ENVIROZEL LIMITED
ABN 87 010 550 357
ACN 010 550 357
Level 7, 410 Collins Street
Melbourne VIC 3000
Australia
PO Box 237
Collins Street West
Melbourne VIC 8007
Tel: +61 3 9670 4545
Fax: +61 3 9670 6670
www.envirozel.com

11 December 2007

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Dividend Reinvestment Plan

Please find attached the offer to participate in the Dividend Reinvestment Plan which was recently sent to all shareholders.

Yours faithfully

Ian Wallace
Company Secretary

For further information, please contact:

Gordon McKern
Executive Chairman
Envirozel Limited
Tel: +61 3 9670 4545
Mobile: 0408 509 084
E:gordon.mckern@envirozel.com

About Envirozel Limited (ASX code: EVZ)
EVZ is an emerging industrial group with a portfolio of specialist businesses operating in the infrastructure, water and engineering industries. The company's operations currently encompass five successful businesses, Syfon Systems, Brockman Engineering, Danum Engineering, National Engineering and TSF Engineering. These businesses have strong positions in their respective markets with exceptional growth opportunities. The company's strategy is to grow via organic growth and by an acquisition strategy which targets strong, established and profitable businesses where generational change or succession issues have become a constraint on growth.

ENVIROZEL LIMITED

A.C.N. 010 550 357   A.B.N 87 010 550 357

All correspondence to:
Computershare Investor Services Pty Limited
GPO Box 2975 Melbourne
Victoria 3001 Australia
Enquiries (within Australia) 1300 850 505
(outside Australia) 61 3 9415 4000
Facsimile 61 3 9473 2500
www.computershare.com

28 November 2007

Dear Shareholder

Dividend announcement and implementation of a Dividend Reinvestment Plan

The Directors of Envirozel Limited (EVZ) have announced a dividend of a **half a cent ($0.005)** per ordinary share, fully franked. The record date for this dividend (that is, the date for determining eligibility of shareholders to receive the dividend) will be the **18th December 2007** and it is anticipated that the dividend will be paid to shareholders on **9th January 2008.**

The Directors of EVZ are pleased to provide you with the opportunity to participate in the new dividend reinvestment plan **(DRP).** The DRP was approved by members at the company's recent Annual General Meeting. The DRP has been established for those ordinary shareholders who wish to invest their dividend in additional EVZ ordinary shares.

The DRP enables you to increase your shareholding in EVZ by reinvesting all or part of your dividend in additional shares, at a discount (as decided by the directors from time to time) to the average market price, free of brokerage, commission and other costs.

Under the DRP, shareholders have three alternatives when a dividend is declared:

1. **reinvest the full dividend in additional EVZ shares through the DRP;**
2. **reinvest part of the dividend in additional EVZ shares through the DRP and receive the balance in cash; or**
3. **receive the total dividend payment in cash.**

If you wish to receive this and future dividends in **cash**, you do not need to do anything.

You only have to complete and send the attached personalised application form direct to **Computershare** if you wish to receive all or some of your dividend in additional shares.

Participation in the DRP is entirely voluntary and you can join, leave or alter the number of shares covered by the DRP at any stage.

A copy of the terms and conditions of the DRP and a standard application form are included in this package. Please read these terms and conditions and seek your own investment and taxation advice if necessary.

The DRP is available to shareholders with respect to this half a cent dividend announced by the directors.
Shares issued under the DRP with respect to this dividend will be issued at a 5% discount to the Weighted Average Market Price of EVZ's shares over the period of 5 business days starting after the record date.

If you wish to participate in the DRP please complete the attached application form and return it to **Computershare**. If you wish to take advantage of the DRP for this current dividend, you will need to return the form no later than 5pm on the **record date,** being the **18th day of December, 2007.**

If you have any questions regarding the operation of the DRP, please contact Computershare or our Company Secretary, Ian Wallace on (03) 9670 4545.

Yours sincerely,

Gordon McKern
Executive Chairman

Envirozel Limited
ABN 87 010 550 357

Dividend Reinvestment Plan

IF YOU WISH TO RECEIVE YOUR DIVIDENDS IN CASH, YOU DO NOT NEED TO DO ANYTHING, AND NEED READ NO FURTHER.

