



**VAN DER HORST ENERGY LIMITED**  
(Company Registration No. 200001941G)

**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011**

**PART 1 - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group		
	Period Ended 31 August		
	2011	2010	%
	S\$'000	S\$'000	change + / (-)
<b>Revenue</b>	9,223	6,889	33.9
Cost of sales	(5,982)	(4,687)	27.6
Gross profit	3,241	2,202	47.2
Other income	489	127	285.0
Marketing and distribution costs	(141)	(122)	15.6
Administrative expenses	(2,127)	(1,819)	16.9
Finance costs	(37)	(9)	311.1
Other expenses	(209)	(129)	62.0
<b>Profit before tax</b>	1,216	250	
Tax expense	(79)	(57)	38.6
<b>Profit for the period</b>	1,137	193	
<b>Attributable to:</b>			
Owners of the Company	1,247	367	239.8
Non-controlling interests	(110)	(174)	(36.8)
<b>Profit for the period</b>	1,137	193	

**Profit for the period includes the following items :**

	The Group		
	Period Ended 31 August		
	2011	2010	%
	S\$'000	S\$'000	change + / (-)
Loss on foreign exchange	(209)	(118)	77.1
Gain on disposal of available-for-sale investments	399	-	100.0
Depreciation of property, plant and equipment	(982)	(619)	58.6
Dividend income from available-for-sale investments	38	50	(23.8)
Interest income	42	40	5.0
Gain on disposal of property, plant and equipment	-	48	(100.0)
Property, plant and equipment written off	-	(10)	(100.0)



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**1(a)(i) Consolidated Statement of Comprehensive Income for the period ended 31 August 2011**

The Statement of Comprehensive Income included as part of the results of the announcement is in compliance with the revised Financial Reporting Standard (FRS) 1 (effective from 1 January 2009).

	<b>The Group</b>		
	<b>Period Ended 31 August</b>		
	<b>2011</b>	<b>2010</b>	<b>% change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>+ / (-)</b>
<b>Profit for the period</b>	1,137	193	489.1
<b>Other comprehensive income</b>			
Foreign currency translation	139	(215)	(164.7)
Fair value transfer to the income statement on disposal of available-for-sale investments	(411)	-	100.0
Fair value gain on available-for-sale investments	749	504	48.6
<b>Total comprehensive income</b>	<b>1,614</b>	<b>482</b>	
Total comprehensive income attributable to:			
Owners of the Company	37	744	(95.0)
Non-controlling interests	1,577	(262)	(701.9)
	<b>1,614</b>	<b>482</b>	

	<b>The Company</b>		
	<b>Period Ended 31 August</b>		
	<b>2011</b>	<b>2010</b>	<b>% change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>+ / (-)</b>
<b>Profit/(loss) for the period</b>	94	(155)	(160.6)
<b>Other comprehensive income</b>			
Fair value transfer to the income statement on disposal of available-for-sale investments	(411)	-	100.0
Fair value gain on available-for-sale investments	749	504	48.6
<b>Total comprehensive income</b>	<b>432</b>	<b>349</b>	
Total comprehensive income attributable to:			
Owners of the Company	432	349	23.8
Non-controlling interests	-	-	
	<b>432</b>	<b>349</b>	



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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group		The Company	
	31.08.2011 S\$'000	31.05.2011 S\$'000	31.08.2011 S\$'000	31.05.2011 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	43,600	44,088	466	512
Investments in subsidiaries	-	-	35,242	32,065
Available-for-sale investments	5,205	5,281	5,205	5,281
Trade and other receivables	-	-	1,958	1,658
	<b>48,805</b>	<b>49,369</b>	<b>42,871</b>	<b>39,516</b>
<b>Current assets</b>				
Inventories	491	510	-	-
Trade and other receivables	12,587	7,841	1,140	5,912
Cash and bank balances	17,759	17,128	7,026	5,672
	<b>30,837</b>	<b>25,479</b>	<b>8,166</b>	<b>11,584</b>
<b>Total assets</b>	<b>79,642</b>	<b>74,848</b>	<b>51,037</b>	<b>51,100</b>
<b>Equity</b>				
Share capital	62,215	62,215	62,215	62,215
Accumulated losses	(7,520)	(8,767)	(14,392)	(14,486)
Other reserves	7,606	7,109	1,600	1,262
	<b>62,301</b>	<b>60,557</b>	<b>49,423</b>	<b>48,991</b>
<b>Non-controlling interests</b>	3,960	2,383	-	-
<b>Total equity</b>	<b>66,261</b>	<b>62,940</b>	<b>49,423</b>	<b>48,991</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	2,456	2,457	211	211
	<b>2,456</b>	<b>2,457</b>	<b>211</b>	<b>211</b>
<b>Current liabilities</b>				
Trade and other payables	7,475	6,017	739	1,234
Tax payable	1,420	1,449	664	664
Finance lease liabilities	407	343	-	-
Borrowings	1,623	1,642	-	-
	<b>10,925</b>	<b>9,451</b>	<b>1,403</b>	<b>1,898</b>
<b>Total liabilities</b>	<b>13,381</b>	<b>11,908</b>	<b>1,614</b>	<b>2,109</b>
<b>Total equity and liabilities</b>	<b>79,642</b>	<b>74,848</b>	<b>51,037</b>	<b>51,100</b>



