



22nd February 2008

Attention: Public Announcements Officer
Australian Stock Exchange
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Operational Update

Hydrotech International Limited (ASX:HTI) wishes to advise that it has been awarded a contract to install our proprietary MPS system in the Hop Yuen Warehouse complex in Kowloon Bay, Hong Kong. This is on behalf of Hop Yuen Construction, one of Hong Kong's most respected construction companies, with over 80 years of experience in the South China region (www.hopyuen.com.hk).

In addition to being awarded this contract, Hydrotech will be working closely with Hop Yuen in investigating several additional opportunities in the region.

Furthermore, the Company currently has submitted tenders on 22 projects in the United Kingdom, China and Hong Kong. These submissions have been put forward at the request of the managers/owners of the various infrastructure assets. The submissions represent work across a variety of different infrastructure assets that include a dam, railway tunnels, railway stations, the London Underground, highways tunnels, motorways, new buildings and remediation works on existing buildings.

Presently Hydrotech is surveying up to five potential projects per week across its business'. If successful on current submissions, the total revenue generated for Hydrotech would be in the region of AUD\$8.5mln. Whilst it is difficult to gauge a success rate on all the submissions, at this stage it is the Company's expectation that requests for submissions are coming from asset managers that have few, if any, alternative commercial remedies to their water ingress problems. The Company expects further announcements in the foreseeable future.

Any further enquiries should be directed to the Company.

Sincerely
Sir James Hodge
Chairman

Level 9, 2 Bulletin Place
Sydney NSW 2000
+61 2 9225 4477
info@hydro-usl.com