IMPORTANT NOTICES

No responsibility can be taken for any advice expressed or implied in this document, given the complex nature of the laws governing companies and the taxation of dividends from companies. You are urged to seek your own independent professional advice about the financial and taxation implications for you of participating in this dividend reinvestment plan.

TERMS OF DIVIDEND REINVESTMENT PLAN

The following are the terms of the dividend reinvestment plan ("Plan") of Envirozel Limited ("Company").

1. Participation in the Plan

1.1 Participation is optional.

1.2 Subject to the Company's power to reject any application, participation is open to all Shareholders except those who have registered addresses in a country or place where participation in the Plan would or may be unlawful or if any other formality under the laws of that country or place would or may not be complied with.

1.3 Each Shareholder is solely responsible for obtaining any government or regulatory approvals and consents necessary for him or her to be eligible to participate in the Plan.

1.4 Participation may, subject to any restrictions in these terms, be varied or terminated by a Shareholder at any time.

2. Degree of participation

2.1 Participation may be either full or limited.

2.2 Under full participation, the Plan will apply to all Cash Dividends payable on all Shares held by the Participant from time to time.

2.3 Under limited participation, the Plan will apply to all Cash Dividends payable on:

(a) the number of Shares nominated by the Participant in his or her application for participation; and

(b) all Shares issued to the Participant under the Plan,

less any of those Shares transferred by the Participant.

2.4 Applications which do not indicate the degree of participation selected may be deemed by the Company to be applications for full participation.

3. Applications to participate

3.1 Applications to participate in the Plan must:

(a) be made on the application form approved by the Company from time to time;

(b) indicate whether participation is full or limited and, if limited, nominate the number of the applicant's Shares to be subject to the Plan; and

(c) be otherwise completed and signed by the applicant and given to the Company.

3.2 The Company may in its absolute discretion reject any application to participate in the Plan without giving any reason, but if it does, the Company will notify the applicant as soon as practicable after the application is made.

3.3 Subject to the Company's power to reject any application, each duly completed and signed application and each application that the Company deems to be for full participation pursuant to clause 2.4 and is otherwise duly completed and signed will be:

(a) deemed to have been accepted by the Company upon receipt; and

(b) effective in respect of all Cash Dividends payable after receipt of the application, but any application received by the Company after the Election Date for a Cash Dividend will not be effective in respect of that Cash Dividend.

4. Operation of the Plan

4.1 Subject to clause 4.5, each Cash Dividend which is payable to a Participant in respect of the Participant's Participating Shares and which is available for payment to the Participant will when payable be applied on the Participant's behalf in subscribing for Shares.

4.2 The issue price of Shares to be acquired under the Plan in respect of a Cash Dividend will be at a discount to the market price. The directors of the Company will decide the discount from time to time and the market price will be determined by the Company as the Weighted Average Market Price of the Shares over the period of 5 Business Days starting after the record date or such other price as the Company in its absolute discretion considers to be the fair market value of the Shares.

4.3 In respect of each Cash Dividend the Company will for each Participant:

(a) determine the amount of the Cash Dividend payable in respect of the Participant's Participating Shares less any tax or other amount which the Company is required by any law to withhold or deduct from such dividend or which the directors of the Company are entitled to retain;

(b) on behalf and in the name of the Participant, apply that amount (together with any amounts held by the Company under clause 4.4) to subscribe for the maximum whole number of fully paid Shares that may be acquired at the issue price of the Shares; and

(c) issue that number of Shares to the Participant as fully paid Shares at or about the time the Cash Dividend is due for payment.

4.4 If there is any amount of a Cash Dividend payable to a Participant in respect of the Participant's Participating Shares which is not applied to subscribe for additional Shares because the amount is less than the issue price of one Share, the amount will be retained by the Company, added to the next Cash Dividend payable to the Participant and (unless the Participant terminates its participation in the Plan) applied to subscribe for additional Shares under the Plan, provided that the Company may at any time determine to pay the amount in cash to the Participant before it is so applied.

4.5 Notwithstanding any provision of this Plan to the contrary, this Plan will not operate in respect of a particular Cash Dividend if the directors of the Company so determine.

