



Dear Shareholder:

May 10, 2004

We at EWI are proud of our accomplishments during 2003 despite the fact that our financial results were unimpressive. Our contract with the United States Department of Agriculture (USDA) was a seminal event for the company. Having a commercial site utilizing our technology gives us a cornerstone on which we can now build a solid business. We proved ourselves in many areas, from our creativity and ingenuity in the system's design, to our resourcefulness in assembling and successfully delivering a system that exceeded the original specifications. In addition to these milestones, perhaps our greatest accomplishment has been earning the USDA's confidence in our product and in us. This resulted in their satisfaction in our workmanship and in their willingness to expand the contract's scope and value. This is largely the result of our staff's hard work and willingness to deliver beyond expectations, because they view their work at EWI as more than just a job, but as something they can truly believe in.

EWI's future plans have been influenced by the lessons of its past. Our goal is to avoid the pitfalls that plagued the company for most of its history. Many of these problems were the result of pressure, real or perceived, to sell machines. This resulted in wasted expenditures chasing orders that never materialized or accepting orders without proper due diligence to confirm the customers' ability and motivation to complete the purchase of one of our systems. In order to grow EWI must sell its systems and its services; how we intend to accomplish this goal has changed dramatically. Our sales approach is now targeted at identifying qualified customers and working with them to deliver systems that meet their needs. Although our unique technology continues to attract interest from around the world, we must be sure that we are dealing with quality purchasers, like the USDA, and that we continue to deliver products that meet or exceed expectations. Making this part of our corporate culture will assure a bright future and allow us to finally realize the growth that your company is capable of achieving.

All indications are that 2004 will be a year of significant accomplishments, despite the fact that our finances remain precarious and the task ahead is daunting for EWI. We hope and expect that the patience and perseverance of our shareholders will be rewarded. I encourage you to participate in our annual meeting and I look forward to meeting you there.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen D.", with a horizontal line extending to the right.

President