



METAX ENGINEERING CORPORATION LIMITED

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MEDIA RELEASE

**Metax Engineering increases its stake in
Oiltek Sdn. Bhd.**

- **Metax to benefit from the strong demand from the palm oil refining and processing business**

SINGAPORE, 24 October 2011 – SGX-Catalist listed Metax Engineering Corporation Limited (“Metax Engineering”, and together with its subsidiaries “the Group”), a home-grown environmental engineering company, is pleased to announce that its wholly-owned subsidiary, WS Bioengineering Pte. Ltd. (“WS Bio”), had on 19 October 2011 entered into a supplemental agreement to acquire an aggregate of 438,403 ordinary shares, representing approximately 17.7% of the issued and paid-up share capital of Oiltek Sdn. Bhd. (“Oiltek”), for a total consideration of S\$1,292,262.

Upon completion of the acquisition, the Company’s stake in Oiltek will increase from approximately 54.8% to approximately 72.5% of the issued and paid-up capital of Oiltek.

Commenting on the acquisition, Mr Tan Tze Wen, the Managing Director of Metax Engineering, said: *“Ever since we entered the palm oil sector in 2008, it has contributed significantly to our revenue and we believe that WS Bio and Oiltek will continue to contribute to the Group positively. The increase of WS Bio’s stake in Oiltek will allow us to reap greater benefits from the strong demand from the palm refining and processing business.”*

Rationale of Acquisition

Oiltek is a technology company incorporated in Malaysia with over 30 years of experience in engineering, procurement and construction of palm oil refining facilities, fractionation and biofuel facilities.

As the palm oil sector of the Group's business, which includes Oiltek, becomes a major contributor to the Group's revenue, the acquisition will increase the Group's stake in Oiltek and allow the Group to derive greater financial benefits from the palm oil sector.

"Palm oil continues to remain as the world's largest and fastest growing crop oil and Oiltek has a presence in most of the major palm-oil producing countries. We believe Oiltek is well positioned to capture upcoming opportunities such as the demand derived from new plantations for refinery and downstream developments." Mr Tan added.

The total consideration of S\$1,292,262 was agreed between the parties on a willing-buyer-willing-seller basis, taking into account the net tangible asset value of Oiltek of approximately S\$8.99 million as at 30 June 2010. The total consideration of S\$1,292,262 for the acquisition will be funded by internal resources.

Note: This media release is to be read in conjunction with the SGXnet announcement dated 24 October 2011, copies of which are currently available on <http://www.sgx.com>

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Issued on behalf of Metax Engineering Corporation Limited by

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About Metax Engineering Corporation Limited

Listed on the Singapore Exchange (SGX) in 2006, Metax Engineering Corporation Limited ("Metax Engineering") is an environmental engineering company that provides engineering, procurement and construction ("EPC") services for water and wastewater treatment and hydro-engineering projects.

With the successful acquisition of WS Bioengineering Pte Ltd ("WS Bio") in 2008, Metax engineering extends its EPC arm into the palm oil refining industry.

Metax Engineering was incorporated in Singapore in 1975 and has accumulated over 30 years of experience providing EPC services for water and wastewater treatment projects as well as hydroengineering projects thus far. They started expansion into the Asia Pacific region in 1985. Today, their principal market is in South Asia and our projects come from both public and private sector.

Metax Engineering was awarded the ISO 9001:2000 certification since 2001 as a testimony of their ability to deliver quality services and products. They also attained ME11 L6 and SY08 grading by the Singapore Building and Construction Authority to tender for Singapore government contracts of unlimited value.

WS Bio is a Singapore-incorporated company whose principal business is in the engineering and construction of palm refining facilities, nutrient extraction facilities and biofuel refining facilities. WS Bio also owns 72.5% controlling stake in Oiltek Sdn Bhd.

For more information, please visit Metax Engineering's website <http://www.metax.com>