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PROSPECTUS

Clean TeQ Holdings Limited

ACN 127 457 916

An Offer of 12,500,000 Shares at an Offer Price of \$0.50 per Share, raising \$6,250,000, payable in full on Application

Underwriter to the Offer:

ABN AMRO Morgans Corporate Limited



Corporate Advisor to the Offer:

SLM Corporate Ltd



Important Information

This is an important document that should be read in its entirety.

If you do not understand it, you should consult your professional Advisors.

Important Notice

General

This replacement Prospectus is dated 9 October 2007 and expires on 24 October 2008. No Shares will be transferred or issued on the basis of this Prospectus after the expiry date of this Prospectus.

A copy of this replacement Prospectus was lodged with ASIC on 9 October 2007. This replacement Prospectus replaces the prospectus lodged with ASIC on 25 September 2007 and the replacement prospectus lodged with ASIC on 26 September 2007. References to this Prospectus are to this replacement Prospectus. The Company has applied to ASX for the Shares to be admitted to the Official list of ASX. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company in connection with the Offer.

Applicants should read this Prospectus in its entirety before deciding to participate in the Offer, as the information contained in individual Sections is not intended to and does not provide a comprehensive review of the business and the financial affairs of the Company or the Shares offered under this Prospectus. The Offer does not take into account the investment objectives, financial situation and particular needs of an investor. You should carefully consider the risks that impact on the Company in the context of your personal requirements (including your financial and taxation position) and seek professional guidance from your stockbroker, solicitor, accountant or other professional adviser prior to deciding whether to invest in the Company. Some of the risks that you should consider are set out in Section 8 of the Prospectus.

Prospectus Availability

A copy of this Prospectus is available for investors on the following websites - www.cleanteq.com and www.abnamromorgans.com.au. During the Exposure Period (refer below), it does not include an Application Form and investors will not be able to apply for Shares by accessing the electronic version of this Prospectus in that period. After the Exposure Period, investors will be able to apply for Shares by downloading a copy of the Application Form attached to the electronic Prospectus or the Application Form attached to the paper copy of the Prospectus.

The Offer pursuant to the electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. The Corporations Act prohibits any person applying for Shares by use of the Application Form unless it is attached to or accompanies the complete and unaltered version of this Prospectus.

During the Offer Period, an investor may also obtain a hard copy of the Prospectus by contacting the Company (by email: info@cleanteq.com or telephone (+61 (03) 9706 8244) or ABN AMRO Morgans on 134 226. Copies requested will be sent by way of paper copy and will be free of charge.

Foreign Investors

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Persons who come into possession of this Prospectus should seek advice on and observe any restrictions on accepting an offer or distributing the Prospectus. Any failure to comply with restrictions may constitute a violation of applicable securities laws.

The Shares have not been and will not be registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States or to US Persons (as defined in Regulation S under the US Securities Act).

The Company reserves the right to reject any Application which it believes may be made contrary to the laws of any jurisdiction or where it believes that to issue Shares to the Applicant would cause it to be in breach of the laws of any jurisdiction.

Exposure Period

This Prospectus will be made generally available during the Exposure Period by being posted on the following websites – www.cleanteq.com and www.abnamromorgans.com.au

The Company will not accept Application Forms for Shares offered under this Prospectus during the Exposure Period. If the Exposure Period is extended, Application Forms will not be processed until after the expiry of the extended Exposure Period. No preference will be conferred on Application Forms received in the Exposure Period.

The purpose of the Exposure Period is to enable examination of the Prospectus by market participants prior to the raising of funds.

Privacy Disclosure

If you apply for Shares, you will be required to provide personal information to the Company and the Share Registry. The Company and the Share Registry will collect, hold and use your personal information in order to assess your application, service your needs as an investor, provide the facilities and services that you request and carry out appropriate administration.

All personal information will be collected in accordance with the 'National Privacy Principles' as set out under the Privacy Act 1988. Company and tax law requires some of the information to be collected. If you do not provide the information requested, your application may not be able to be processed.

The Company and the Share Registry may disclose your personal information for purposes related to your investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act 1988:

- the Share Registrar in order to assess your application and for ongoing administration of the register; and
- the printers and the mailing house for the purposes of preparation and distribution of statements and for handling of mail.

The information may also be disclosed to the Company's related companies and/or to their agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy.

