



Dear Shareholder:

May 24, 2007

Over the past year we remained focused on maintaining a presence in several environmental fields while working to reduce overhead and preserve cash. The sale of our building late in 2006 removed a large burden on our limited financial resources and provided us with a cash injection.

We strongly believe that our wastewater systems have huge potential in the marketplace. Trying to enter a market that has several established competitors, even with a superior product, is no easy feat, even for a company that is well financed and has substantial manpower behind them. Since EWI has limited financial and manpower resources, we focused our efforts on finding a niche market that could be easily addressed.

In April 2006 GAP EnviroMicrobial Services completed a report confirming our system's ability to not only sterilize all tested wastewater pathogens, but to do so with greater efficacy and lower energy requirement than the thermal (steam) systems presently used. In October we introduced the FS-POD, a small yet robust unit that can meet the effluent decontamination needs of most Bio Safety Labs. Our recently completed sale to Abbott Laboratories is a strong endorsement of this product's potential.

It is very clear that, with the recent burgeoning of the "Green Revolution", EWI is well positioned with its diverse product lines to play a key role in this environmental awakening. We are anxious to begin aggressive marketing campaigns for our various systems. At this point our biggest impediment is our limited financial resources.

As you will see when you read the enclosed Information Circular, we are working on a new funding and revenue agreement with an arm's length group. The goal is to provide EWI with the needed funding to expand our organization and market and sell our products. The agreement, if approved, will provide EWI with up to \$3 million cash. The assets or rights that EWI is transferring or selling can be repurchased anytime in the next seven years. Please review the full details in the information circular.

EWI's management and board believe that this financial support will not only allow us to pursue new initiatives but will secure our presence in the Green Movement, one of the great secular trends of our era. I encourage you to participate in our annual meeting and I look forward to meeting you there.

Sincerely,

A handwritten signature in black ink that reads "Stephen S." followed by a horizontal flourish.

STEPHEN SIMMS
President / CEO