

Senior Management Appointments & Company Re-structure

Solco Ltd (ASX: SOO) announce the appointment of Mr. Dermot Patterson as Chief Executive Officer of the Company to replace Mr. Duncan Stone who resigned on 3rd April 2006. Mr. Patterson has an impressive track record of strong international business management performance over more than 25 years.

His extensive experience in international market development means Mr. Patterson is well equipped to lead the Corporate Development activities needed to drive the expansion of the Solco business in accordance with its strategic plan. Most importantly, he has deep practical knowledge all aspects of disciplined operations and asset management including the effective integration of alliances, dealer networks and acquisitions to maximize the synergies of such business relationships.

Prior to joining Solco, he was CEO of the public listed Medec Limited and spent 20 years with Huntleigh Technology Limited, a large UK based international healthcare firm. In the last 10 years of that association, Mr. Patterson had responsibility for all operational and administrative functions for Huntleigh Australasia (including China and Japan), Canada and Latin America.

Mr. Patterson has been working as an external consultant with the Solco Board and Management over the past 4 weeks undertaking a detailed business review as part of its strategic planning process.

The Board also announced a significant re-structure of its business to more effectively deliver its vision of becoming a world leader in the delivery of decentralized, sustainable water and power solutions. The Company is to be organized into separate water and power divisions that both have a strong market focus and proper delegated authority to operate and control all aspects of their business based on a clear approved strategic plan and matching budget.

The Company has appointed Mr. Michael Starling to be the General Manager of the Water Division which will have responsibility for water products, technology and international business. Mr. Starling is a Chartered engineer with more than 14 years experience in water related projects in various UK Water Authorities and consultancies, most recently as water treatment team leader with global engineering firm, Sinclair, Knight, Mertz Consulting. Mr. Starling has completed an MBA and has been head of Solco's international technology licensing activities and R&D since December 2005.

Mr. John Cooper who has been Acting CEO of Solco will become the General Manager of the Power Division which will be managed through wholly owned Solco subsidiary Choice Electric Co. Mr. Cooper has over 20 year's experience in the sustainable power industry, is highly knowledgeable on emerging new technologies and is well connected with international

developers and suppliers of such products that can be effectively introduced through Choice Electric Co.'s wholesale network. The appointment of Mr. Patterson allows Mr. Cooper to focus on developing and expanding the Choice Electric Co.'s power business.

Messrs Patterson, Cooper and Starling will along with the Solco CFO form the Executive Management Committee for Solco which will have responsibility for the development of strategic plans in conjunction with the Solco Board and lead responsibility for the execution of such plans and the management of all operational management activities.

- ENDS -

For further information, contact Mr. Dermot Patterson on (08) 9334 8100 or Mr. John Beech 0400 10 3675.

Solco Ltd

Office: 126 Sheffield Road Welshpool WA 6106

Postal Address: P.O. Box 37 Welshpool DC WA 6986

T +61 8 9334 8100 Freecall 1800 454 161

F +61 8 9334 8199 E info@solco.com.au

ABN 27 084 656 591

www.solco.com.au