Under the Privacy Act 1988, you may request access to your personal information held by (or on behalf of) the Company or the Share Registry. You can request access to your personal information by telephoning the Company on (+61) (03) 9706 8244 or by writing to the Company via the Share Registry.

Photographs

The photographs in this Prospectus do not necessarily represent current activities or assets of the Company.

Terms and Abbreviations

Defined terms and abbreviations used in this Prospectus are set out in the Glossary in Section 10.

Key Offer Statistics

Offer Price Per Share	\$0.50
Shares Available under the Offer	12,500,000
Total Proceeds from the Offer	\$6,250,000
Shares on Issue prior to the Offer	44,004,258
Shares on Issue at Completion of the Offer	56,504,258
Market Capitalisation Following Offer at Offer Price	\$28,252,129
FY08 Forecast EBITDA*	\$4,209,465
FY08 Forecast NPAT*	\$2,856,265
Forecast P/E Ratio at Offer Price*	9.9x

* See Section 6 for discussion regarding the forecasts and the assumptions behind them

Key Dates

Offer Opens	9.00am, 10 October 2007 (AEST)
Offer Closes	5.00pm, 31 October 2007 (AEDT)
Allotment and Issue of Shares	2 November 2007
Expected Dispatch of Security Holding Statements	5 November 2007
Expected Commencement of ASX Trading	11.00am, 9 November 2007

Note:

This timetable is indicative only. The Company reserves the right, in consultation with the Underwriter, to vary the times and dates of the Offer, including closing the Offer early or accepting late Application Forms, without notifying any recipient of this Prospectus or Applicant for Shares. The decision to grant official quotation, and the date of quotation of the Shares on ASX, is subject to the determination and at the discretion of the ASX. Investors are encouraged to submit their Application Forms as soon as possible.

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letter from the chairman



Dear Investor,

I am delighted to present this Prospectus to you.

This is a Company in the right place at the right time.

Both in Australia and globally, we are faced with increasing environmental degradation, climate change, drought and water shortages and high demand for scarce resources. The application of technology to provide efficient solutions to these problems is more critical than ever. Companies that develop this technology will not only provide much needed answers to global concerns, but will also reap the financial rewards.

Clean TeQ's business model is focused on 3 areas:

Air purification

This has been the core business of the Company since 1990. Clean TeQ provides biological and energy efficient air purification and odour elimination solutions to municipal and statutory authorities and industrial companies. This division is expected to contribute approximately 42% of total forecasted revenues in FY08.

Resource recovery

Through its Clean-iX® Technology the Company aims to provide cost effective extraction techniques which are intended to enable a higher recovery rate of valuable ores, while having less environmental impact. This technology utilises an ion exchange process together with specially designed equipment and resin which can be used in the extraction process of a range of resources, including base metals, precious metals and radioactive elements (such as uranium).

The Company has granted an exclusive licence to BHP Billiton and CVRD for nickel and cobalt recovery and is actively working with these companies to further develop the extraction processes. At the same time Clean TeQ is also targeting mining companies in other resource areas, particularly uranium.

Water purification

Clean TeQ is currently offering and further developing a suite of technologies for use in the purification and recycling of waste water and the desalination of brackish water to produce high quality industrial water. It has commissioned a pilot plant in WA to demonstrate the use of its Clean-iX® Technology for water purification in conjunction with the Water Corporation of WA, the Western Australian Government and Rio Tinto's Hismelt® Division. Initial indications are positive.

The Company is raising \$6.25 million to assist in the development of its technologies (refer to Section 2.2). The Directors are forecasting strong growth in FY08, with NPAT of \$2.856m (up 50% on FY07 NPAT) on revenues of \$15.435 m (70% of which is already contracted, and an increase of 120% on FY07 revenues) (refer to Section 6.2).

The current shareholders will not be selling down their shareholdings in the float.

Given the strong growth forecast for FY08 and the fact that the Company is in a high growth development phase, there are significant risks and I particularly draw your attention to the Risks set out in Section 8. I encourage you to read this Prospectus carefully in its entirety before making an investment decision.

The Board and Management are of high calibre with a range of technical, financial and legal skills to provide the leadership and depth of experience to achieve the Company's goals.

The Board is most enthusiastic about the future prospects of the Company and I commend this offer to you.

Yours faithfully

A handwritten signature in black ink, appearing to read 'R Pliner', written over a light-colored background.

