



## HYDROTECH INTERNATIONAL LIMITED SHARE PURCHASE PLAN TERMS AND CONDITIONS

The following are the Terms and Conditions applicable to the Share Purchase Plan (SPP) approved by the Directors of Hydrotech International Limited (ABN 42 122 726 283) (Company or Hydrotech). By accepting the offer to acquire shares under this SPP, you agree to be bound by these Terms and Conditions and the Constitution of the Company.

### Eligibility

Each shareholder who is entered in the Company register of members as at 7.00pm AEST on **15 May 2009** (Record Date) and who has a registered address in Australia or New Zealand (a Participant) is eligible to participate in the SPP. Each offer to all Participants is made on the same terms and conditions.

### Participation optional

Participation in the SPP is optional and you should seek independent advice from a licensed adviser if you are unsure whether you should participate in the SPP.

### Number of shares that can be purchased

The Application Form specifies parcels of a particular number or value of shares for which applications can be made. You may not apply for any other number or value of shares.

ASIC Class Order 02/831 requires that each shareholder may only purchase up to A\$5,000 worth of shares under the SPP. This value is the same for all shareholders, irrespective of how many shares you hold on the Record Date. This limit also applies to you even if you receive more than one offer from the Company (for example, if you are both a sole and joint eligible shareholder, or if you are a shareholder with more than one holding under a separate account, you can only apply for shares under the SPP up to the maximum value of A\$5,000).

### Trustees and Nominees

A trustee or nominee who is expressly noted on the Company share register as holding shares on account of a beneficiary may apply, on behalf of each such beneficiary, for shares up to the maximum amount.

To the extent that a trustee or nominee holds shares on account of a beneficiary resident outside Australia or New Zealand, it is the responsibility of the registered holder to ensure that any acceptance complies with all applicable foreign laws.

### Withdrawing your contribution

Contributions may not be withdrawn, in whole or part, during the offer period. Any acceptance to participate in this SPP is irrevocable.

### Offer is non-renounceable

The offer of shares under the SPP is non-renounceable which means that Participants cannot transfer their entitlement to purchase shares under the SPP to another person.

### No transactions costs

No brokerage or other transaction costs are payable by Participants.

### Open and Close of offer

The offer will open on **22 May 2009** (Opening Date) and close at 4.00pm WST on **19 June 2009** (Closing Date) (subject to the Company's right to vary the closing date).

### Application Form

Applications to participate in the SPP must be made using the enclosed Application Form and must be received by the Company at Level 40, 108 St Georges Terrace, Perth, WA 6000 with the correct payment no later than 4:00pm WST on **19 June 2009**. By returning the Application Form you agree to be bound by these Terms and Conditions.

### Offer is subject to shareholder approval

The issue of shares under the SPP is conditional on the approval of the Company's shareholders. An Extraordinary General Meeting (EGM) is expected to be held on **24 June 2009** and the issue of shares under the SPP will be considered at the EGM. In the event that shareholders do not approve the issue of shares under the SPP at the EGM, all funds received by the Company under the SPP will be refunded to the relevant Participant without interest.

### Issue price

The issue price for each share under the SPP will be 0.7 cents per share.

The market price of the Company shares may change after the shares are offered under the SPP. However this will not affect the price at which the Participant will receive Company shares under the SPP. This means that the issue price for shares under the SPP may be higher or lower than the market price of Company shares at the date of allotment.

If a Participant subscribes for more shares than provided for in the Application Form, the excess amount paid will be refunded to the Participant without interest.

### Shares to be offered

Shares allotted under the SPP will rank equally in all respects with existing fully paid ordinary shares.

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Promptly after allotment, application will be made by the Company for shares allotted under the SPP to be listed for quotation on the official list of Australian Securities Exchange. This is expected to occur on or about 6 July 2009. Transaction Confirmation Statements will be despatched to Issuer Sponsored and CHES participants for shares allotted under the SPP.

No brokerage, commissions, stamp duty or other transaction costs will be payable by Participant for their application for, or allotment of, shares under the SPP.

### Change of Offer

The Company may change, suspend or terminate the SPP or these Terms and Conditions at any time whether because of a change of law, ASIC requirements or policy of the ASIC or any other circumstance relevant to the SPP or the Company. If the Company does this, it will make the requisite disclosures to the market. Failure to notify shareholders of changes to, suspension or termination of the SPP or these Terms and Conditions will not invalidate the change, suspension or termination.

The Company reserves the right to issue no shares under the SPP or fewer shares than an eligible shareholder applies for under the SPP if the Company believes the issue of those SPP shares would contravene ASIC requirements or policy, any law or any ASX Listing Rule. No interest will be paid on money refunded. The Company's rights to change, suspend or terminate the SPP may be exercised by the Board of the Company (Board) or any delegate of the Board.

### Variations, waivers and resolution of disputes

The Company reserves the right to:

- (a) vary the closing date and share issue date for the SPP;
- (b) waive compliance with any of these Terms and Conditions;
- (c) refuse to allot shares where it believes there has been a breach of these Terms and Conditions; and
- (d) settle in any manner it thinks fit any disputes or anomalies which may arise in connection with the SPP.

### Dispute Resolution

The Company may settle any dispute in relation to the SPP or the Terms and Conditions of the SPP in any manner it thinks fit, whether generally or in relation to any shareholder, applications or shares. The Company's decision will be conclusive and binding.

### Applications and notices

Applications and notices given to the Company for the SPP must be in writing and in such form as the Company may from time to time require. Such applications and notices will be effective on receipt by the Company subject to:

- a. these Terms and Conditions; and
- b. in the case of applications, acceptance by the Company before the closing date for cash payments.

Applications must be received by 4:00pm WST on **19 June 2009**. Applications received after that time may not be accepted.

### Questions

If you have any questions about the SPP or your entitlement, please contact the Company +61 (0) 8 93759796 or [fiona.boucher@hydro-usl.com](mailto:fiona.boucher@hydro-usl.com) or the Company's Share Registry, Link Market Services, on **(02) 8280 7454** or [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au).