



Mr Scott Evans
Stock Exchange of Newcastle Limited
384 Hunter Street
Newcastle NSW 2300

12th May 2005

Dear Mr. Evans,

RE: NEW CHINA AGENT APPOINTED BY SWEPDRI LIMITED ("SWP")

The management of SweepDri Limited is happy to announce that as part of its expansion in China the following breakthroughs have been achieved.

- SweepDri Limited has appointed a new distributor / agent for DRIZORO products in Guangzhou. The first year contract calls for a turnover of Euro 200,000.00 or 200 ton of Product.

Discussions are also underway with an additional 2 areas to join our Drizoro distribution drive in China.

- SweepDri Limited is also pleased to announce that the Beijing Building Materials Quality Supervision and Test Center has approved 4 of the 5 Drizoro products submitted, with the last scheduled for completion late May. It will allow Drizoro Products to be used on all construction projects. This in turn will lead to a substantial increase in orders from the Beijing Agent.
- Our in-house Applicator Training/Product Awareness Seminars as part of the professional development program is continuing.
The seminars are run once or twice a month time permitting and are restricted to 12-15 participants. The sessions are charged for and attract CPD points.
The sessions are resulting in an immediate increase in sales.

The measures put in place will significantly improve the Company's performance.

A handwritten signature in black ink, appearing to read 'Hans Graf', with a long horizontal line extending to the right.

Hans Graf
Director



SweepDri Limited

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