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10th September 2007

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

Signed Agreement with Metronet Alliance

The Company wishes to advise that an agreement has been reached with Metronet Alliance in the United Kingdom verifying the efficacy of the Multi Pulse Sequencing System for use in the remediation works being conducted by the consortium throughout their network of stations within the London Underground.

Details of the agreement are contained in the attached document and further queries should be directed to the company at info@hydro-usl.com.au.

A handwritten signature in black ink that reads 'James Hodge'.

Sincerely
Sir James Hodge
Chairman

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info@hydro-usl.com

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Signed Agreement with Metronet Alliance

Hydrotech International is pleased to announce that the Company has secured a sign off on the project work completed for the Metronet Alliance on Walthamstow Central train station, a station that operates within the London Underground network.

The asset engineer within Metronet has agreed on the completion of work and will now submit the completion work formally on the Company's behalf to London Underground. The compliance documentation stating that the works have been completed and are operating as per their designed specification have also been signed off.

This means that Hydrotech can now actively seek further opportunities on the Metronet controlled section of the London Underground. To date, the company has been given design drawings of 44 operating stations and will proceed to prepare works documentation on these stations. These stations alone represent a large work book for the company going forward.

The Metronet Alliance

To achieve the challenging programme of investment in stations and civil assets, four of the Metronet shareholders - Atkins, Balfour Beatty, EDF Energy and RWE Thames Water - have combined to create a dedicated contract management business called Metronet Alliance.

The Alliance manages the delivery of 143 station modernisations and refurbishments as well as the maintenance, remediation and development of civil assets.

This innovative partnership handles the complex supply chain for these works, combining the knowledge and experience of Metronet with the substantial capabilities of the Alliance, harnessing knowledge-sharing and innovation across the combined field of operations.

Over two million passengers board Metronet-maintained trains every day. Years of under-investment in the Tube means that a huge programme is needed to renew the world's oldest metro, while continuing to maintain the existing services.

Under the Public-Private Partnership (PPP), Metronet Rail is responsible for maintaining, replacing and upgrading all infrastructure on nine of London Underground's Tube lines.

- The "deep Tube" lines far below the capital's streets: Bakerloo, Central, Victoria, Waterloo & City
- The sub-surface lines nearer street level: Circle, District, Metropolitan, Hammersmith & City, East London

These 9 Metronet lines (out of a total of 12 on the LU network; the other three operated by Tubelines Limited) serve almost all the main rail terminals, and includes, under Metronet's responsibility:

- 347 trains, over 471 miles of track and 1,263 points and crossings
- 153 stations, 187 escalators, 2 travelators and 36 lifts
- plus 77.5 miles of deep Tube tunnels, 806 bridges, 103 miles of embankments and cuttings, signalling and other "hidden" assets vital to run an underground train service

Metronet Rail is investing £17 billion during the 30-year contract and has pledged to invest over £2.5 million every working day for the first seven-and-a-half years of its contract. Further details regarding the scope and extent of the work conducted by Metronet can be found at www.metronetrail.com.

Hydrotech International is delighted that the work conducted at Walthamstow Central has been declared a success by the Metronet Alliance and looks forward to developing a strong working relationship with them for the large amount of remediation work that will be required on the London Underground for many years to come.

Further enquiries can be directed to info@hydro-usl.com.