

ASX ANNOUNCEMENT

4th June , 2004

SERVICES STRATEGY PROVING SUCCESSFUL FOR EGL

The Environmental Group Limited (EGL) strategy of increasing non-project related income has met with considerable success during the current financial year .

For the 11 months to the end of May , 2004 sales of a recurrent nature have increased by 90 % (compared to the prior corresponding period) .

In addition ,over the last few weeks a number of orders for services have been secured by our Gas and Vapour Division .

Two orders for design and engineering services have been won . These are for new projects in the mineral processing industry and there is a high expectation of winning orders for the supply portions of these jobs when the projects reach the procurement stage .

A third order is for a refurbishment project on a piece of equipment sold some 15 years ago. The equipment was used to clean up vapour emissions in the chemical industry but will now form part of a strategy to address contaminated groundwater issues. This illustrates the potential EGL has with its large installed reference base, built up over thirty years, for service work and plant life extension.

These projects have a combined value of about \$300,000 with good prospects for another \$1.2 million of supply orders to follow. Securing these supply orders will contribute to the expected record opening order book for the next financial year starting on 1 July , 2004 .

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

Howard Johnson
Managing Director and CEO

DELIVERING INNOVATIVE SOLUTIONS TO MANAGE YOUR ENVIRONMENT

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