



Dear Shareholder:

May 14, 2008

EWI made significant progress on several fronts in 2007. In May, EWI's Effluent Decontamination System (EDS), the FSPOD, was installed at an Abbott Laboratories facility in Chicago. Since then, EWI has worked closely with Abbott to modify the system to meet their specific needs. Interest in the EDS is growing and several groups are paying close attention to the units' performance as part of their decision making process. EWI believes that recent enhancements will expand the systems' operating parameters past those of any competitive system and give EWI a greater edge in the marketplace.

EWI continued working with the United States Department of Agriculture (USDA) through its maintenance contract on the EWI EDS system in Beltsville, Maryland. The USDA renewed its maintenance contract with EWI in late 2007. EWI continues to work towards expanding its future involvement with the USDA.

In 2007 the EWI Limited Partnership (EWILP), an arm's length third party, began selling investment units. During 2007 EWILP and EWI entered into a Sales and Revenue Agreement whereby EWI sold certain rights to its Reverse Polymerization patents to EWILP and was subsequently hired to develop and manage all applications outside of the tire and wastewater fields, which EWI retained. At the end of 2007, over half of the available units had been sold. Based on the payment schedule EWI has gained some financial stability well into 2009. EWILP is continuing to market the balance of the units; if successful this would provide additional funding to EWI. A portion of this would be used for an enhanced marketing campaign to attract new interest in our product lines.

In March 2008, EWI announced that it had signed a memorandum with an Israeli group interested in purchasing the rights to EWI's applications for Israel and several European countries. The Israeli company is completing its due diligence. If its due diligence remains positive, the two companies will work to complete a definitive agreement covering all aspects of this arrangement. The memorandum calls for the group to place an order with EWI for a tire reduction system upon completion of due diligence and signing of a definitive agreement.

These events only hint at the interest EWI has been receiving over its Reverse Polymerization tire technology. The world is steadily becoming more environmentally aware and is searching for technologies that are environmentally and economically viable. We expect this interest to continue to grow and that EWI and its shareholders will ultimately be the beneficiaries of this movement. 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 Simms".

STEPHEN SIMMS  
President / CEO