

PRESS RELEASE...

Date: 26 May 2006

Credential Hazardous Sold in £8m Deal

Credential Hazardous, the hazardous waste division of Credential Environmental has been sold to Augean plc, the AIM listed hazardous waste specialist for £8.13m.

Credential Hazardous specialises in the recycling and safe disposal of a wide range of waste materials. The division offers services including the collection, storage, treatment, recovery and transfer of hazardous and difficult waste materials.

Augean plc was first listed on AIM in September 2004 and has since invested more than £100m in the waste sector. The company is a market leader in the disposal of hazardous waste materials, and already operates four sites across the UK including two of the UK's largest hazardous waste landfill sites.

Credential Hazardous will be re-branded and will trade as Augean Treatment following its integration into Augean plc over the coming months.

Nick Wyatt, Managing Director of Credential Environmental said; *"In just over a year we have built a very significant waste group from a number of strategic acquisitions in the automotive and hazardous sectors. To exit the hazardous sector makes a great deal of sense. The business will continue its growth within Augean, and will be able to take advantage of the benefits of being part of the UK's leader in hazardous waste. The funds generated by the sale will allow us to make further acquisitions to bolster Credential Environmental and our position in the automotive waste markets."*

The deal includes the sale of the Hazardous Division, the sale of the freehold of the firm's hazardous waste transfer station in Worcester, plus an option to purchase the hazardous waste transfer station site in Hinckley. These properties amount to a consideration of £2.4m taking the overall deal size to £10.5m.

Andy Hinton, Chairman of Credential Environmental added; *"The deal was right for Credential Hazardous, and allows Augean to take a big step forward in the*

hazardous market. We now have more resources available to look at further acquisitions to complement Credential Environmental operations, and in particular the Automotive sector, where we now hold a unique position and unrivalled capability.”

Credential Hazardous currently employs 25 staff, and is set to turnover £5m in 2006. Augean plc has confirmed that the business will continue to operate both sites and plans significant investment in the existing business.

Credential Environmental continues to be based at the firm’s Newton Aycliffe site, and will operate a total of five sites around the UK employing 100 staff following the sale.

Andy Hinton and Nick Wyatt, Chairman and Managing Director of Credential Environmental have a track record in building value into companies operating in the waste sector, including White Rose Environmental which they sold in 2004.

Photography

Andy Hinton (left) and Nick Wyatt plan other projects and expansion for Credential Environmental following the £8m sale of Credential Hazardous.

Notes to Editors

Further information on Ailsa3 is available at www.ailsa3.com

Further information on Credential Environmental is available at www.credenv.com

Further information on Augean Plc is available at www.augeanplc.com