



EQUATION CORP LIMITED

(Company Registration Number 197501110N)

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The details of the contact person for the Sponsor is: -

Name : Mr Hoon Tai Meng (Registered Professional, KW Capital Pte. Ltd.)
Address : 80 Raffles Place, #25-01 UOB Plaza 1, Singapore 048624
Tel : 6238 3377

UPDATE ON BARGE PURCHASED BY EQUATION RESOURCES PTE. LTD.

The Board of Directors of Equation Corp Limited (the "**Company**") wishes to announce that it has been informed of the following:

- 1) Barge ER301 (the "**Barge**") purchased by the Company's 70% owned subsidiary, Equation Resources Pte. Ltd. ("**ERPL**") was lost during the delivery voyage from Zhang Jia Gang, Port of Pohang in China to Cantho, Vietnam.
- 2) The incident took place on 29 March 2009 in the morning as the tugboat towing the Barge approached the Taiwan Strait which was in rough sea condition. Some parts of the tugboat were damaged and could not hold on to the Barge any longer without causing any possible danger to the tugboat and its crew. As a result, the Barge was released and was floating on sea.
- 3) Immediate rescue efforts were futile due to the strong wind and high waves and the Barge has not been found as of to-date.
- 4) The Management of ERPL is currently working with the tugboat owner and the relevant authorities to locate the missing Barge. ERPL has also lodged a police report with the Singapore Police Force.
- 5) The Barge was purchased for an amount of US\$2.1 million and is insured. ERPL has notified the insurance company regarding the incident and the potential loss.
- 6) No goods were loaded on the Barge and no injuries and casualties have been reported.
- 7) The Company will release further announcements at the appropriate or relevant juncture.

By Order of the Board

Chng Weng Wah

Director

2 April 2009