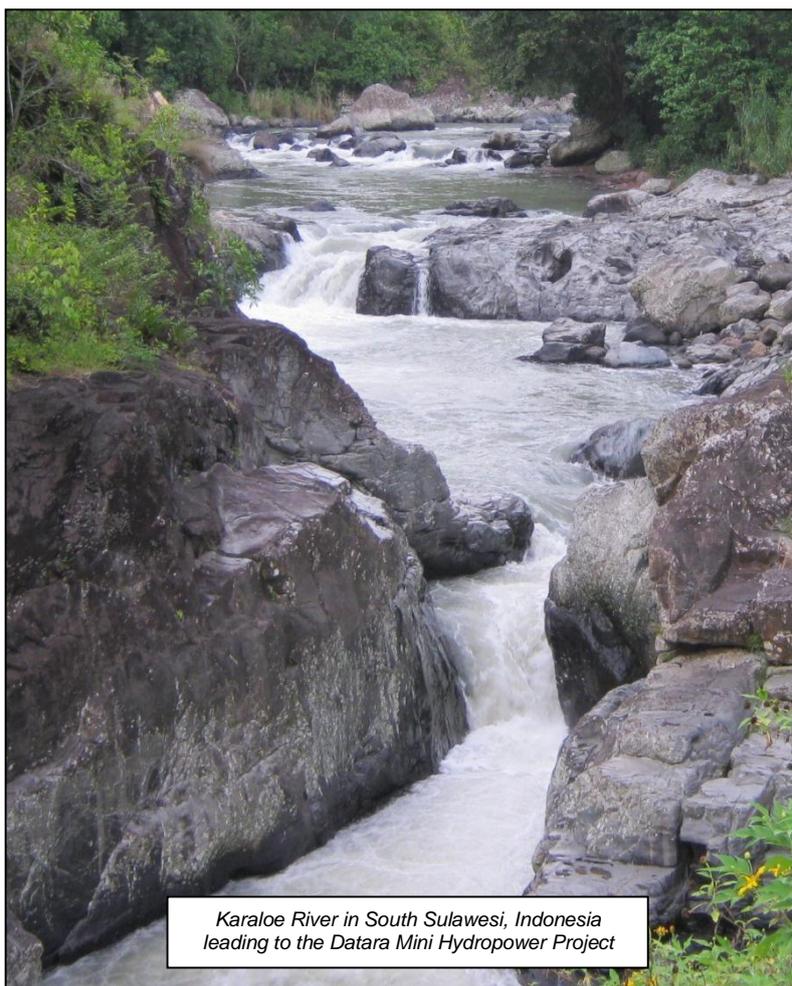




ISDN HOLDINGS LIMITED
No.10 Kaki Bukit Road 1 #01-30
KB Industrial Building
Singapore 416175
Tel: 6844 0288 Fax: 6844 0070
Web: www.isdnholdings.com

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ISDN Holdings Ltd scales new heights as it streams in plans to develop Indonesian hydropower projects



Karaloe River in South Sulawesi, Indonesia leading to the Datar Mini Hydropower Project

Singapore, 18 June 2013 -- SGX Main Board listed ISDN Holdings Limited (“ISDN” or “The Group”), an integrated engineering solutions provider for diverse industries, has charted a new milestone in its planned diversification into the energy sector. ISDN has proposed to acquire equity stakes in two Indonesian energyrelated companies; 40.8% and 80.0% ownership in PT Prisma Karun Energy and PT Potensia Tomini Energi respectively, allowing the Group a valuable foothold in the country’s fast expanding

energy sector. PT Prisma

Karun Energy has to date inked a power purchase agreement (PPA) with Indonesia’s staterun power distribution company, PLN (Perusahaan Listrik Negara) to develop a mini hydropower plant in South Sulawesi while PT Potensia Tomini Energi is in the process of signing a similar agreement in Central Sulawesi. The combined installed capacity of the three power plants is expected to be 18 megawatt (MW).

Steady Income Stream

Based on the feasibility study conducted by PT AECOM* Indonesia in March 2013 on the South Sulawesi mini hydropower plant that PT Prisma Karun Energy plans to develop, the 10 MW station is expected to produce approximately annual energy output of 59 GWh. Based on the PPA signed by PT Prisma Karun Energy with PLN, the yearly revenue may range between US\$4 to 5 million over the tariff of IDR 787 or US\$0.08 per KWh .

Construction is expected to commence early next year and is expected to last 18-24 months. The first income stream is expected to flow in after full operations commences.

ISDN Managing Director and President, Mr Teo Cher Koon, said “Our goal is to increase our portfolio size to 100 MW by the end of FY2014 with a view to doubling it within the next three to five years. We are also looking at Sumatra, Indonesia as another possible region for hydropower development and at matured hydropower plants as a form of acquisition.

“We believe the predictable and steady cash inflow from the hydropower projects makes it ideal to be potentially turned into a business trust,” Mr Teo added. The mini hydropower plant model is a replicable and scalable concept with relatively low running costs between 0.7 to 0.5 US cents per KWh .

Mr Teo said, “Our foray into the energy sector began four years ago when we took our first steps into renewable and sustainable energy by tapping into our engineering capabilities. It was a steep learning curve but has since developed to potentially becoming a growth catalyst for the Group.”

The projects will be financed with a combination of equity and project debt financing.

Energy Opportunities Abound in Indonesia

Mr Teo added, “Robust economic growth in Indonesia has brought about strong demand in electricity with Sulawesi and Sumatra noted as two key regions that are currently underserved.

According to Central Sulawesi Governor, Drs. H. Longki L Djanggola, there presently could be approximately 1,000 MW shortfall in electricity that the local government aims to fully meet by 2025. Mr Teo added; “This translates to more than USD \$2 billion in project costs.”

** AECOM is a global provider of professional technical and management support services to a broad range of markets, including transportation, facilities, environmental, energy, water and government. With approximately 45,000 employees around the world, AECOM is a leader in all of the key markets that it serves. AECOM provides a blend of global reach, local knowledge, innovation and technical excellence in delivering solutions that create, enhance and sustain the world's built, natural and social environments. A Fortune 500 company, AECOM serves clients in more than 140 countries and had revenue of \$8.2 billion during the 12 months ended March 31, 2013.*

Reputable Strategic Partners

To undertake these developmental projects, ISDN has assembled an international project team of reputable industrial planners, geologists, civil engineers and financiers. Mr Teo said, "Over time we had been able to extend our reach and build a global network of industrial and professional contacts that bring to the table a groundswell of proprietary technology, financial acumen and highly-trained talent pool."

The company recently announced several key Memorandum of Understanding (MOU) with leading multi-national partners, one of which is China Huadian, one of China's top five stateowned energy infrastructure builders. China Huadian has constructed and invested in a 180 MW hydropower plant at the Asahan River from Lake Toba, Sumatra. China Huadian will act as ISDN's technology and project development partner with the possibility of an added role as investment partner.

Two weeks ago ISDN announced an MOU with IDI-I, a Japanese fund management company with energy infrastructure focused funds investing in energy and infrastructure assets in Japan and Asia, to explore opportunities to develop and invest in energy projects and to expand power production in Asia.

Mr Teo concluded, "We like the hydropower business for its minimal impact to the environment and for the direct benefit it has on the local community, as an enabler for people and businesses to live, work and thrive."

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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.

For more information, please visit www.isdnholdings.com or contact:

Eruwin Sudirman

NRA Capital Pte Ltd

Tel : (65) 6236 6878

Fax : (65) 6222 0093

Email : eruwin.sudirman@nracapital.com