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Company Announcements Office Australian Securities Exchange 20 Bridge Street SYDNEY NSW 2000

ASX Announcement: By: e-lodgement (ASX code: EGL)

Proceedings against a previous Employees/Director of a subsidiary

The Directors of the EGL Group (ASX: EGL) wish to announce that Total Air Pollution Control Pty Limited ("TAPC"), a wholly owned subsidiary, has decided to pursue legal action against a number of persons including Gary Hardie ("Hardie") and Precipitator Technologies Pty Limited (a company owned and operated by Hardie) for alleged misuse of information. This legal action currently includes seeking urgent interlocutory relief.

Hardie is the original owner of TAPC, ex-employee and Director of TAPC and has established a business to compete directly with the Electrostatic Precipitator division of TAPC ("ESP"). It is alleged that there has been unauthorised access of company confidential information. Whilst the ESP division accounts for less than 10% of the group turnover, the directors view the protection of all assets of the group as paramount.

TAPC will be seeking relief from the courts including but not limited to under S182 and S183 of the Corporations Act.

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David Cartney Chairman