



29 July, 2009

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

Update for the Quarter ended June, 2009

The last quarter finished on a high note with shareholder approval being granted at the EGM held 24 June, 2009, for a placement to a group of investors and the Share Purchase Plan, which was offered to all eligible holders on the register. As a result of this a total of 295,953,772 shares were issued at 0.7 cents per share raising \$2,071,676, before capital raising costs. It was very pleasing to see the level of support via the take-up of the Share Purchase Plan, and Hydrotech was pleased that this allowed all existing holders to participate in the fund raising at some level on the same price terms as the placees. The funds will be used for operating costs to bridge the deficit of cash resources until income is received from confirmed contracts.

Hydrotech has completed its strategic review of the Group, which has culminated in a rationalisation of the business and a substantial cut in the Company's operating costs. This now leaves us with sufficient cash resources to concentrate on our main focus and priority going forward, to secure contracts. Hydrotech believes in the short term these will come predominantly from the Asian region, and our list of confirmed and strong prospective contracts is growing steadily. We are continuing to pursue the UK and European market, having recently attended a series of networking meetings and a conference in Europe receiving positive responses. However we believe that confirmed contracts in this area due to the current economic climate and greater consumer resistance will take more effort, and be more evident in the medium to longer term.

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Operational highlights for the last quarter are as follows:-

Tengmieshang Tunnel - China

Technical acceptance was pronounced by the Panel of Experts that the MPS Pilot in the Tengmieshang Tunnel was an advanced solution that provided a comprehensive economical remedy to their water ingress problem. The panel has recommended that the MPS system be extended to larger scale installations in the tunnels under operation (70% suffer from water ingress), and be progressively adopted in the designs of new tunnels to be constructed in the province. Hydrotech recognises that the acceptance and endorsement from the Panel is a milestone for our further business growth in this market, and the Company has been informed that budgetary approval is currently being sought for further works to commence within this expressway system. This system in Yunnan province currently comprises 2600 km, and another 6000 km of expressways will be constructed and put into service during 2009-2019.

Commercial building new fit installation – Hong Kong CBD

The MPS system has been included in a tender addendum as part of the waterproofing system for a new large commercial building in the Hong Kong CBD. The building design incorporates commercial shopping outlets in the basement and the building owner is concerned about loss of income as a result of water ingress and humidity issues. The project is presently out to tender with construction due to commence in September 2009. This project provides Hydrotech with an entry point into the mainstream commercial construction sector.

Institute of Education – Hong Kong

The Hong Kong Institute of Education has released a tender for waterproofing works at the Tin Ka Ping Lecture Theatre, and has specified the mandatory use of the MPS System. The works to be undertaken are remedial waterproofing to a lecture theatre that suffers from reoccurring water ingress issues. The works are scheduled to begin in early August 2009, and it is estimated that the project will take 3 weeks to complete. Whilst this is a relatively small project, it does demonstrate the growing acceptance within Hong Kong of Hydrotech's MPS technology. The tendering process also allows Hydrotech to disseminate more information to the building and construction market as to the virtues of the MPS system via the tendering process.

I look forward to updating you again in the near future.



Philip Gray
Chairman

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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

42 122 726 283

Quarter ended ("current quarter")

30th June 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	0	141
1.2 Payments for		
(a) staff costs	-353	-1,953
(b) advertising and marketing	-19	-102
(c) research and development	0	0
(d) leased assets	0	0
(e) other working capital	-153	-1,627
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	4	75
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)		
Net operating cash flows	-521	-3,466

+ 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 (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	-521	-3,466
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	0
1.12 Loans repaid by other entities	0	0
1.13 Other (provide details if material)	0	0
Net investing cash flows	0	0
1.14 Total operating and investing cash flows	-521	-3,466
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	2,053	2,053
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	0
Net financing cash flows	2,053	2,053
Net increase (decrease) in cash held	1,532	-1,413
1.21 Cash at beginning of quarter/year to date	726	3,671
1.22 Exchange rate adjustments to item 1.20	0	0
1.23 Cash at end of quarter	2,258	2,258

+ 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	28
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

Non Executive Directors Parent Company	\$A'000 - 13
Executive Directors	\$A'000 - 15

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

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

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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

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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	2,258	726
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)	2,258	726

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	0	0
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 give a true and fair view of the matters disclosed.



3 Sign here:

Date: 29 July, 2009

Company Secretary

Print name: FIONA BOUCHER

+ See chapter 19 for defined terms.