



31st October 2008

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

MPS included as a mandatory specification in new works to be built under
the management of ASD, Hong Kong

The Company is very pleased to announce that the Hong Kong ASD (Architectural Services Department), who is the government utility that is responsible for state buildings such as hospitals and schools, has confirmed that the MPS system will be a mandatory specification of a new 7,200m² crematorium project at an expected gross contract value of \$1.6M HK (\$300K AUD).

The ASD is the works agent for Government facilities development, and are responsible for maintaining the overall standard of in-house and outsourced projects both in terms of design and construction through an effective quality assurance and performance management system. They also look after the maintenance and refurbishment of these facilities. Further information regarding the ASD can be obtained from the following website, http://www.archsd.gov.hk/archsd_home01.asp?Path_Lev1=0.

ASD will be announcing the commencement of the works in the up and coming weeks, and during that process will be calling for tenders which would be expected to be received from a number of Hong Kong's largest building contractors.

This relationship with ASD is very significant on two fronts as firstly it could be expected that this will be the commencement of the installation of MPS into other government/state buildings under the control of ASD. It will also put Hydrotech in direct contact with the major contractors who tender for the work and this will present opportunities to demonstrate the benefits of the MPS system and potentially work with them on other projects that their firm may be involved in.

We look forward to providing the market with updates on this project as it progresses.

For further information on Hydrotech, please view our website at www.hydro-usl.com

A handwritten signature in black ink, appearing to read 'Philip Gray', with a stylized flourish extending downwards and to the left.

Philip Gray
Chairman