



ABN 89 000 013 427
Unit 1A, 9 Packard Avenue
Castle Hill NSW 2154
Telephone: (02) 8858 3499
Facsimile: (02) 9899 3463

The Environmental Group Limited

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EGL UPDATE ON OPERATIONAL MANAGEMENT

The Environmental Group Limited (ASX:EGL) today announced changes to its senior management team following the decision of Mr. Philippe Cussinet to resign his position as Chief Executive Officer (CEO) with effect from 7 March 2011.

In response to Mr. Cussinet's decision, the Board has resolved to appoint its Chief Financial Officer, Mr. Johannes (Yuri) Van der Walt, as Chief Operating Officer (COO) with immediate effect. Mr. Van der Walt will assume responsibility for all day to day management and operations of the Company. He will report directly to the EGL Board and work closely with the Board to achieve short term performance outcomes, particularly in the period leading up to 30 June 2011.

Mr. Van der Walt is an experienced tertiary qualified accountant who brings strong financial and commercial skills including previous corporate experience in senior management roles.

At the 2010 Annual General Meeting held on 25 November 2010, Mr. Cussinet advised the meeting that he anticipated the Company would record a trading loss for the first six months ended 31 December 2010, the first half yearly loss recorded since 2006. Based on draft management accounts for the period, which are currently subject to audit review, the Company today confirms this outlook.

EGL anticipates lodging its 2010 Half Yearly report for the six months ended 31 December 2010 with the ASX during the week commencing Monday 21 February 2011.

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About EGL

EGL is a leading ASX listed facility services and environmental solutions company that provides clean air and clean water to the resource, industrial and municipal sectors. EGL provides industrial services to the resources sector, operates air and water infrastructure, completes engineered solutions to enhance air and water quality and provides environmental facility management. For further information on EGL visit www.environmental.com.au.

For further information on this announcement please contact:

John D. Read
Chairman
Ph: (02) 9087 8000