

ASX ANNOUNCEMENT

11th August, 2004

EGL FLOTATION TECHNOLOGY SELECTED FOR NEW ZEALAND

The Environmental Group Limited (EGL) has won a contract to design, supply and commission an effluent polishing system to remove algae and phosphorous from treated effluent for a regional council in New Zealand valued at over \$350,000.

The system will use EGL's leading edge proprietary Jameson Cell flotation technology marketed exclusively worldwide by EGL for water and wastewater applications. The securing of this contract further establishes the Jameson Cell technology as a low capital and operating cost option for augmentation of municipal effluent treatment plants.

Successful trials were carried out prior to the award of the contract. This will be the first full scale installation for New Zealand.

The Jameson Cell's unique characteristics of compact size, high throughput, rapid start-up and low chemical usage makes it ideal for a new range of applications including water re-use, CSO, sewer mining, sewage plant bypass treatment and high-rate primary sewage clarification.

An active R&D program is looking at developing the Jameson Cell for these exciting new applications. With the increasing scarcity of water and rapidly escalating pricing for water users, water re-use and sewer mining applications will provide the first commercial opportunities. As already announced to the market, the Company has already secured one major industrial water re-use application embodying the Jameson Cell technology. Similarly, major water utilities in Australia are targeting 20% water re-use by 2010.

For further information, please contact Mr. Howard Johnson on (02) 8858 3499.

Howard Johnson
Managing Director and CEO

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