ASX ANNOUNCEMENT

11 September 2003

EGL REAPPOINTS HOWARD JOHNSON AS MANAGING DIRECTOR AND CEO

EGL today announced the reappointment of Mr Howard Johnson as Managing Director and CEO. Mr Johnson's new contract will run until July 2006.

In announcing Mr Johnson's reappointment EGL's Chairman, Mr John Read said

"Under Mr Johnson's leadership EGL has exhibited exceptional financial performance and established itself as a major force in the Australasian environmental sector."

Mr Read further stated "Since Mr Johnson's appointment in July 2000, the Company's profitability has increased by 350% following 6 consecutive years of losses. EGL's market capitalisation has also grown by 440 % to $ 17 million during Mr Johnson's tenure."

"In these circumstances the EGL Board is delighted to reappoint Mr Johnson for a further term of three years. We have high expectations of Mr Johnson's and EGL's future performance. During his initial term Mr Johnson has built the Company both in terms of financial performance and quality of offering. From this solid platform we expect further significant out performance under Mr Johnson's leadership over the next three years."

The terms of the new contract reflect existing arrangements and incorporate important long-term incentive arrangements to better align shareholder and management returns. The equity based incentive components of Mr Johnson's employment agreement are subject to shareholder approval at the forthcoming Annual General Meeting to be held in November 2003.

The material terms of Mr Johnson's new employment contract are attached in accordance with the ASX 's *Principles of Good Corporate Governance and Best Practice Recommendations.*

For further information, please contact Mr John Read on (02) 9899 3499 / 0412 513 176.

JOHN D. READ
CHAIRMAN

SUMMARY OF THE MATERIAL TERMS OF EGL'S MANAGING DIRECTOR, HOWARD JOHNSON'S, TERMS OF REAPPOINTMENT.

Subject to obtaining shareholder approval to the proposed grant of options and performance shares at EGL's Annual General Meeting in November 2003, the following summarises the material terms of Mr Johnson's contract of employment. Mr Johnson's contract of employment was executed this day, 11 September 2003, and in the ordinary course of events will expire on 18 July 2006.

1. **Fixed Remuneration Package**

   Mr Johnson will be paid a fixed remuneration package of $275,000 per annum. This amount is subject to indexation on the basis of the movement in the Company's annualised average salary. There are no annual market based adjustments.

2. **Sign-On Fee**

   In addition to the fixed remuneration component, Mr Johnson will be entitled to a one off payment of $36,000 on execution of his contract of employment.

3. **Short Term Bonus**

   Mr Johnson will be entitled to annual short-term bonus payments subject to meeting prescribed performance criteria. The performance criteria include measures of profitability, growth and ethical standing. The performance criteria are equally weighted and mandate minimum profitability of $1.5 million before tax, annual revenue and profitability growth of 40 and 20 percent respectfully and no adverse change to the Company's ethical rating. If Mr Johnson meets all of the prescribed performance criteria he will be entitled to an annual bonus payment not exceeding 37% of his fixed remuneration component. The short-term incentive payments are capped and not subject to escalation during Mr Johnson's tenure.

   Failure to meet all or some of the performance criteria will result in a proportional reduction in the short-term bonus payments.

4. **Long Term Equity Based Incentives**

   To better align shareholder and executive returns it is proposed, subject to shareholder approval, to grant to Mr Johnson certain options and performance shares.

   The terms and conditions of the proposed issue of options and performance shares will be detailed in the Notice of Meeting convening EGL's Annual General Meeting to be held in November 2003. The Notice of Meeting will also include a valuation of the options and performance shares in accordance with applicable accounting standards and the Australian Securities & Investments Commission recent guidelines.

The proposed grant of options is, save with respect to the exercise price, on a similar basis to those granted Mr Johnson under the Company's 2000 Executive Share Option Plan. In brief, it is proposed to grant to Mr Johnson three tranches of 1,000,000 options, to be granted on 1 January 2004, 1 January 2005 and 1 January 2006, each tranche of options being exercisable within three years of their issue date.

The proposed issue in total of 1,000,000 performance shares during Mr Johnson's tenure is subject to prescribed performance criteria in terms of future market capitalisation and shareholder returns at the financial years ending 30 June 2004, 2005 or 2006.

5. Termination

Either party on three months notice may terminate Mr Johnson's contract of employment. The Company may elect to pay Mr Johnson in lieu of notice. In either event Mr Johnson will not be entitled to any additional payments or compensation for loss of office.

The Company may under certain circumstances summarily terminate Mr Johnson's employment. In the event of Mr Johnson's incapacity due to ill health or accident for a period of greater than 90 working days, then the Company may terminate Mr Johnson's employment on giving three months notice.