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To: ASX Announcements
Date: 1 July, 2004
Re: Netherlands MOU

With the imminent availability of Phoslock granules, significant enquiries have been received from around the world from potential licencees and distributors. Discussions and negotiations have commenced with a number of those companies.

IMT has today entered into an agreement with a Dutch company, Aquifer, to promote and sell Phoslock in the Netherlands.

About Aquifer

Aquifer is an environmental engineering and consultancy company whose main customers are public organisations responsible for municipal wastewater treatment and surface water quality. Aquifer operates in The Netherlands and in Belgium.

Aquifer has been involved in developing solutions to reduce the level of phosphorus in surface waters.

The Dutch Water Market

The major driver in the Dutch water market is the European Water Framework Directive (WFD). The WFD is European legislation relating to surface water management with which the Netherlands must comply.

The Netherlands' dense population and intensive agricultural industry have caused problems with the quality of surface water, particularly excess phosphate levels. The Dutch government has introduced new stringent standards to apply to municipal and agricultural industry discharges by the end of 2005.

The problems with phosphorus are worst in the south of the Netherlands. This is due to the presence of extensive farming (mainly pigs) and the soil conditions.

Aquifer has previously been involved in developing technical solutions that could be applied to reduce the level of phosphorus in surface waters and believes there is a substantial market for Phoslock in the Netherlands.

The MOU

Under the terms of the Memorandum of Understanding, Aquifer will:

- Obtain regulatory approval for the importation and use of Phoslock in waterways and for industrial uses in the Netherlands.
- Identify one or more pilot projects in waterways or industrial uses for Phoslock in the Netherlands.
- Seek the support of the Dutch government and potential customers to finance the implementation of one or more pilot projects.
- Subject to the completion of all of the above, commence active marketing of Phoslock in the Netherlands.

Aquifier will be paid a commission on all sales of Phoslock in the Netherlands.

For further details, please contact Brett Crowley, CEO, on 02 96980622.