

Dear Shareholder:

May 11, 2010

This past year marked the beginning of a new chapter for EWS. Several years ago we began to lay the groundwork to establish the company and its patented Reverse Polymerization™ (RP) Process. The initial goal was credibility, and that came in the form of an order from the US Department of Agriculture for a biological wastewater sterilization system. Our success with this order led to additional orders for a naval food waste system and a lab scale wastewater system. EWS met the needs of these clients with each system.

A few years ago the Board determined that the company's future was best served by focusing on tire recycling. EWS took an initial foray in tire recycling building a very small proof of concept system in the mid nineties. The goal was to prove that it was possible to build a continuous feed system that could break a tire down to oil, carbon black, steel and gas. That concept system served its purpose well, but it also identified the shortcomings of the initial design.

Last year I wrote about the growing interest in our tire reduction (TR) process. As oil prices climbed in 2008, we received inquiries from around the world, but without an operating system, we were unable to close a sale. Realizing the need for a showpiece system, we negotiated a deal in June 2009 with Ellsin Environmental Ltd (Ellsin), a private Canadian company. Ellsin agreed to fund the construction of a prototype TR system (TR900) in return for the TR sales rights for the Canadian and US markets. In July 2009, EWS purchased a 37.5% interest in Ellsin and Premier Dalton McGuinty of Ontario announced that the Northern Ontario Heritage Fund Corporation will provide \$2 million to support the project, which will be located in Sault Ste. Marie, Ontario.

EWS has already received over seventy percent of the amount due from Ellsin. The design of the TR900 system has been completed, one significant component has been manufactured, the contract for the other major components has been issued and the required ancillary equipment has been identified. EWS hopes to have the system installed and commissioned by the end of this year. The Company continues to entertain interest from around the world and has been working with several parties that are anxious to view the TR900 system once it is fully operational.

We believe that 2010 will be a pivotal year for the company. We know that the world needs our technology and we are confident that the success of the TR project will overcome the past barrier to sales. I encourage you to participate in this year's annual meeting and look forward to meeting you there.

Sincerely,



President