

**MENCAST HOLDINGS LTD.**

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200802235C)

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**JOINT VENTURE IN RELATION TO MENCAST ENERGY PTE. LTD.**

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*Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the Company's announcement dated 10 April 2012 relating to the Joint Venture (the "JV Announcement").*

Further to the JV Announcement, the Board of Directors of the Company is pleased to announce that the Company has, on 20 June 2013, subscribed for 209,999 ordinary shares of SGD1.00 each in the capital of Mencast Energy Pte. Ltd. ("JV Co").

The consideration paid by the Company to the JV Co for the issue and allotment of shares is by way of capitalisation of the outstanding advances previously extended by the Company to the JV Co. Following the subscription, the Company holds 210,000 ordinary shares in the capital of the JV Co, comprising 70% of the entire capital of the JV Co.

Concurrently, MIS has also subscribed for 90,000 ordinary shares of SGD1.00 each in the capital of the JV Co. The consideration paid by MIS to the JV Co for the issue and allotment of shares is by way of capitalisation of the outstanding advances previously extended by MIS to the JV Co. Following the subscription, MIS holds 90,000 ordinary shares in the capital of the JV Co, comprising 30% of the entire capital of the JV Co.

Following the abovementioned subscriptions, the JV Co's current paid up and issued share capital is SGD300,000.00. Further to the Joint Venture, the Company and MIS have mutually agreed that the JV Co's issued and paid up capital shall be increased to SGD1,200,000.00 (as stated in the JV Announcement) in due course, and a further announcement on this will be made at the appropriate juncture.

The above subscription is not expected to have any material impact on the net tangible assets or earning per share of the Company for the financial year ending 31 December 2013.

Other than the interest of MIS, Mr Sim Soon Ngee Glenndle and Ms Sim Wei Wei as stated in the JV Announcement, none of the Directors or substantial shareholders of the Company, or their respective associates, have any interest, direct or indirect, in the said subscription.

**BY ORDER OF THE BOARD**

SIM SOON NGEE GLENNdle

Executive Chairman and Chief Executive Officer

Date: 20 June 2013