Ralph Pliner
Chairman



cap

Clean-iX[®]

CLEAN TEQ'S SEPARATION AND PURIFICATION TECHNOLOGY FOR WATER AND MINING APPLICATIONS HAS SIGNIFICANT COMPETITIVE ADVANTAGES

At the core of Clean TeQ's capability is its innovative platform technology called Clean-iX®

This technology:

- is targeted at extraction of metals for the mining industry and purification and recycling of water;
- has significant competitive advantages through increased efficiencies; and
- continues to be developed through an ongoing commitment to R&D.

ability

Clean TeQ's success is built upon the capability of its experienced team who are:

- highly qualified professionals, many of whom have been with the company over the long term; and
- experienced in the areas of R&D, technology commercialisation, sales and project design & delivery.



suit

Range of technologies that provide its customers with improved outcomes.

Clean TeQ's technologies:

- are highly suitable to the air purification, resource recovery and water purification industries;
- are highly suitable to a large range of commercial applications; and
- provide positive environmental and economic outcomes.

ability



sustain

Beneficial and enduring outcomes.

Economic and environmental drivers.

Clean TeQ's technology solutions aim to deliver benefits to its clients including:

- air purification solutions that are more energy efficient;
- higher resource recovery rates coupled with lower environmental impact; and
- potential to purify waste water into industrial quality water.

ability

Clean TeQ's ability to develop and deliver sustainable technology solutions has enabled the company to:

- operate successfully for more than 17 years;
- deliver a solid track record of business performance;
- produce strong revenue growth; and
- demonstrate a history of profitability.

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section

investment overview

section 1 investment overview

1.1 Introduction

Clean TeQ Holdings Ltd (“the Company”) and its controlled entities (“Clean TeQ” or “the Group”) is an Australian environmental and mining services group servicing the air purification, resource recovery and water purification markets.

Clean TeQ’s business was established in 1990 when it purchased the rights to a biofiltration technology to treat air emissions, and over the past 17 years, it has successfully commercialised a number of air purification technologies, and delivered solutions to a range of municipal and industrial customers with air pollution and odour problems.

Over the past 7 years, Clean TeQ has developed a platform technology, the Clean TeQ ion exchange process (“Clean-iX® Technology”), which is an ion exchange technology for the separation and purification of materials. With this technology Clean TeQ is initially targeting purification and recycling of water and the extraction of metals for the mining industry.

Clean TeQ has recently granted exclusive rights to the Clean-iX® Technology in the field of nickel and cobalt extraction to BHP Billiton and CVRD, who together are funding further commercialisation of the technology for this particular field. Clean TeQ retains the rights to the Clean-iX® Technology for all other uses, including the extraction of all metals other than nickel and cobalt, and the purification and recycling of water.

Clean TeQ is well positioned for growth. It has a track record of successfully developing and commercialising industry-leading air purification technologies, and demonstrated success in the sale of these systems. The Company is also in the process of demonstrating and commercialising its water purification and mining extraction solutions and services.

1.2 Business Overview

Clean TeQ has three business divisions:

- Air Purification;
- Resource Recovery; and
- Water Purification.

1.2.1 Air Purification Division

The air purification division has been Clean TeQ’s core operation since it was founded, servicing customers in the industrial and municipal/statutory sectors. The business provides air purification and odour elimination solutions to customers, including municipal and statutory authorities that manage sewerage treatment plants, and industrial companies involved in activities such as food processing, steel manufacturing, motor vehicle manufacturing and chemical processing.

Clean TeQ is currently working on, and bidding for, projects with customers including a number of municipal authorities, industrial companies and statutory authorities.

This division is forecast to double its revenue in FY08. See Section 6 for further details.

Clean TeQ’s suite of air purification technologies can be applied to various odour and pollution issues (see Section 3 for further details on each technology). However, Clean TeQ’s core competency is in biofiltration technologies, which are environmentally beneficial and sustainable relative to more traditional chemical solutions.

1.2.2 Resource Recovery Division

Clean TeQ has been granted the exclusive rights, outside the former USSR, to the Base Technology developed by the All Russian Research Institute of Chemical Technology (ARRICT) in Moscow. The Base Technology is well established, with Russian gold and uranium mines operating with this technology over the past 30 years.

