



**METAX ENGINEERING CORPORATION LIMITED**

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**METAX ENGINEERING CORPORATION LIMITED**

(Incorporated in the Republic of Singapore under Registration Number 197500111H)

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**PROPOSED JOINT VENTURE**

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The Board of Directors of Metax Engineering Corporation Limited (the “**Company**”) wishes to announce that the Company’s subsidiary, Oiltek Sdn. Bhd. (“**Oiltek**”) has entered into an agreement with Novaviro Technology Sdn Bhd. (“**Novaviro**”), pursuant to which a joint venture company (the “**JV Company**”), under the name “Oiltek-Nova Bioenergy Sdn Bhd”, will be registered in Malaysia.

It is intended that the JV Company will have an initial issued and paid-up capital of RM200,000, of which Oiltek will contribute RM130,000 (65%), and Novaviro will contribute RM70,000 (35%). Accordingly, upon its incorporation, the JV Company will be a subsidiary of the Company.

The JV Company will be involved in the business of designing, building and supplying of biogas recovery systems to palm oil mill effluent plants in Malaysia and Indonesia as well as in the design and supply of systems which utilise the biogas produced. All necessary financing of the JV Company shall be by way of internal funding, bank financing and/or project financing or any other mode as may be undertaken by the Group as and when required.

The aforesaid joint venture is not, in itself, expected to have any material impact on the earnings and net tangible assets per share of the Company for the current financial year ending 30 June 2010. However, the Company will provide updates as and when there are material developments in relation to the business of the JV Company, as described above.

None of the Directors, and as far as the Directors are aware, none of the controlling shareholders of the Company, has any interest, direct or indirect, in the aforesaid joint venture, save through his shareholding (if any) in the Company.

By order of the Board

Tan Tze Wen  
Managing Director  
1 April 2010

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (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.*

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