

MEGACHEM LIMITED
Registration No.198803293M

RESIGNATION OF CONTINUING SPONSOR

The Board of Directors (the "Board") of Megachem Limited (the "Company") wishes to announce that Phillip Securities Pte Ltd ("PSPL"), has on 2 November 2010, given the Company three month's notice for the termination of its appointment as Continuing Sponsor of the Company in accordance with the terms of its appointment.

PSPL is terminating its appointment because its head of corporate finance department has left and the position has not been filled to-date.

Pursuant to Rule 228(5) of the Catalist Rules, PSPL has confirmed that it is not aware of any non-compliance with the Catalist Rules by the Company that has not been brought to the attention of the Exchange.

PSPL shall remain as Continuing Sponsor until 2 February 2011 or such earlier date as may be agreed by the Company, the new sponsor and the Exchange. The Board is in the process of searching and selecting the new sponsor and will make the relevant announcement on the appointment of new sponsor in due course.

The Board wished to record their appreciation to PSPL for their contribution over the last 10 months of service.

This announcement has been prepared by the Company and the contents have been reviewed by the Company's Sponsor, Phillip Securities Pte Ltd, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("Exchange"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Foo Say Nam (Director, Corporate Finance), Phillip Securities Pte Ltd, 250 North Bridge Road, #06-00 Raffles City Tower, Singapore 179101, telephone (65) 6533 6001.