Clean TeQ has further developed unique systems utilising the Base Technology to create its Clean-iX® Technology, which can be used to extract a range of resources in the mining industry, including base metals, precious metals and radioactive elements.

Clean TeQ has granted an exclusive licence to BHP Billiton and CVRD to continue the development of the Clean-iX® Technology specifically for nickel and cobalt extraction processes. Clean TeQ has received significant licence fees and will continue to receive additional licence fees as further development milestones are achieved. A number of other opportunities for licensing the technology are currently being investigated.

The resource recovery division expects to generate revenue from three sources:

1. **Licence fees** – In addition to ongoing licence fees, Clean TeQ intends to sell new licences (other than for nickel and cobalt) to companies in the mining industry for the use of its Clean-iX® Technology.
2. **Construction of Clean-iX® processing plants** – Clean TeQ will seek to generate revenues from the design and provision of services in the construction of Clean-iX® processing plants; and
3. **Resin sales** – Clean TeQ will seek to generate recurring income through the ongoing sale of consumable Resin which are used in Clean-iX® processing plants.

The majority of Clean TeQ's revenues in this division have so far been derived from licence fees and pilot plant construction fees under its contract with BHP Billiton and CVRD to develop the technology for use in nickel and cobalt extraction. An additional pilot plant is currently under construction for BHP Billiton.

1.2.3 Water Purification Division

Clean-iX® Technology is also suitable for purification and recycling of waste waters and for desalination of brackish waters to produce high quality industrial water. The Company believes there is a significant opportunity for the energy efficient Clean-iX® Technology to be used to maximise the production and use of recycled wastewater where practicable.

In order to demonstrate this application of the technology for recycling treated effluent to high quality industrial water, Clean TeQ has commissioned a pilot plant in conjunction with the Water Corporation WA, the Western Australian Government and Rio Tinto's Hlsmelt® Division. Initial indications are that the plant is producing water at a lower cost than most current competing membrane technologies. In the event of a successful outcome, Clean TeQ will proceed to the next stage of the commercialisation of the Clean-iX® Technology for water purification.

In order to complement its Clean-iX® Technology, Clean TeQ licenses some specific water treatment products from international companies in the areas of disinfection, dewatering and membrane purification.

The Company believes there are substantial future opportunities for the application of its Clean-iX® Technology and its other licensed technologies in water purification applications.

1.3 Competitive Advantages

Clean TeQ's major competitive advantage lies in the range of technologies that it has developed and to which it has access. In particular, the Clean-iX® Technology is important as it can be applied to a number of different industries and applications. Clean TeQ is currently applying the Clean-iX® Technology to mining and water purification, but it may also be suitable for other industries such as nutraceuticals, pharmaceuticals and food.

The Company believes Clean TeQ's competitive advantages include:

Air Purification

- A track record of delivering solutions profitably with significant municipal/statutory authorities and industrial organisations;
- Technologies which reduce the use of harmful chemicals and are more energy efficient;
- A suite of technologies enabling it to offer a solution tailored to the client's specific needs; and
- Solutions which are capable of reducing space requirements, lowering capital and running costs.

Resource Recovery

- Clean-iX® Technology requires lower capital investment and operating costs compared to many competing technologies;
- Clean-iX® Technology enables higher recovery rates of valuable resources enabling the mining of ores which may previously have been uneconomic; and
- Clean-iX® Technology results in less environmental impact due to reduction in harmful substances in mine tailings and increased ability to recycle water used in the process.

Water Purification

- A suite of technologies enabling it to offer a solution tailored to the client's specific needs; and
- The Clean-iX® Technology produces industrial grade water at lower cost compared with many competing technologies.

1.4 Growth Opportunities

The Directors believe that Clean TeQ has a number of growth opportunities including:

Air Purification – Growing Markets

The market for air pollution solutions is growing steadily in both Australia and overseas in response to increasing regulatory requirements. Demand for Clean TeQ's range of air purification technologies and expertise in this field is growing strongly.

Resource Recovery – Better Solutions

Demonstrating the benefits of the Clean-iX® Technology to increase Clean TeQ's profile in the mining industry and thereby increasing its revenue in this area. Further opportunities exist in identifying and assisting to develop currently uneconomical ore deposits.

Water Purification – Recycling a Scarce Resource

Global water scarcity has necessitated a significant and growing demand for water recycling. Clean TeQ has the opportunity to penetrate this market using the Clean-iX® Technology and other available technologies.

