



A.B.N. 71 002 802 646

Our Ref.GW2008062:mc

12 February 2008

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam,

**Approval to increase used battery throughput rate to 36,000 Mt/Year**

The Board is pleased to announce that approval has been received from Wollongong City Council to increase processing of Used Lead Acid Batteries from the current limit of 12,000 tonnes per annum to 36,000 tonnes per annum at its Unanderra recycling facility. This increase in operating capacity will enable HydroMet to process up to 33% of the total estimated volume of used lead acid batteries generated in Australia each year.

The approval is effective immediately and steps will now be taken to progressively lift battery procurement, manning, operating hours and plant throughput.

This is a significant achievement and important milestone in support of the Companies plans for a secondary lead smelter.

Preparations of an Environmental Impact Statement for a smelter to be located at HydroMet's Newcastle facility are well advanced and expected to be lodged along with a development application in March. We anticipate a decision from local government and environmental authorities by July – August 2008.

Yours sincerely,



Gregory Wrightson  
Managing Director

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