

4 May, 2010

Attention: Public Announcements Officer  
Australian Securities Exchange  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

**Hydrotech International Limited  
(‘Hydrotech’ or ‘the Company’)**

**Agreement signed with Wan Chung Construction Company Limited**

We can at last confirm that all parties involved in the MPS installation at the Wo Hop Shek Crematorium have now signed off on this project, the value of which is approximately AUD300,000.

The installation is unique in the fact that the MPS System will be applied as a secondary waterproofing system at the new construction phase to provide protection to the structure against future water ingress issues should the membrane fail. This is a market segment that Hydrotech has been trying to develop as a result of concerns about the effectiveness of waterproofing systems used in Hong Kong.

The area to be treated with the MPS system is approximately 7600m<sup>2</sup> and constitutes the largest MPS installation undertaken in Asia to-date. The Company is very pleased to be working with Wan Chung Construction Co., Ltd., which is a well-respected construction firm established in Hong Kong in 1955.

However, the length of time taken between pitching for the business in September 2008 and the final sign off today is a salutary but depressing reminder of the length of incubation/gestation period inherent in securing MPS projects.

This also puts into sharp relief our decision to compliment the long MPS gestation cycle with a relatively short cycle inherent in our new diversification into high-performance, spray applied waterproofing coatings. In this regard, April has been exceptionally busy and if proposals are a predictor of future business, our coatings division is in increasingly good shape and on the point of inflection in terms of cash flow.



Philip Gray