



Electrometals Technologies Limited

ABN 25 000 751 093

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The Manager
Company Announcements Office
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PURCHASE OF INTEREST IN U.K. COMPANY

Further to the previous announcement on 14 November 2007, the directors of Electrometals Technologies Limited are pleased to announce that the company has now completed the purchase of 51% of the United Kingdom company, Kurion Technologies Limited.

Kurion markets a wide range of environmental, reprocessing and recycling applications and technologies, some of which are complementary to the EMEW® electrowinning technology currently marketed by Electrometals. Kurion engineers and manufactures treatment plants, primarily for processing liquid waste streams, but may include pre-treatment of solid waste.

Kurion offers a range of technologies (www.kurion.co.uk), including:

- ion exchange (IX) for water recycling and selective metal recovery
- metals discharge compliance and recovery
- chemical regeneration and re-use
- membrane application for water recycling
- vacuum evaporation
- advanced oxidation techniques
- oil treatment: separation, concentration, haul/burn

applied to industries such as:

- automotive and aerospace
- petrochemical
- pharmaceutical
- electronics
- metal finishing
- waste management

The Kurion marketing slogan is “Solutions to pollution”. The company operates in a growing market where there is increasing emphasis to capture and make safe offensive industrial waste and to recycle valuable water. Where the capture of waste includes potential valuable metals, Electrometals EMEW® technology may be used to produce marketable metal. One such plant has been supplied already to a customer in the U.K., where Kurion engineers integrated their digestion and IX plant designed to produce purified Ni-rich electrolyte from Ni-rich solid industrial waste with an EMEW® plant supplied by Electrometals, to recover high-grade nickel cathode. This plant is due to be commissioned in March 2008.

After consideration of some matters arising out of the due diligence process, the acquisition cost of the initial 51% shareholding has been increased since the previous announcement and will now be between £180,000 and £220,000, depending on operating results for the year ended 31 December 2008. Electrometals will also provide additional loan funds to enable Kurion to pursue specific business opportunities. Electrometals has a 5-year option to purchase the remaining 49% based on earnings at that time. The shareholders of Kurion also have an option to put their shares to Electrometals in 5 years.

The directors of Electrometals and Kurion are enthusiastic about the opportunity to grow Kurion internationally through organic growth of the Kurion core business, aided by access to working capital and to the growing international distribution network provided by Electrometals, as well as the integration of some of the Kurion technologies with the Electrometals EMEW® technology, where these are complementary.

Kurion is budgeting to be profitable for 2008 and for the foreseeable future. However, like Electrometals, Kurion will be investing in the establishment of a platform for future, long-term growth.

Kurion may also provide shared facilities in the U.K. which Electrometals may use as a base in the future to assist the growth of our EMEW® business, particularly in Europe.

R.E. KEEVERS
Chairman and CEO