SYMPHONY ENVIRONMENTAL TECHNOLOGIES PLC

Business Update
Product Clarification

Symphony Environmental Technologies Plc ("Symphony" or "the Company"), the degradable plastics and waste-to-energy Group, is pleased to announce the following:

BUSINESS UPDATE

The Group continues to make progress notwithstanding the delays affecting performance which have already been announced. In the oxo-biodegradable plastics Division the transition from low-margin finished product to higher-margin additive is taking effect. In the waste-to energy Division we are pleased to announce progress with Thermal Pyrolysis (see below) in addition to the progress with Microwave Pyrolysis announced on 30th April.

Oxo-biodegradable Plastic (d2w)

The changes referred to in the Company's Business Update announcement on 30 April 2007 have started to have a positive effect on the business. Sales of higher-margin products are growing and operating costs are falling.

The Company's announcements of 22 February and 30 April 2007 referred to delays in a number of overseas markets, and that corrective action had been taken. Two market areas were involved, and in the first we are pleased to say the issues have been resolved. Most of the local stock has been sold and paid for, and new orders have been confirmed for delivery. In the second market area, local stocks are being sold, the process of reconfirming orders and stock repositioning is ongoing, and further updates will be given at the Preliminary Results stage, which will now be in June, rather than at the end of May.

Waste to Energy (Thermal Pyrolysis)

Symphony is also pleased to announce that Cabinet approval has been given in Sri Lanka for an MOU between Symphony Energy Resources Ltd. (SER) and the Ceylon Petroleum Corporation (CPC) of Sri Lanka, supported by The Ministry of Petroleum of Sri Lanka.

The project is to build a Thermal Pyrolysis plant in Sri Lanka in 2008 and has been agreed as a result of meetings between SER and a team of experts from CPC. It must be stressed that no contract has yet been signed, but the MOU represents a major step forward for Symphony.

CPC is the state owned Oil Company of Sri Lanka and is the sole importer and refiner of oil products into Sri Lanka. Current operations include a refinery in Colombo, over 800 filling stations throughout the island, supplies to the marine bunkering companies, aviation fuel to the international airport, and supplies of oil products to the independent oil companies.

Thermal Pyrolysis is a process that applies heat to plastics in the absence of oxygen to break the chemical bonds. The system converts waste plastics into Marine Diesel Oil (MDO), and is designed to recycle mixed plastic waste streams into valuable and easily marketable products. The process provides an alternative to conventional and more costly recycling systems and can use most types of plastic waste that currently go to landfill. The system itself uses very little energy and is self-sustaining with virtually zero waste from the process. If the plant is constructed, in due course MDO output per unit is expected to be in the region of 18,000 tonnes per annum or the equivalent of 150,000 barrels of oil.

This technology addresses two of the most pressing environmental questions faced by governments worldwide – What to do with waste plastics, and how to reduce dependence on imported oil.

PRODUCT CLARIFICATION (oxo-biodegradable plastic)

Plastics, recycling, compostability and renewable issues are now constantly in the media and much confusion exists over this subject. Symphony's d2w® oxo-biodegradable technology produces plastic which degrades by a process of **OXO-degradation**, initiated by an additive. The process involves little or no additional cost, as products can be made with the same machinery and workforce as conventional plastic products. During their useful life they are just as thin, strong, and durable as ordinary plastic.

It is important to note that the plastic does not just fragment. It is consumed by bacteria after the additive has reduced the molecular weight, and it is therefore **"biodegradable."** This process continues until the material has biodegraded to nothing more than CO_2, water, and humus, and **it does not leave fragments of petro-polymers in the soil**.

Eco-toxicity tests demonstrate that oxo-biodegradable plastic produces no immediate, or cumulative, adverse effects on the soil, whether from the material itself or from pro-degradants, plasticisers, surfactants, pigments, metal salts or lubricants. D2w® does not contain "heavy metals."

The UK Food Standards Agency's Expert Group on Vitamins and Minerals has carried out a risk assessment on trace elements and has shown that most of the metal salts used in oxo-biodegradable plastics are trace-elements necessary for healthy plant and human growth.