1.5 Financial Summary

Clean TeQ is forecasting \$15.4 million of revenue in FY08, an increase of 120% from FY07, with 70% of this revenue already contracted or confirmed.

Clean TeQ is forecasting EBIT of \$3.19 million in FY08, an increase of 64% on FY07 EBIT of \$1.94 million.

Summary Financial Information (\$'000)

	FY07 ACTUAL	FY08 FORECAST
Revenue	7,000	15,435
Gross Profit	5,264	7,595
EBITDA	3,206	4,209
EBIT	1,941	3,188
NPAT	1,898	2,856

Applicants should carefully read the full details of Clean TeQ's forecasts and assumptions as set out in Section 6 of this Prospectus.

1.6 Board and Management Team

Clean TeQ's management team includes executives experienced in the environmental and mining services industry, with specific experience in the areas of research and development, marketing and sales, project construction and management, financial management and business development. In addition the Board has many years of experience working in and advising some of Australia's largest corporations. Further details on the composition of the Board and the management team can be found in Section 5.

1.7 Risks

An investment in the Company involves a degree of risk and should be considered speculative. Potential investors are advised to carefully consider the risks set out in Section 8 in full. Without limiting the risks set out in Section 8, the specific risks impacting on the Company include:

- the Company's limited operating history in water and mining;
- commercialisation risks;
- risks associated with managing the Company's growth;
- risks involving the performance of the Company's products;
- the Company's dependency on third party supply of Resin, senior management, existing licence and distribution agreements (including its licence with Sorbextro) and third party manufacturers;
- intellectual property protection and maintaining confidential information;
- the nature of the design and construct contracts which the Company enters into;
- product liability risks and production and sales risks;
- financing risks;
- competition,

as well as general risks associated with conducting business and investing in listed securities.



section

2
details of
the offer

section 2 details of the offer

2.1 The Offer

The Company is seeking to raise \$6,250,000 via the Offer of 12,500,000 Shares, at an Offer Price of \$0.50 per Share and seek admission to the Official List of ASX. The Offer is fully underwritten.

An application for Shares under this Offer may only be made on a paper copy of the Application Form attached to, or accompanying, this Prospectus.

2.2 Purpose of the Offer

The purpose of the Offer is to raise funds to enable the Company to:

- construct a plant to be able to demonstrate the Clean-iX® Technology to the uranium mining industry;
- continue to develop and invest in the commercialisation of its current technologies;
- upgrade Resin manufacturing, laboratory and general facilities at its Dandenong factory;
- provide additional working capital; and
- pay for Offer costs.

Following completion of the Offer, the Directors intend to apply the funds raised through the Offer as shown in the following table:

Item of Expenditure	Expenditure (\$'000)
Mining Demonstration Plant and Upgrades	2,500
Continuing Technology Development	1,470
Resin Manufacturing Development	700
Additional Working Capital	455
Offer Costs	1,125
Total	6,250

The Directors consider that the amount to be raised through the Offer when combined with existing resources will provide the Company with sufficient working capital to carry out its stated objectives.

2.3 Pro Forma Capital Structure

The Pro Forma Capital Structure of the Company is set out in the table below to reflect the issued and paid-up capital structure of the Company, based on the assumption that the Offer is completed.

Prior to this Offer the Company has 44,004,258 Shares on issue. Upon Admission, the Company will have 56,504,258 Shares on issue, and the Shares allotted under the Offer will represent 22.1% of the issued capital of the Company.

	Pre-Offer Shares	%	Offer	Post-Offer Shares*	%
Thierville Pty Ltd (P Voigt)	19,527,801	44.4	–	19,527,801	34.6
Toll Associates Pty Ltd (G Toll)	7,596,162	17.3	–	7,596,162	13.4
Jeremy's Haven Pty Ltd (J Carter)	5,690,310	12.9	–	5,690,310	10.1
Other Shareholders	11,189,985	25.4	–	11,189,985	19.8
New Shareholders Pursuant to the Offer	–	0.0	12,500,000	12,500,000	22.1
Total	44,004,258	100.0	12,500,000	56,504,258	100.0

*3,081,000 Options will be granted to employees, executives and Directors prior to Admission.

These Options will be granted under the Clean TeQ Option Plan, which is summarised in Section 9.4. Details of the terms of the options granted are also set out in Section 9.6.