5. Share issue

5.1 Shares will be issued under the Plan within the time required by the Listing Rules.

5.2 Shares issued under the Plan will from the date of issue rank equally in all respects with all other fully paid Shares then on issue.

5.3 Shares issued under the Plan will be registered on a register where the Participant already holds Shares.

6. Statements to Participants

After each issue of Shares under the Plan, the Company will send to each Participant a statement detailing:

(a) the number of Shares issued to the Participant and the date of issue;

(b) the Cash Dividend payable to the Participant which was applied to subscribe for the Shares so issued;

(c) the amount of any franking or imputation credit attaching to the Cash Dividend and the amount (if any) which the Company has withheld or deducted or which the Company has retained from the Cash Dividend; and

(d) the number of the Participant's Participating Shares, after the issue.

7. Transfers of Shares

7.1 Whenever any Shares held by a Participant are transferred, those Shares will be taken to comprise:

(a) first, Shares not participating in the Plan or any other dividend reinvestment, bonus issue or other similar plan of the Company; and

(b) secondly, Participating Shares.

7.2 On the registration of a transfer of any Participating Share, the Share will cease to be taken to be a Participating Share for the purposes of these terms and will cease to be subject to the Plan.

8. Death of Participant

8.1 If a Participant dies, participation by that Participant and any other Participants with whom the deceased was a joint Participant will be terminated upon receipt by the Company of notice of the death of the deceased Participant.

8.2 Termination under clause 8.1 will be effective in respect of Cash Dividends payable after receipt of the duly completed and signed death notice, but any death notice received by the Company after the closing date for determination of entitlements to payment of a Cash Dividend will not be effective in respect of that Cash Dividend.

9. Variation and termination of participation

9.1 A Participant may at any time:

(a) vary the number of Shares held by the Participant that are to be subject to the Plan; and

(b) terminate participation in the Plan.

9.2 Variations and terminations permitted under clause 9.1 must be:

(a) made on the form approved by the Company from time to time;

(b) completed and signed by the Participant and given to the Company; and

(c) effective in respect of Cash Dividends payable after receipt of the duly completed and signed form, provided that any form received by the Company after the Election Date for a Cash Dividend will not be effective in respect of that Cash Dividend.

10. ASX quotation

Whilst the Company is admitted to the official list of ASX the Company will apply to the ASX for Shares issued under the Plan to be granted official quotation within any period of time prescribed by the Corporations Act or the Listing Rules.

11. Notices

11.1 Any notice, form or other document to be given by the Company to a Shareholder under these terms may be given in the same manner that notices may be given to Shareholders under the Company's constitution.

11.2 Any notice, form or other document to be given by a Shareholder to the Company under these terms will not be valid until it is received by the Company at its share registry for the time being or such other place as the Company may nominate from time to time for the service of notices under these terms.

12. Amendments

12.1 The Company may from time to time amend these terms.

12.2 The Company must notify each Shareholder in writing of any amendment to these terms and such amendment will take effect from the effective date specified in the notice.

12.3 No amendment will be invalid due to the accidental omission to give a notice to any Shareholder.

13. Suspension and termination

13.1 The Company may suspend the operation of the Plan for such a period as it considers appropriate or may terminate the Plan.

13.2 The Company must notify each Shareholder in writing of any suspension or termination of the Plan and such suspension or termination will take effect from the effective date specified in the notice.

13.3 No suspension or termination will be invalid due to the accidental omission to give a notice to any Shareholder.

14. Power of directors

14.1 The directors of the Company may implement the Plan in such manner as they think fit.

14.2 Without prejudice to the general powers of the directors under the Constitution and this clause, the directors may settle in such manner as they think expedient any difficulties, anomalies or disputes which may arise in connection with, or by reason of the operation of the Plan, whether generally or in relation to any Participant or any Shares, and the determination of the directors will be conclusive and binding on all Participants.

15. Liability

15.1 None of the Company or the directors of the Company will be liable or responsible to any Participant for:

(a) any direct or indirect loss suffered by a Participant as a result of the establishment and operation of the Plan or his or her participation in the Plan or in relation to any advice given with respect to participation in the Plan;

(b) any direct or indirect loss suffered by a Participant due to any amendment to the terms of the Plan or any suspension or termination of the operation of the Plan effected in accordance with these terms; or

(c) any liability of a Participant in respect of any tax or other amount arising due to or in connection with his or her participation in the Plan.

