



Update for the Quarter ended March 2008

The March quarter has been a positive one for the Company as it continues to execute its strategies across Asia and Europe. The number of formal submissions for work increased to approximately 40, a large contract was signed off mid-April with the Chongqing-Chengdu Expressway Company and the Company sponsored the iStructE conference for engineering professionals in Hong Kong. This activity has further raised the awareness of the MPS System across the structural engineering and construction professions.

Hydrotech also announced that Mr Philip Gray has joined the Company as Chairman (elect), and Mr Karl Grebstad as a Director. Both gentlemen bring considerable skills and expertise to the Hydrotech Board, which the Company is confident will be of benefit in the future.

In Asia, Hydrotech Asia Limited (HAL) has retained the services two specialist consultants, Dr Ian McFeat-Smith (with 30 years experience in tunneling projects in Asia) and Dr Chris Stanley (with 30 years experience in concrete technology in Asia, UK and Middle East). These specialists have assisted in presentations to Hong Kong organisations such as the Institute of Surveyors, Housing Department, Architectural Services Department, Civil Engineering Department, Highways Department, Association of Project Managers and various developers, contractors and consulting engineering firms.

HAL staff have attended specialist conferences on concrete repair in Guilin and Chongqing (PRC) and will present technical papers on MPS at upcoming conferences in Hong Kong, Singapore and Yantai (PRC). A series of presentations will be made in early May to potential clients in Singapore, including the Land Transport Authority, MRT and Housing Development Board. HAL has also made initial contact with potential agents for promotion of MPS in Singapore, Indonesia and Malaysia.

In addition to the various proposals submitted by the Asia based team, we are in negotiations with several Rail operators in Mainland China that may become significant opportunities for Hydrotech to work in conjunction with the rail developers in new and remedial installations.

Agreement has been reached with the Chongqing-Chengdu Expressway Company on the terms for a pilot installation in the Zhongliang Mountain highway tunnels, with MPS installation for the whole tunnel length of 6.2 km to follow after successful evaluation of the pilot. Other proposals submitted in PRC include a pilot installation for MPS for a major concrete gravity dam in Jilin Province and a “new-build” installation for the 5-level basement of a major building in Chengdu.

The European operations have continued on track with a number of surveys and proposals being submitted. The situation regarding Metronet Administration remains problematic, and we expect to be in further negotiations with senior management in the near future.

Over all the offices the number of submissions has grown to approximately 40, covering a wide spectrum of installations and a diverse portfolio of customers

We look forward to updating you again as developments unfold.

A handwritten signature in black ink that reads "F Boucher". The signature is written in a cursive style with a large, looping initial "F".

Fiona Boucher
Company Secretary

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

HYDROTECH INTERNATIONAL LIMITED

ABN

37 100 468 589

Quarter ended ("current quarter")

31ST MARCH 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (nine months) \$A'000
1.1 Receipts from customers	0	0
1.2 Payments for		
(a) staff costs	-595	-1,489
(b) advertising and marketing	-83	-134
(c) research and development	0	0
(d) leased assets	0	0
(e) other working capital	-652	-3,347
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	20	122
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	0	0
1.7 Other (provide details if material)	0	0
Net operating cash flows	-1,310	-4,848

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (nine months) \$A'000
1.8 Net operating cash flows (carried forward)	-1,310	-4,848
Cash flows related to investing activities		
1.9 Payment for acquisition of:	0	0
(a) businesses (item 5)	0	0
(b) equity investments	0	0
(c) intellectual property	0	0
(d) physical non-current assets	0	0
(e) other non-current assets	0	0
1.10 Proceeds from disposal of:	0	0
(a) businesses (item 5)	0	0
(b) equity investments	0	0
(c) intellectual property	0	0
(d) physical non-current assets	0	0
(e) other non-current assets	0	0
1.11 Loans to other entities	0	-432
1.12 Loans repaid by other entities	89	521
1.13 Other (provide details if material)	0	-202
Net investing cash flows	89	-113
1.14 Total operating and investing cash flows	-1,221	-4,961
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	0	0
1.16 Proceeds from sale of forfeited shares	0	0
1.17 Proceeds from borrowings	0	0
1.18 Repayment of borrowings	0	0
1.19 Dividends paid	0	0
1.20 Other (provide details if material)	0	-74
Net financing cash flows	0	-74
Net increase (decrease) in cash held	-1,221	-5,035
1.21 Cash at beginning of quarter/year to date	4,264	8,188
1.22 Exchange rate adjustments to item 1.20	109	-1
1.23 Cash at end of quarter	3,152	3,152

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000						
1.24	Aggregate amount of payments to the parties included in item 1.2	367						
1.25	Aggregate amount of loans to the parties included in item 1.11							
1.26	Explanation necessary for an understanding of the transactions							
	<table border="1" style="width: 100%;"> <tbody> <tr> <td style="width: 60%;">Non Executive Directors Parent Company</td> <td style="text-align: right;">\$A'000 - 44</td> </tr> <tr> <td>Executive Directors</td> <td style="text-align: right;">\$A'000 - 293</td> </tr> <tr> <td>Advisory Fee</td> <td style="text-align: right;">£A'000 - 30</td> </tr> </tbody> </table>	Non Executive Directors Parent Company	\$A'000 - 44	Executive Directors	\$A'000 - 293	Advisory Fee	£A'000 - 30	
Non Executive Directors Parent Company	\$A'000 - 44							
Executive Directors	\$A'000 - 293							
Advisory Fee	£A'000 - 30							

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	0	0
3.2	Credit standby arrangements	0	0

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	3,152	4,264
4.2 Deposits at call	0	0
4.3 Bank overdraft	0	0
4.4 Other (provide details)	0	0
Total: cash at end of quarter (item 1.23)	3,152	4,264

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date: .30/4/08.....
 (Director/Company secretary)

Print name: .Fiona Boucher.....

+ See chapter 19 for defined terms.