

3 February 2009

EGL MARKET UPDATE PROFIT UPGRADE

In its presentation to the Company's 2008 Annual General Meeting held on 27 November 2008, The Environmental Group Limited (ASX:EGL) highlighted amongst other things profitable trading for the first quarter of the 2008/09 fiscal year in excess of budget. The Company further noted that it expected the results for the first six months ended 31 December 2008 to be profitable.

Based on draft preliminary unaudited management accounts for the six months ended 31 December 2008, EGL now considers that trading profit before tax (PBT) for the period ended 31 December 2008 is likely to exceed \$1 million. Profit before tax for the six months ended 31 December 2007 was \$148,232.

Management accounts for the six months ended 31 December 2008 are currently subject to finalisation and audit review. At this juncture EGL anticipates releasing its ASX Appendix 4D for the half year ended 31 December 2008 on or about Wednesday 25 February 2009.

EGL will regularly update the market should new information become available.

About EGL

EGL is a leading ASX listed facility services and environmental solutions company that provides clean air and clean water to the resource, industrial and municipal sectors. EGL operates air and water infrastructure, completes engineered solutions to enhance air and water quality and provides environmental facility management. For further information on EGL visit www.environmental.com.au.

For further information please contact:

John Read
Chairman
Ph: 0412 513 176