

30 July, 2010

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

**Hydrotech International Limited
(‘Hydrotech’ or ‘the Company’)**

MPS System Gains Approval

Hydrotech has great pleasure in announcing that two small installations of its proprietary technology, the Multi Pulse Sequencing System (‘MPS System’), that were undertaken for key clients have recently gained formal acceptance.

In Hong Kong, the Hong Kong Housing Authority has long been at the forefront of pioneering new technologies for the repair and refurbishment of reinforced concrete structures. In the early 1990’s their repair mortar specification was heralded as one of the most advanced specifications in the world, incorporating many of the latest developments in cement and mortar technology. The specification was adopted by any leading organisations and was referred to in concrete repair symposiums around the world. In February of 2010 Hydrotech worked closely with the Hong Kong Housing Authority to install the MPS System at the Oi Man Estate in Ho Man Tin, Hong Kong.

At a specially convened Press Conference, held at the Hong Kong Housing Authorities Head Office on 16 July 2010, senior officials of the Housing Authority fully endorsed the use of Hydrotech’s MPS System for stopping water leakage through reinforced concrete walls. The Housing Authority stated that the installation of the MPS System would be extended to cover a total of 51 empty units within the estate and would also be considered for other estates suffering severe water ingress. As a result of press coverage, Hydrotech’s Hong Kong office has been inundated with enquiries about the MPS System from within Hong Kong and Mainland China. Copies of articles that appeared following the press conference can be viewed on the Company’s website.

In China, at the Guangzhao Hydropower Station, Beipanjiang, in Guizhou, an Engineering Appraisal and Acceptance Certificate was issued for the MPS System installation in one of the permanent observation rooms of the dam. The trial began in March 2009 and formal acceptance was received in July 2010 allowing for a full 12 month observation period by the client.

The final inspection was carried out jointly by the Dam owner, hydro-power station experts and the contractor who worked with Hydrotech to install the system. Following the inspection, it was agreed by all parties that in accordance with the Water Resources and Hydropower Engineering Construction Quality Inspection and Evaluation Procedure (SL176-2007), the class of the quality evaluation was deemed to be rated as Fine. The Company is delighted to announce that the Client has indicated intent to proceed with installing the system to another ten observation rooms within the dam.

These formal accreditations will greatly assist in the future marketing of the MPS System and we look forward to bringing you further updates of projects.

A handwritten signature in black ink, appearing to read 'Philip Gray', written in a cursive style.

Philip Gray
Chairman