

19 October, 2009

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

MPS Contract confirmed for Shanghai Villa, Shanghai, China

The Company is pleased to announce a contract has been signed by Hydrotech China for its MPS System to be installed in the basement of a private home in the Shanghai Villa residential compound in Shanghai, China.

Shanghai, located on China's central eastern coast, at the mouth of the Yangtze River is the largest city in China and one of the largest metropolitan areas in the world with over 20 million people.

This project follows the recent contract which was confirmed for Pinghu Villas (see announcement 16 September 2009) and is another opportunity to Hydrotech to showcase its MPS technology to wealthy home owners in residential compounds in China, most of which are located near rivers/lakes and where water ingress issues in underground facilities have been a major technical difficulty for developers in the past.

Whilst not of any significant value, the installation at Shanghai Villa will provide another reference project within a walled residential development in Shanghai, a priority strategic area for Hydrotech China. It is expected that further projects will eventuate once the efficacy of the system has been proven.

For further information on Hydrotech, please view our website at www.hydro-usl.com



Philip Gray
Chairman