



A.B.N. 71 002 802 646

2 April 2012

ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Re: Grant awarded from the Illawarra Region Innovation and Investment Fund

We attach herewith the joint media release announced by the Federal and the NSW Governments today in relation to the co-investment grant of the Illawarra Region Innovation and Investment Fund (IRIIF).

Hydromet Corporation Limited (ASX: HMC) is pleased to inform the market that its wholly owned subsidiary – Hydromet Operations (Southern) Ltd is one the 13 successful grant recipients. The \$1.32 million grant will contribute towards the installation of the proposed small scale lead smelting furnace at the Unanderra site to recover and produce Lead Bullion from Lead oxide paste which generate from our current used lead acid battery (ULAB) operation and also from other waste streams such as CRT glass.

The company will finalise the economic and technical evaluation of the project including the likely feed streams and the products in the next few months. Subject to the above outcome the construction of the new plant could commence in early 2013.

The project is expected to cost about \$4.6 million. Apart from the grant awarded, the balance of the project cost can be funded from internal resources and capital equipment finance arrangement.

We will inform the market on the progress of the project in due course.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Dr Lakshman Jayaweera', is written over a horizontal line.

Dr Lakshman Jayaweera
Chairman and Managing Director

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THE HON GREG COMBET AM MP
Minister for Climate Change and Energy
Efficiency
Minister for Industry and Innovation

THE HON SHARON BIRD MP
Parliamentary Secretary for Higher Education
and Skills
Federal Member for Cunningham

STEPHEN JONES MP
Federal Member for Throsby



THE HON ANDREW STONER MP
NSW Deputy Premier
NSW Minister for Trade and Investment
NSW Minister for Regional Infrastructure and
Services

THE HON GREG PEARCE MLC
NSW Minister for Finance and Services
NSW Minister for the Illawarra

GARETH WARD MP
State Member for Kiama

LEE EVANS MP
State Member for Heathcote

JOINT MEDIA RELEASE

GC 53/12

2 April 2012

NEW JOBS AND INVESTMENT IN THE ILLAWARRA

More than 470 new jobs will be created and \$46.5 million of investment generated by projects supported under the first round of the Illawarra Region Innovation and Investment Fund (IRIIF).

The Federal Minister for Industry and Innovation, Greg Combet, and the NSW Deputy Premier, Andrew Stoner, today announced 13 successful grant recipients, worth a total of \$16.2 million.

“These co-investment grants will help to establish and expand local capabilities, transforming the local economy. Importantly, they will create sustainable employment and business opportunities in the region,” Mr Combet said.

“The Illawarra Fund is helping to diversify and strengthen industries throughout the region including in manufacturing, precision engineering, information services and tourism,” Mr Stoner said.

The NSW Minister for the Illawarra, Greg Pearce, acknowledged the strong response from applicants to the Illawarra Fund in its first round.

“This is a region that is tremendously important to the New South Wales economy. Applicants were willing to invest at least dollar for dollar in new projects, which demonstrates the Illawarra community is enthusiastic about creating future opportunities,” Mr Pearce said.

BlueScope Steel General Manager of Steelmaking, John Nowlan said, “As a co-contributor to the Fund, BlueScope Steel is pleased with the range and scope of projects that will be funded in the initial round. The variety of ideas presented for assessment illustrates a region capable of innovative thinking and entrepreneurial capability. The projects determined for round one funding are supported by at least equal funding and are earmarked to generate several hundred all-important jobs”.

The Federal Member for Cunningham, Sharon Bird, welcomed the prospect of so many diverse job opportunities being provided in the first round of the Illawarra Fund.

“This is about supporting local jobs for local people and continuing to diversify the region’s economy. Around 190 positions will be created through the establishment of a dedicated Centre of Print Manufacturing and Training at Unanderra, while several highly-skilled positions will support the manufacture of an innovative mining industry communication system in Bulli,” Ms Bird said.

Stephen Jones, the Federal Member for Throsby, welcomed the successful partnership between government and business demonstrated in these co-investment grants.

“While the future of manufacturing in this region is largely in the hands of the private sector, in tough times like at present there is an important role for government to work hand-in-hand with business to help secure the region’s future through the creation of more highly-skilled and sustainable job opportunities.

“I welcome funding for locally based processor Hydromet Operations (Southern) Ltd, which will expand its operations recovering lead from e-waste and from batteries, bringing a further 20 jobs online, while Soilco Pty Ltd will significantly upgrade its Organic Materials Processing and Recycling Facility to create another 10 jobs,” Mr Jones said.

Gareth Ward, the State Member for Kiama, welcomed the announcement of the first round of funding.

“It’s great to see the Commonwealth and NSW Government working together to support local industry in the Illawarra through the Illawarra Region Innovation and Investment Fund,” Mr Ward said.

State Member for Heathcote, Lee Evans, said the first round of funding would help support Illawarra businesses by stimulating investment and helping to diversify local industries.

The Illawarra Fund was established by the Commonwealth Government together with the New South Wales Government and BlueScope Steel to strengthen the region by stimulating investment and diversifying the Illawarra’s economic and employment base.

Round 2 of the Illawarra Fund is now open and companies in the region are encouraged to apply.

Information sessions have been scheduled for interested applicants in the Illawarra region for Round 2 of the program. Further information is available online at www.ausindustry.gov.au or on 13 28 46.

A full list of Round 1 recipients and details of the grant projects are attached.

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