

16 September, 2009

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

Sale of Unmarketable Parcels

The Company currently has a significant number of unmarketable parcels of shares on its register. These holdings represent issues for both the shareholders of such small holdings, due to the difficulty of disposing of them, of as well as incurring ongoing additional administrative costs for the Company.

As such, it is the intention of the Company to implement an unmarketable parcel sale for holders with less than \$500 of shares, as at the Record Date of 18 September, 2009.

Unless shareholders of unmarketable parcels notify the Company in writing (using the Share Retention Form) by the Expiry Date, the Company will arrange for the sale of these small holdings and remit the proceeds to the individual shareholders concerned. All costs associated with the sale will be borne by the Company.

Documentation will be posted to affected shareholders shortly, and a proposed timetable is attached.

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



Philip Gray
Chairman

PROPOSED TIMETABLE FOR SALE OF UNMARKETBALE PARCELS

2009

Record Date	18 September
Dispatch Date for documents	22 September
Expiry Date for Share Retention Form	5 November
Sale of Unmarketable Parcels and distribution of sale proceeds to relevant shareholders	As soon as practicable after the Expiry Date

The above dates are indicative only. The Company reserves the right, subject to ASX requirements, to vary any of the above dates.