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**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

(a) Amount repayable in one year or less, or on demand

	<u>The Group</u>		<u>The Group</u>	
	<u>As at 31 August 2011</u>		<u>As at 31 May 2011</u>	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Finance lease liabilities	407	-	343	-
Borrowings	1,623	-	1,642	-

(b) Amount repayable after one year

	<u>The Group</u>		<u>The Group</u>	
	<u>As at 31 August 2011</u>		<u>As at 31 May 2011</u>	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Finance lease liabilities	-	-	-	-
Borrowings	-	-	-	-

(c) Details of any collateral

Finance leases are entered into for certain motor vehicles, trailers and forklifts that are secured by the lessor's charge over the leased assets and are secured by Corporate Guarantee from Van der Horst Energy Limited ("VDHE").

Borrowings comprise bank borrowings by Chaoyang China Starzyme Co., Ltd and Shenyang Sunrise Bio-tech Co., Ltd amounting to S\$1.4 million and S\$0.2 million respectively. The borrowings are secured by properties pledged from GKE Warehousing & Logistics Pte Ltd and Liaoning China Starzyme Co., Ltd with financial institutions amounting to S\$1.9 million and S\$0.3 million respectively.



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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period

	<b>The Group</b>	
	<b>Period Ended 31 August</b>	
	<b>2011</b>	<b>2010</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities</b>		
Profit before tax	1,216	250
Adjustments for:		
Dividend income from available-for-sale investments	(38)	(50)
Interest income	(42)	(40)
Interest expense	37	9
Depreciation of property, plant and equipment	982	619
Property, plant and equipment written off	-	10
Gain on disposal of property, plant and equipment	-	(48)
Gain on disposal of available-for-sale investments	(399)	-
<b>Operating profit before working capital changes</b>	<b>1,756</b>	<b>750</b>
Changes in working capital:		
Trade and other receivables	(4,746)	(1,139)
Inventories	19	(50)
Trade and other payables	1,458	2,787
<b>Cash generated (used in)/from operations</b>	<b>(1,513)</b>	<b>2,348</b>
Interest received	42	40
Interest paid	(37)	(9)
Income tax paid	-	(57)
<b>Net cash flows (used in)/from operating activities</b>	<b>(1,508)</b>	<b>2,322</b>
<b>Investing activities</b>		
Purchase of available-for-sale investments	-	(405)
Purchase of property, plant and equipment	(499)	(8,572)
Capital contribution from non-controlling interests	1,707	-
Proceeds from disposal of available-for-sale investments	812	-
Dividend income from available-for-sale investments	38	50
Proceeds from disposal of property, plant and equipment	-	57
<b>Net cash flows from/(used in) investing activities</b>	<b>2,058</b>	<b>(8,870)</b>
<b>Financing activities</b>		
Deposits pledged	-	1,913
Increase in bank borrowings	-	8,110
Finance lease repayments	64	(151)
<b>Net cash from financing activities</b>	<b>64</b>	<b>9,872</b>
<b>Net increase in cash and cash equivalents</b>	<b>614</b>	<b>3,324</b>
Cash and cash equivalents at beginning of period <sup>(1)</sup>	17,128	15,397
Effect of exchange rate changes on cash and cash equivalents	17	22
<b>Cash and cash equivalents at end of period <sup>(1)</sup></b>	<b>17,759</b>	<b>18,743</b>



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Explanatory Notes:

(1) Cash and cash equivalents in the cash flow statement comprise the following:-

	<b>The Group</b>	
	<b>31.08.2011</b>	<b>31.08.2010</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash and bank balances	17,259	5,467
Fixed deposits - current	500	13,276
Less: Fixed deposits - pledged	-	-
<b>Cash and cash equivalents</b>	<b>17,759</b>	<b>18,743</b>

	<b>The Group</b>	
	<b>01.06.2011</b>	<b>01.06.2010</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash and bank balances	13,128	17,310
Fixed deposits - current	4,000	-
Less: Fixed deposits - pledged	-	(1,913)
<b>Cash and cash equivalents</b>	<b>17,128</b>	<b>15,397</b>



