

21 June 2004

[ASX Company Announcements Office]

Pharmaceutical Manufacturing Opportunity

Echo Technologies Limited (Echo) is pleased to announce that it has today signed a non-binding Memorandum of Understanding (MOU) with the owners and interested parties (Ramprie Parties) of Ramprie Laboratories, a generic pharmaceutical manufacturer.

Under the terms of the MOU, Echo and the Ramprie Parties must use their reasonable endeavours within an exclusivity period of 40 days of the date of the MOU to negotiate a formal binding agreement. It is intended that any such agreement will involve the sale of the business assets of Ramprie Laboratories and the sale of the land and buildings upon which the business is conducted.

Echo has not made any payment in order to secure the 40 day exclusivity period.

Ramprie Laboratories is a generic pharmaceutical manufacturer located in Welshpool, Western Australia with a long history of producing licensed products. A fire in September 2003 led to significant damage to the buildings and laboratories upon the premises. This further led to a voluntary suspension of the TGA (Therapeutic Goods Authority) licence that is held by Ramprie Laboratories.

Ramprie Laboratories is currently undertaking the process of rebuilding its premises and laboratories so as to regain a fully operational TGA licence and the validation of various TGA approved products.

Echo is interested in the pharmaceutical manufacturing opportunity as it will lead to vertical integration with the business of Epichem Pty Ltd. Epichem provides highly specialised chemistry services on a contract basis to International and Australian drug development and biotechnology companies. Importantly, it is also developing its own suite of intellectual property generating research and development in pre-clinical drug discovery. Echo owns 80% of Epichem.

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Epichem would look to take advantage of and value add to the manufacturing process.

Epichem's first 3 months of operations have been highly successful and has led to Echo actively seeking complimentary projects. Epichem is looking to expand its laboratory areas.

During the MOU period Echo intends to conduct further due diligence on the Ramprie Laboratories opportunity. From present discussions with the Ramprie Parties any formal agreement may well conclude on the basis of the purchase of all relevant business assets of Ramprie Laboratories (including stock, plant and equipment, business names, intellectual property and the like) together with the land and buildings in a rebuilt state for the purchase price of \$3,100,000 plus GST.

Echo's discussions with the ASX have led to the ASX advising that if a binding agreement can be reached with Ramprie Laboratories on the terms contemplated, Echo will need to comply with Chapter 11 of the ASX Listing Rules so that it will need to obtain shareholder approval to the transaction together with meeting the requirements in Chapters 1 and 2 of the ASX Listing Rules as if Echo was applying for admission to the official list.

Echo will further inform the market upon this opportunity upon any binding agreement being executed or if Echo decides not to pursue the opportunity.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Bryant McLarty', written in a cursive style.

Bryant McLarty
Managing Director
Echo Technologies Limited