



ACN: 122 726 283

21st April 2008

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

Contract Award On behalf of Chongqing-Chengdu Expressway Company.

The Company wishes to advise the market on the current status of project submissions and tenders that are ongoing within the Group.

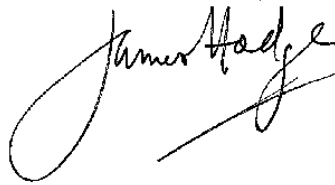
Hydrotech has signed an installation contract to install the MPS System into the Zhongliangshan Mountain tunnel on the Chongqing-Chengdu Expressway, Chongqing Province in China. This project is in two phases; Phase 1 is a fully paid scientific study, which involves Hydrotech China installing our system in a controlled area of tunnel 1. Phase two is the continuation of the installation once the humidity is at the contracted target. The MPS system should reach the target humidity within 4 weeks from commissioning. The tunnel consists of two, two lane roads, totalling 6.4 kms long and covers a total area of 108,000 sq mtrs. This contract is important to the Company not just from the perspective of the revenue that will be derived but also because management understands that there are other major infrastructure assets controlled by the same regional government body that have similar remediation requirements.

The Company continues to work towards securing further signed contracts from the submissions made in our operating jurisdictions of Hong Kong, The Peoples Republic of China and the United Kingdom.

Level 40, 108 St Georges Terrace
Perth WA 6000
+61 8 93759796
info@hydro-usl.com

The Company currently has submitted tenders on more than 35 projects in the various regions. Management believe that further announcements will be in the near future.

Any further enquiries should be directed to the Company.

A handwritten signature in black ink, reading "James Hodge". The signature is written in a cursive style with a large, sweeping initial 'J' and a long horizontal stroke extending to the right.

Sincerely
Sir James Hodge
Chairman