16. Costs

16.1 Except to the extent required by law, no brokerage, commission, stamp duty or other transaction costs will be payable by a Participant in respect of any issue of Shares under the Plan.

16.2 Where any law requires on any occasion the payment of any amount in respect of an issue of Shares to a Participant under the Plan, that amount may be deducted by the Company from the sum which would, but for the participation of the Participant, be available for payment to the Participant and, if deducted, must be paid by the Company as required by that law.

17. Governing law

The Plan is governed by the laws of Victoria.

18. Interpretation

18.1 In this document, unless the context otherwise requires:

"**ASX**" means Australian Securities Exchange Limited;

"**Business Day**" means any day on which banks are open for business in Melbourne, excluding a Saturday, Sunday or public holiday in Melbourne;

"**Cash Dividend**" means a dividend payable wholly in cash out of profits or other distributable reserves of the Company and, in the case of a dividend payable only partly in cash, that part of the dividend which is payable in cash;

"**Company**" means Envirozel Limited ACN 010 550 357;

"**Corporations Act**" means the Corporations Act 2001 (Cth) in force for the time being;

"Election Date" means, with respect to a dividend, the Record Date for that dividend or such other date as the directors of the Company determine;

"**Plan**" means the Company's dividend reinvestment plan as described in this document;

"**Listing Rules**" means the listing rules of ASX in force for the time being;

"**Participant**" means a Shareholder participating in the Plan for the time being;

"**Participating Shares**" means those Shares which are subject to the Plan for the time being such that Cash Dividends payable in respect of them are to be applied for the time being in subscribing for additional Shares in accordance with the Plan;

"**Record Date**" means, with respect to a dividend, the date by reference to which the Company will identify the persons entitled to the dividend;

"**Share**" means an ordinary share in the Company;

"**Shareholder**" means a person registered as the holder of Shares; and

"**Weighted Average Market Price**" means, with respect to Shares over a period, the total dollar value of the Shares traded on the financial market of ASX over the period divided by the total number of Shares traded over the same period.

18.2 In this document, unless the context otherwise requires:

(a) the singular includes the plural and vice versa;

(b) references to one gender includes all genders;

(c) references to persons include individuals and corporations.

Envirozel Limited

ABN 87 010 550 357

Dividend Reinvestment Plan ("PLAN")

NOTICE OF ELECTION (APPLICATION/VARIATION/TERMINATION)

SHAREHOLDERS DETAILS

....

Holder Identification Number / Securityholder Reference Number

....

....

Name/s of Registered Shareholders

....

....

Address Postcode

....

Contact Name

....

Telephone

1. APPLICATION/VARIATION

Full Participation in the Plan – tick this box ☐

Partial Participation in the Plan – Please insert the number of Shares you would now like to participate in the Plan. ☐ Number of Shares

(The dividend on any balance of your holdings will be paid to you automatically in cash.)

2. TERMINATION

Tick this box if you wish to terminate your participation in the Plan. ☐

SIGNATURES

INDIVIDUALS ONLY

....

Holder 1

....

Holder 2

....

Holder 3

Date: ....

COMPANIES ONLY

....

Director/Secretary (Sole director/secretary? ☐ Yes)

....

Director

Date: ....

COMMON SEAL (if any)

NOTES:

1. This notice of election form supersedes any previous instructions.

2. Participating Shareholders agree to be bound by the terms of the Plan.

3. If Shares are held jointly, each joint Shareholder must sign. Companies must execute this notice of election by two directors, a director and secretary, a sole director/secretary (please indicate), under its common seal or by an authorised officer or attorney.

4. If signed by an authorised officer a certificate copy of the resolution of directors appointing the officer must accompany this notice of election. If signed by an attorney, the relevant power of attorney must accompany this notice of election unless the power of attorney has been previously noted by the Company.

5. If the degree of participation is not indicated in accordance with the instructions on this notice of election, the Shareholder will be deemed to have applied for full participation in the Plan – i.e. for shares held.

LODGEMENT INSTRUCTIONS:

Please send the complete and signed notice of election to:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001