

## DAYEN ENVIRONMENTAL LIMITED

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1. **MINING RIGHTS AGREEMENT DATED 18 DECEMBER 2007 BETWEEN DAYEN ENVIRONMENTAL LIMITED AND PT MODAL INVESTASI MINERAL**
  2. **MEMORANDUM OF UNDERSTANDING DATED 11 APRIL 2008 BETWEEN DAYEN ENVIRONMENTAL LIMITED, PT MODAL INVESTASI MINERAL AND CHINA (FUJIAN) FOREIGN TRADE CENTRE (HOLDINGS)**
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The Board of Directors (the “**Board**”) of Dayen Environmental Limited (the “**Company**”) refers to the respective announcements made on 18 December 2007 and 14 April 2008, in connection with:

- (i) the Company entering into a Mining Rights Agreement dated 18 December 2007 (“**MRA**”) with PT Modal Investasi Mineral (“**MIM**”), the parent company of PT Damanka Prima (“**DP**”), for the right to mine, remove, transport and process 5.0 million tonnes of coal from DP’s mine located in Kalimantan, Indonesia; and
- (ii) the Company entering into a Memorandum of Understanding dated 11 April 2008 (“**MOU**”) with MIM and China (Fujian) Foreign Trade Centre (Holdings) (“**FTC**”) for the novation of the MRA to FTC and/or a company selected by FTC.

(the transactions above collectively referred to as the “Mining Transaction”)

The Board would like to announce that PT ATPK Resources Tbk (“**ATPK**”) has informed the Company that its subsidiary, MIM, is unable to perform its obligations under the MRA, and that ATPK is committed to entering into a new contractual arrangement with the Company.

In view of the representation received from ATPK, the Company is seeking legal advice to protect and enforce its rights and legal position under the MRA and MOU vis-à-vis ATPK, MIM and DP.

Concurrently, the Company will actively pursue discussions with ATPK, MIM, DP and FTC in response to the representation by ATPK, without prejudice to the Company’s rights and legal position under the MRA and MOU.

On the advice of the Company’s lawyers, the Company will not hesitate to take all necessary legal actions to enforce the terms of the MRA and the MOU.

The Company will promptly make further announcements as and when there are developments and updates on the matter.

By Order of the Board

John Lee Thian Guan  
Executive Chairman  
24 June 2008