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period

**Statement of Changes in Equity for the period ended 31 August 2011**

The Group	Share capital S\$'000	Accumulated profits /(losses) S\$'000	Other reserves S\$'000	Total attributable to owners of the parent S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>Balance as at 1 June 2010</b>	62,215	(13,132)	5,117	54,200	2,708	56,908
<b>Profit for the period</b>	-	367	-	367	(174)	193
<u>Other comprehensive income</u>						
Fair value transfer to the income statement on disposal of available-for-sale investments	-	-	-	-	-	-
Fair value gain on available-for-sale investments	-	-	504	504	-	504
Foreign currency translation	-	-	(127)	(127)	(88)	(215)
<b>Total other comprehensive income</b>	-	-	377	377	(88)	289
<b>Total comprehensive income for the period</b>	-	367	377	744	(262)	482
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	-	-	-
<b>Balance as at 31 August 2010</b>	62,215	(12,765)	5,494	54,944	2,446	57,390
<b>Balance as at 1 June 2011</b>	62,215	(8,767)	7,109	60,557	2,383	62,940
<b>Profit for the period</b>	-	1,247	-	1,247	(110)	1,137
<u>Other comprehensive income</u>						
Fair value transfer to the income statement on disposal of available-for-sale investments	-	-	(411)	(411)	-	(411)
Fair value gain on available-for-sale investments	-	-	749	749	-	749
Foreign currency translation	-	-	159	159	(20)	139
<b>Total other comprehensive income</b>	-	-	497	497	(20)	477
<b>Total comprehensive income</b>	-	1,247	497	1,744	(130)	1,614
<u>Changes in ownership interests in subsidiaries that do not result in a loss of control</u>						
Acquisition of non-controlling interests	-	-	-	-	1,707	1,707
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	1,707	1,707
<b>Total transactions with owners in their capacity as owners</b>	-	-	-	-	1,707	1,707
<b>Balance as at 31 August 2011</b>	62,215	(7,520)	7,606	62,301	3,960	66,261



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period

**Statement of Changes in Equity for the period ended 31 August 2011**

<b>The Company</b>	<b>Share capital</b>	<b>Accumulated profits / (losses)</b>	<b>Other reserves</b>	<b>Total Equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as at 1 June 2010</b>	62,215	(19,326)	3,504	46,393
<b>Loss for the period</b>	-	(155)	-	(155)
<u>Other comprehensive income</u>				
Fair value transfer to profit or loss on disposal of available-for-sale investments	-	-	-	-
Fair value gain on available-for-sale investments	-	-	504	504
<b>Total other comprehensive income</b>	-	-	504	504
<b>Total comprehensive income</b>	-	(155)	504	349
<b>Balance as at 31 August 2010</b>	<u>62,215</u>	<u>(19,481)</u>	<u>4,008</u>	<u>46,742</u>
<b>Balance as at 1 June 2011</b>	62,215	(14,486)	1,262	48,991
<b>Profit for the period</b>	-	94	-	94
<u>Other comprehensive income</u>				
Fair value transfer to profit or loss on disposal of available-for-sale investments	-	-	(411)	(411)
Fair value gain on available-for-sale investments	-	-	749	749
<b>Total other comprehensive income</b>	-	-	338	338
<b>Total comprehensive income</b>	-	94	338	432
<b>Balance as at 31 August 2011</b>	<u>62,215</u>	<u>(14,392)</u>	<u>1,600</u>	<u>49,423</u>





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**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purposes since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial period**

**Details of any changes in the Company's issued share capital**

	<u>31.08.2011</u>	<u>31.5.2011</u>
Total number of issued shares (excluding treasury shares)	<u>463,363,636</u>	<u>463,363,636</u>

**1(d)(iii) Disclosure of information required under paragraph 1(d)(iii) and (iv) of Appendix 7C of the listing manual**

Please refer to 1(d)(ii). There were no treasury shares as at 31 August 2011.

**1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or used of treasury shares as at end of the current financial period reported on**

Not Applicable.

**2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or equivalent standard)**

The figures have not been reviewed nor audited.

**3. Where these figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)**

Not Applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those used in the most recently audited financial statements for the year ended 31 May 2011, except for the adoption of new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") applicable to the Group for the financial period beginning 1 June 2011.

The adoption of new/revised FRS and INT FRS have no material financial impact on the financial statements.



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**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Not Applicable.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial period, after deducting any provision for preference dividends**

	<b>The Group</b>	
	<b>Period Ended 31 August</b>	
	<b>2011</b>	<b>2010</b>
Earnings per share (in SGD cents)		
- Basic <sup>(1)</sup>	0.27	0.08
- Fully diluted <sup>(2)</sup>	0.27	0.08

Notes:

(1) The calculation of basic earnings per share is based on the profit for the period of S\$1,247,000 (2010: S\$367,000) divided by the weighted number of ordinary shares in issue during the period of 463,363,636 (2010: 463,363,636).

