share capital of Dowtec. Accordingly, the Company’s shareholdings in Dowtec has been reduced from 51 per cent. to 48.45 per cent. of the enlarged issued share capital of Dowtec. Accordingly, Dowtec has ceased to be a subsidiary of the Company.

3. ISSUE OF SECOND TRANCHE RCPS

The Board wishes to announce that Dowtec and the Subscriber are presently in discussions to either (a) extend the Second Closing Date to a date to be agreed upon; or (b) amend the terms and conditions of the Subscriber’s investment in Dowtec which may include a form other than the issue of RCPS by Dowtec. The Company will release further details in this regard in due course.

By Order of the Board

Alan Yau Wai Hoo

Executive Director / Chief Executive Officer

22 October 2009

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 Singapore Exchange Securities Trading Limited ("SGX-ST"). 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.

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