



26th October 2007

Hydrotech Signs Agreement with CIECC

Hydrotech is delighted to announce that it has signed an agreement with China International Engineering Consulting Corporation (**CIECC**). CIECC is one of the largest Engineering Consulting groups in the world with over 11,000 engineers. The agreement was signed by Hydrotech Managing Director in China, Mr. Jiang Nan and Mr Li Shang Wu, Director General of International Cooperation for CIECC.

The agreement provides that:

- CIECC, with full technical and operational support from Hydrotech, will coordinate with its associated design institutes and engineering companies with the objective of acceptance of MPS in the designing phase of the projects in which CIECC is involved.
- CIECC will coordinate with its project developers with the objective of acceptance of MPS in the projects under construction or completed in which CIECC is involved.
- Hydrotech will work jointly with CIECC to identify potential projects, particularly in the fields of underground rail, building, electric power and water resources (dams).
- Hydrotech will allow potential clients to visit previously completed jobs.
- CIECC and Hydrotech shall be on the commercial basis of win-win in jointly marketing successful projects in China.
- Hydrotech and CIECC will explore further strategic cooperation partnership in advancement and application of MPS as well as the WET System in China.

CIECC was established to meet the requirements of democratic and scientific decision making as a result of investment management reformation in China. Since its inception 25 years ago, CIECC has completed 9,000 projects of consultancy with total investment involved exceeding US\$1,325 billion.

Hydrotech is delighted to announce this most significant development in the growth of the company. In dealing with the largest engineering concern in China under an arrangement of mutual cooperation, it is anticipated that this will lead to many commercial opportunities for the Company.

Yours Sincerely

A handwritten signature in black ink that reads "James Hodge". The signature is written in a cursive, flowing style.

Sincerely
Sir James Hodge
Chairman

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About CIECC:

Since its establishment in 1982, CIECC has completed more than 9000 projects of consultancy services on commission of governmental departments at all levels and enterprises, with the total investment involved in these projects amounting to more than RMB10600 billion (US\$1,325bln). CIECC has provided consulting services in drawing up industrial and regional development planning, conducting research on a wide variety of macro-economic subjects, and undertaking appraisal for a large number of significant, far-reaching and world-famous projects such as Gas Transmission from the West to the East, Electricity Transmission from the West to the East, Qinghai-Tibet Railway, Beijing-Shanghai High-speed Train, Shanghai International Shipping Center, South-North Water Diversion, Improvement of Deep Water Navigation Course at Yangtze River Estuary, National Grand Theatre, State Grain Reserve Depots, Expansion of Beijing Capital Airport, Structural Adjustment of Shoudu Iron & Steel Complex, National Oil Storage Bases, Athletic Facilities for Olympic Games, Land Recovery for Forest by Giving up Crop Land, and the key projects of national defense nature. CIECC has over 11,000 engineers. www.ciecc.com.cn

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