(2) The calculation of fully diluted earnings per share is based on the profit for the period of S\$1,247,000 (2010: S\$367,000) divided by the weighted number of ordinary shares in issue during the period of 463,363,636 (2010: 463,363,636). Diluted earnings per share for financial period ended 31 August 2011 is the same as basic earnings per share as the Group does not have any dilutive potential ordinary shares.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial period**

	<b>The Group</b>		<b>The Company</b>	
	<b>31.08.2011</b>	<b>31.5.2011</b>	<b>31.08.2011</b>	<b>31.5.2011</b>
Net assets (S\$'000)	62,301	60,557	49,423	48,991
<b>Net asset value per share (in SGD cents)</b>	13.45	13.07	10.67	10.57
Number of shares used in calculating NAV	463,363,636	463,363,636	463,363,636	463,363,636



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**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**8(a) REVIEW OF THE PERFORMANCE OF THE GROUP**

For the first quarter ended 31 August 2011, the Group's revenue increased by 33.9% from S\$6.9 million to S\$9.2 million due to higher business volumes in logistic business and contributions from our overseas subsidiaries, GKE (Shanghai) Metal Logistics Co., Ltd and Liaoning China Starzyme Co., Ltd.

The Group's gross profit increased by 47.2% from S\$2.2 million to S\$3.2 million which is in tandem with the increase in revenue.

"Other income" increased from S\$0.1 million to S\$0.5 million which is due to the gain on disposal of quoted available-for-sale investments. It also comprises dividend received and interest income from financial institutions.

Administrative costs increased by 16.9% from S\$1.8 million to S\$2.1 million which is largely due to the increased staff costs.

The increase in finance costs is mainly due to bank loans drawn down by the Group's overseas subsidiaries for working capital.

Other expenses comprise mainly unrealised exchange losses due to US dollar receivables and Chinese Yuan payables held by the Group.

**8(b) REVIEW OF THE FINANCIAL POSITION OF THE GROUP**

The reduction in property, plant and equipment from S\$44.1 million to S\$43.6 million is mainly due to the depreciation of property, plant & equipment.

The increase in trade and other receivables from S\$7.8 million to S\$12.6 million is mainly due to deposits paid from our overseas subsidiary for acquisition of land in Shanghai.

Increase in trade and other payables from S\$6.0 million to S\$7.5 million is largely due to the increase in accruals for metal storage costs.

Cash and bank balances increased from S\$17.1 million to S\$17.8 million mainly due to the disposal of quoted available-for-sale investments, capital contribution from non-controlling interests and positive cash flow before working capital changes.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, and variance between it and the actual results**

No forecast or prospect statement was previously announced.

**10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The Group will continue to strengthen and develop its logistics business, which comprises warehousing, distribution, forwarding and transportation.

Whilst Liaoning China Starzyme Co., Ltd("LCS") had commenced the production of enzymes for animal feeds in the last financial year, it is still incurring operating losses. Efforts are underway to increase the revenue which is expected to be higher in the colder season commencing September 2011, however LCS is expected to still incur losses for the next quarter. In view of the continued losses, the group is considering to divest the business and to explore any other options.



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**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No.

**(b) Corresponding Period of the Immediately Preceding Financial period**

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

**(c) Date Payable**

Not Applicable.

**(d) Books closure date**

Not Applicable.

**12. If no dividend has been declared/recommended, a statement to that effect**

Not Applicable.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group did not obtain a general mandate from shareholders for IPTs.

**14. Negative confirmation pursuant to Rule 705(5).**

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention which may render the first quarter financial results of the Company and of the Group for the period ended 31 August 2011 to be false or misleading.

**BY ORDER OF THE BOARD**

Cheng Lim Kong  
Chief Executive Officer  
14th October 2011

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

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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 details of the contact person for the Sponsor are:*

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Telephone (65) 6238 3377*

**CONFIRMATION OF NEGATIVE ASSURANCE ON INTERIM RESULTS  
BY THE BOARD OF DIRECTORS (THE "BOARD") OF VAN DER HORST  
ENERGY LIMITED (THE "COMPANY") PURSUANT TO RULE 705(5) OF THE  
LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING  
LIMITED**

**For the result announcement for the first quarter ended 31 August 2011**

We, Mr Cheng Lim Kong, Peter and Mr Neo Cheow Hui, being Directors of the Company, do hereby confirm, for and on behalf of the Board of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board which may render the first quarter financial results for the period ended 31 August 2011 to be false and misleading.

On behalf of the Board of Directors

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Cheng Lim Kong, Peter  
Executive Director

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Neo Cheow Hui  
Executive Director

Date: 14 Oct 2011