

FOR IMMEDIATE RELEASE

ISDN Holdings Limited embarks on seventh hydropower project in Indonesia

- *Biggest hydropower project to be undertaken by ISDN, located in the Laa River in Central Sulawesi*
- *Pre-feasibility studies show Laa river has the potential to generate 936 GWh per year*



Singapore, 1 July 2013 -- SGX Main Board listed ISDN Holdings Limited ("ISDN" or "The Group"), an integrated engineering solutions provider for diverse industries, has through its 80 per cent ownership of PT Potensia Tomini Energi (PTPTE), been invited by the Governor of Central Sulawesi, Indonesia to develop a 126 megawatt (MW) hydropower plant at the Laa River in Central Sulawesi, Indonesia. A recommendation letter by the Governor was handed

to PTPTE to facilitate the attainment of approval from the relevant government agencies to conduct the environmental impact study.

Strong Ties with Local Government

This will be the seventh hydropower project to be undertaken by ISDN in Indonesia, the fourth in Sulawesi; another three are located in Sumatra. ISDN's maiden hydropower project, the Datar mini hydropower plant is located in South Sulawesi while the second and third are sited at the Palasa and Tinombo Rivers respectively in Central Sulawesi.

Mr Teo Cher Koon, ISDN Managing Director and President said, "We have built a strong relationship with the local community and leaders in Central Sulawesi. We understand their economic and social needs as well as the geological terrain of the region.

"The Governor of Central Sulawesi echoed our sentiments to bring power literally to the people, in an effort to boost their livelihoods and the advancement of small businesses. In his welcome speech at the stone-laying ceremony of the Tinombo River hydropower plant in May this year, attended by our Singapore delegates and covered by Indonesian media, the Governor, Drs. H. Longki L Djanggola, earmarked and gave his support for the development of a series of mini hydropower plants totalling 200 MW as well as the development of larger hydropower plants up to 200 MW, one of which is located at the Laa River."

Viability, Cost-effectiveness and Sustainability of Hydropower

The Central Sulawesi Government is keen and committed to tapping into their natural resources and developing hydro-powered energy plants due to the presence of a substantial number of huge mountains, rivers and lakes as well as sufficient rainfall, and due to the fact that hydropower is increasingly seen as a viable, cost-effective and renewable form of energy supply as compared to traditional fossil-powered energy production.

A recent pre-feasibility study undertaken by PTPTE showed that the Laa River has the potential to generate 936 GWh annually. "This could approximately supply electricity up to 100,000 government-built HDB flats in Singapore," Mr Teo added. The entire project may take about four to five years before final commissioning.

Step-up into Development of Larger Hydropower Plants

"The undertaking of the Laa River Hydropower Project is significant as it marks the first project above 10 MW that ISDN will be embarking on. We have on hand an able and widely experienced strategic partner, China Huadian, whose infrastructure building expertise we could potentially tap into," Mr Teo asserts.

China Huadian is one of China's top five state-owned energy infrastructure builders and has constructed and invested in a 180 MW hydropower plant at the Asahan River in Lake Toba, Sumatra. China Huadian could potentially act as ISDN's technology and project development partner with the possibility of an added role as investment partner.

Medium-term Target

ISDN has targeted to developing a series of hydropower projects that could total 100 MW by the end of FY2014 with a view to doubling it in the next three to five years. It has to date revealed plans to develop a series of hydropower plants amounting to 42 MW, excluding the Laa River hydropower facility. Securing in-principle approval for the 126 MW Laa River hydropower plant would mean ISDN could exceed its original target of 100 MW earlier than FY2014.

The company will make subsequent announcements to update its shareholders on the progress of the Laa River hydropower plant at key milestones of the project.

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About ISDN Holdings Limited

Founded on its precision and motion control engineering capabilities in 1987 and listed on the Singapore Exchange Main Board since 2005, ISDN Holdings Limited has today transformed into a multi-industry corporation with diverse strengths. With more than 90 offices spanning key Asian growth markets, ISDN's business interests now include, in addition to engineering, the energy and agriculture sectors

ISDN is dominant in the niche area of motion control and industrial computing, attending to the needs of customers in the Asian region. ISDN's customised solutions cater to different industrial sectors including medical, robotics, factory automation, oil and gas, water treatment, manufacturing, hard disk and semiconductor industries. By leveraging on its alliances with strategic partners in Europe, Asia and Australia, ISDN is able to combine and thereupon benefit from the best-in-class technology and business systems these collaborations have to offer.

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