

DAYEN ENVIRONMENTAL LIMITED

(Company Registration No. 198602051G)
(Incorporated in the Republic of Singapore)

COAL SALES AGREEMENT TO PURCHASE COAL BY SUBSIDIARY OF DAYEN ENVIRONMENTAL LTD

1. INTRODUCTION

The Board of Directors (the “**Board**”) of **Dayen Environmental Limited** (the “**Company**”) is pleased to announce that the subsidiary of the Company, **Dayen Resources Pte Ltd (“Buyer”)** has entered into a Coal Sales Agreement with **PT Repindo Jagad Raya (“Seller”)** on 5 June 2008 for the purchase of coal worth between USD 3.5 million to USD 4.5 million

2. CONSIDERATION

The coal will be purchased for a maximum aggregate purchase consideration of up to USD 4.5 million based on negotiations on a willing-buyer willing-seller basis.

The consideration for the purchase will be in cash funded from the sales receipts from the end buyer of the coal.

3. CONDITIONS PRECEDENT

The purchase will be concluded with satisfactory terms of payment and delivery.

4. OTHER SALIENT TERMS

The price of the coal may be adjusted if the quality of the coal deviates slightly from the agreed specifications

5. RATIONALE FOR THE PURCHASE

The rationale for the purchase is to secure a long term supply of coal to facilitate a potential deal with interested end-buyers so as to realize the opportunity to generate a new income stream on a long term basis

6. FINANCIAL EFFECTS OF THE PURCHASE

6.1 Relative Figures Computed on the Bases Set Out in Rule 1006 of the Listing Manual

Based on the latest audited consolidated financial statements of the Company for the financial year ended **30 September 2007** (“FY2007”), the relative figures computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

(a)	Rule 1006(a) The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	NA
(b)	Rule 1006(b) The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	NA
(c)	Rule 1006(c) The aggregate value of the consideration given or received compared with the issuer's market capitalisation.	5.3% (Recognition of USD 4.5 million based on SGD:USD exchange rate of 1.36475)
(d)	Rule 1006(d) The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	NA

The purchase would accordingly be a Discloseable transaction as defined in the Listing Manual.

6.2 Financial effects of the purchase on the EPS and NTA of the Company

i) Net tangible assets ("NTA")

The effect of the purchase on the net tangible assets per share in the Company for the financial year ended 30 September 2007, assuming that the purchase had been effected on 30 September 2007, is not material and does not differ substantially from the reported figures.

(ii) Earnings per Share ("EPS")

The effect of the purchase on the Company's EPS for the financial year ended 30 September 2007, assuming that the purchase had been effected on 1 October 2006 is not material and does not differ substantially from the reported figures

7. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN THE PROPOSED NOVATION

None of the Directors nor the controlling Shareholders of the Company has any interest, direct or indirect, in the purchase transaction.

On behalf of the Board
By Order of the Board of Directors
John Lee Thian Guan
Executive Chairman
5 June 2008