



23<sup>rd</sup> December 2008

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

Contract awarded to install MPS in Tengmeishan Highway Tunnel,  
Yunnan Province, China

The Company is very pleased to announce that a contract has been signed with Yunnan Provincial Communications Department for a pilot installation of the MPS system in the Tengmeishan Highway Tunnel. The contract value of the initial pilot works is 210,000 RMB (\$45,000 AUD). However, it should be noted that the real benefit of this contract is not the initial income it will generate but the sheer size of the future business that could be generated.

Yunnan Provincial Communications Department is responsible for the design, construction, operation and maintenance of all Highways and expressways in Yunnan Province, which has a large number of bridges and tunnels as a result of its mountainous terrain.

The tunnel is located on a section of the highway which links the provincial capital of Kunming to Laos, which eventually leads on to Bangkok. The new section of highway, south of Jinghong City, is 180km in length and is in mountainous terrain with over 46 tunnels and 100 bridges. The Tengmeishan tunnel is 3 km in length and is suffering serious water ingress problems in a section of approximately 40 metres in length. The installation is due to commence immediately after the New Year, and should be completed within 4 weeks.

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We look forward to providing the market with updates on this project as it progresses. However, we would like to re-iterate the significance of this contract is not the size of the initial works but the future potential it represents on this highway alone.

For further information on Hydrotech, please view our website at [www.hydro-usl.com](http://www.hydro-usl.com)

A handwritten signature in black ink, appearing to read 'Philip Gray', with a stylized flourish extending downwards and to the left.

Philip Gray  
Chairman