Unlike PVC, the polymers from which oxo-biodegradable plastics are made do not contain organo-chlorine. Nor do they contain PCBs, nor do they emit methane or nitrous oxide, even under anaerobic conditions.

The time taken for d2w® products to degrade can be 'programmed' at the time of manufacture and can be a few months or a few years. Exposure to sunlight accelerates degradation, but the process of oxo-bio-degradation, once initiated, continues even in the absence of light, so long as air is present. Products can be vacuum-packed for delivery and will not degrade in the absence of air until needed for use.

On 24th May this year the Periodical Publishers Association of the UK recommended to all its members that oxo-biodegradable film be used for wrapping their magazines for distribution. D2w® is already in use for this purpose.

Oxo-biodegradable plastics are currently made from a by-product of oil refining, and oil is of course a finite resource, but this by-product arises because the world needs fuels for engines, and would arise whether or not the by-product were used to make plastic goods.

Unless the oil is left under the ground, carbon dioxide will inevitably be released, but until other fuels and lubricants have been developed for engines, it makes good environmental sense to use the by-product, instead of wasting it by "flare-off" at the refinery and using scarce agricultural resources to make plastics.

D2w® has been certified safe for long-term contact with any food type at temperatures up to 40°C, and oxo-biodegradable products are being supplied by the UK's leading supermarkets, Tesco and the Co-op. *NB: In view of the major custom of Walmart, is there any prospect of tying up ASDA at some point?*

In Portugal the country's largest retail group, Sonae, has adopted d2w® plastic carrier bags, and other major users include Marriott, Royal Caribbean Cruise Lines, BUPA, News International, Pizza Hut, KFC, and Walmart. Oxo-biodegradable plastic is ideal for frozen food packaging, as it can be kept for extended periods at low temperature, and will quickly degrade when it becomes a waste product at normal temperatures.

In Brazil more than 20 cities have issued a direction that the city authorities and all their suppliers use only oxo-biodegradable plastic for their packaging, bags, and refuse sacks.

If people want to incinerate oxo-biodegradable plastic with heat recovery, or recycle them, or re-use them, then that can be done. The key point is what happens to the plastic which is *not* collected, and gets into the environment as litter. Conventional plastic will lie around in the environment for many decades, but d2w® will degrade in a short time leaving no harmful residues.

Biodegradable plastics have been supplied in UK supermarkets for more than three years but there is no evidence that they have caused any increase in litter.

Oxo-biodegradable plastic also has useful applications in agriculture. For many years farmers and growers have used plastic sheets to protect their crops but after the crop has been harvested many thousands of square kilometres of dirty plastic have to be removed and disposed of. This is a very expensive process, and creates huge quantities of contaminated waste.

Oxo-biodegradable plastic sheets can however be programmed at manufacture to degrade soon after the harvest. The fragments can then be ploughed into the soil where they complete the biodegradation process and become a source of carbon for next year's plants**.** Symphony has trials ongoing with a new additive specially formulated for this purpose.

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Further information on the Symphony Environmental Technologies Group of companies:

SYMPHONY ENVIRONMENTAL LTD is a world leader in oxo-biodegradable plastics. It develops and supplies environmentally-responsible pro-degradant additives as well as oxo-biodegradable plastic film, and rigid packaging products.

SYMPHONY ENERGY RESOURCES LTD. is developing innovative waste-to-energy technology processing plants and is exploring many opportunities where there is a demand to convert plastics, tyres and other waste streams into valuable products by cost effective processes.

SYMPHONY PLASTICS LTD has for many years supplied a very popular range of conventional plastic bags and other plastic packaging products.

THE SYMPHONY GROUP has a diverse and growing customer base in the UK and has successfully established itself as an international business after signing agreements with companies in Argentina, Brazil, Canada & USA, Chile, Colombia, France, India, Mexico, New Zealand, Peru, Portugal, South Africa, the Caribbean, Saudi Arabia, and Qatar. Its d2w® products can already be found in more than 40 countries.

Further information on the Symphony Group can be found at www.symphonyplastics.com and www.degradable.net.