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The Manager
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ASX Announcement First In-Field Commissioning Trial Successfully Completed

As announced previously to the ASX, a major milestone objective in the planned commercialisation of the ShieldLiner trenchless technology for repairing and rehabilitating underground pipes was to undertake an in-field commercial trial.

The Company is pleased to advise this milestone was completed on 15 September 2005, with the relining of 70 metres of root-infected stormwater pipe for the City of Stirling in Perth, Western Australia.

The task involved the in situ relining of the pipes from the inside, utilising the proprietary ShieldLiner™ System to create a composite of the old pipe reinforced by a new fibreglass liner.

This first public trial is a major step along the path to commercialising the technology, which addresses a worldwide problem for local authorities and infrastructure owners who want to repair underground pipes in situ, rather than incur the public dislocation, environmental impact and high cost of digging them up and replacing them.

Stirling is an important reference site and pilot project and the company is confident it will lead to broader opportunities as the technology attracts further interest, both domestically and internationally.

A copy of a media release to be issued later today concerning the commercial trial is attached.

John Hassen
Managing Director

INTERNATIONAL INTEREST AS SHIELDLINER SUCCESSFULLY COMPLETES 'NO DIG' PIPE REPAIR FOR CITY OF STIRLING

Infrastructure technology group ShieldLiner Limited (ASX CODE: **SLD**) has achieved an important milestone in the development of its trench-less technology for repairing and rehabilitating underground pipes by successfully relining 70 metres of damaged storm water drains for the City of Stirling in Western Australia.

The task involved relining damaged pipes from the inside, utilising the proprietary ShieldLiner™ System to create a new fibreglass inner skin, which bonded and became part of the host pipes.

ShieldLiner Managing Director John Hassen said this first public trial was a key milestone in the path to commercialisation, and to addressing a world-wide problem for local authorities faced with the dislocation and cost of digging up and replacing underground pipes, by providing a viable method of repairing them in situ.

"Stirling is an important reference site and pilot project for the ShieldLiner™ System and we are confident it will lead to broader opportunities, as it has already attracted international interest."

"As pipe joints and cracks are completely filled and sealed this should prevent tree root intrusion which has been an ongoing problem for a number of years at the Stirling site, where the root damaged storm water drain has contributed to localised winter flooding.

City of Stirling's director of infrastructure management, Geoff Eves, said the City had been keen to participate in the trial because it had the potential to provide a cost-effective way of extending the life of Stirling's stormwater drainage system.

"The cost and time involved in digging up and replacing root-damaged drains, coupled with the inconvenience to residents, are the reasons the City became involved in the trial," said Mr Eves.

"Replacing the 70 metres of pipes would have involved digging up roads, verges, driveways and footpaths to a depth of three metres over a two week period, at a cost of about \$45,000," he said.

Mr Eves said ShieldLiner claimed the in situ repair could extend the life of the drain by up to 50 years.

The ShieldLiner system involves inserting a precision tool that travels along the pipe being rehabilitated and delivers the new inner lining. The process is monitored and filmed as it goes, and minutely evaluated in an on-site mobile control room.

It has been developed as a cost effective alternative to digging up and replacing ageing pipeline infrastructure – one of the most pressing issues confronting public and private infrastructure owners world wide.

Mr Hassen said the successful trial involved the structural lining of 70 metres of 300mm diameter concrete pipe using the first commercial ShieldLiner rig in a continuous run.

"This is the culmination of an intensive 12-month program since listing on the Australian Stock Exchange in which we have been focused on construction, testing and commissioning of a commercially capable rig," said Mr Hassen.

"We are delighted with the results achieved and with the level of sophistication in automation and data logging we have been able to build into the system. The quality of the finished product and the ability to impregnate even micro-cracks in the host pipe is very pleasing, he said"

Mr Hassen said the trial phase had been completed within the forward cost estimates and budget outlined in the company's prospectus, with a significant portion of the costs incurred on the development program since listing being eligible for a cash refund under research and development taxation concessions.

"We will shortly embark on our first marketing program and follow up the numerous inquiries from leading contracting, engineering and infrastructure groups who had previously contacted the company and expressed interest in the technology. We aim to release a promotional DVD showing the system in operation by the end of October, said Mr Hassen"

The ShieldLiner™ System has the potential to create a new, cost effective alternative for asset owners in the multi-billion dollar global piping infrastructure industries, and could represent a major breakthrough, dramatically reducing repair and rehabilitation costs and lengthening the life of their pipeline assets.

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BACKGROUND ON THE SHIELDLINER SYSTEM

ShieldLiner's unique system involves the insertion of a tool that travels along the pipe being rehabilitated, delivering and compacting resin to fill and repair cracks and holes whilst at the same time wetting out an inverting liner.

The system requires two access points to the pipe. The liner package is introduced behind the ShieldLiner tool at one end and then inverted using an air pressure chamber. At the other end resin, catalyst, air and electronic monitoring wiring are delivered to the tool from a surface rig. The tool travels from the air pressure chamber access point towards the surface rig, driven by the inverting liner.

Apart from the simplest and most obvious advantage – eliminating the need to dig up and repair underground pipes, which normally involves significant cost as well as substantial disruption, access issues, social impacts and potentially environmental concerns – the ShieldLiner™ system has a number of other benefits:

- Has the capacity to repair both small and large diameter pipes.
- Suitable for both pressure (eg, water mains) and gravity (eg, sewer) pipes.
- The liner binds with the pipe with no gap (or annulus) between it and the outer casing of the pipe, because the resin and catalyst are introduced to the liner package by the tool inside the pipe under controlled conditions. The result is a composite of old pipe reinforced and repaired with the new liner.
- Range of materials and combinations is possible for the relining package – epoxies, ceramics, industrial coatings and cements.
- Very long runs of pipe are expected to be repaired in one run.
- Cost savings over costs of replacement are expected to be substantial in suitable applications.

The market potential for the ShieldLiner™ System is significant, with a large proportion of both gravity pipes (e.g. sewers) and pressure pipes (e.g. water and gas mains) in cities around the world either exceeding or approaching their design life and in need of rehabilitation or replacement.

However, the cost and disruption involved in digging up and replacing or repairing underground pipes is also a significant issue for asset owners and managers such as utilities and infrastructure groups.

The problem is magnified by the growing need to preserve ground water. Massive expenditures are now being devoted to the maintenance and rehabilitation of pipe infrastructure to address the issue of ground water pollution and ground water infiltration due to leaking and failing sewer pipes.

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