2.4 Voluntary Escrow Arrangements

The Executive Directors (Greg Toll, Peter Voigt and Jeremy Carter) have agreed not to dispose of any of the Shares they, or their controlled entities, will hold after completion of the Offer for a period of 12 months after Admission. Details of these voluntary escrow restrictions can be found in Section 9.6.

2.5 Dividend Policy

Based on their current forecasts, the Board does not envisage declaring a dividend in respect of the 2008 financial year. The level of any future dividends will depend on a number of factors including the overall financial condition of the Company, its future earnings and its capital requirements.

2.6 Opening and Closing Dates and Lodgement of Applications

The Offer will open at 9.00am AEST on 10 October 2007, or such later date as may be prescribed by ASIC if the Exposure Period is extended.

The Offer will close at 5.00pm AEDT on 31 October 2007.

Applicants should return their Application Forms, completed in accordance with the instruction on the form, together with their cheques or bank draft for the Application Monies to one of the following by no later than 5.00pm AEST on the Closing Date. You should allow sufficient time for this to occur.

Hand Deliveries:

Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford VIC 3067

Postal:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne VIC 8060

Notwithstanding the above, the Company has the right in consultation with the Underwriter, to open and close the Offer at an earlier or later time and date, without notifying any recipient of this Prospectus or Applicant for Shares.

2.7 Underwriter to the Offer

The Company and ABN AMRO Morgans Corporate Limited have entered into an underwriting agreement dated 24 September 2007.

The Underwriter has agreed to underwrite all 12,500,000 Shares offered under this Offer at the Offer Price for a total fee of 5.0% of funds raised.

The Underwriting Agreement, including the termination events, is summarised in Section 9.7(a).

2.8 Foreign Investors

No action has been taken to register or to qualify the Shares or the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia.

This Prospectus does not constitute an offer or an invitation in any place outside Australia where, or to any person whom, it would be unlawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. It is the responsibility of any Applicants who are citizens or residents of jurisdictions outside Australia to ensure compliance with all laws of any jurisdiction which is relevant to their Applications.

Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

The Company reserves the right to reject any Application Form from a person located outside of Australia or in circumstances where it believes to accept the Application Form would cause it to be in breach of any laws or regulations.

2.9 Applications for Shares

An application under the Offer is an offer by the Applicant to the Company to subscribe for all or any of the Shares specified by the Applicant in the Application Form, and on the terms and conditions set out in this Prospectus. Acceptance by the Company of an Application Form will give rise to a binding contract.

An application may only be made on a paper copy of the Application Form attached to, or accompanying, this Prospectus. There is no facility for Applications to be accepted electronically.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a complete and unaltered paper copy or electronic version of this Prospectus. The Company will not accept a completed Application Form if it has reason to believe that the Applicant has not received a complete copy of this Prospectus, or it has reason to believe that the Application Form has been altered or tampered with in any way.

To participate in the Offer an Applicant must complete an Application Form in accordance with the instructions on its reverse side.

Applications must be for a minimum of 4,000 Shares (\$2,000) or a greater number in multiples of 1,000 Shares (\$500). No stamp duty or brokerage is payable by Applicants.

The Application Form must be accompanied by a cheque or bank draft in Australian currency, drawn by an Australian branch of an Australian bank for the full Application Monies in respect of the Shares the subject of the Application Form. *All cheques must be made payable to "Clean TeQ Holdings Ltd – Share Offer Account" and crossed "Not Negotiable"*.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application Form being rejected.

2.10 Allotment and Issue of Shares

Subject to ASX granting approval for Admission and for official quotation of the Shares on terms and conditions acceptable to the Board, the allotment of Shares to Applicants will occur as soon as possible after the Offer closes. Following the allotment of Shares, transaction confirmation statements will be issued to successful Applicants.

It is the responsibility of Applicants to determine their allocation of Shares prior to engaging in trade in Shares. Applicants who sell Shares before they receive their transaction confirmation statements will do so at their own risk.

The Company reserves the right to reject any Application Form or allocate to any Applicant fewer Shares than the number for which the Applicant has applied, as the Company sees fit. The Company, in conjunction with the Underwriter, retains absolute discretion as to scaling back applications in the event of oversubscriptions. If an Application Form is wholly rejected, or accepted in part only, the relevant portion of the Application Monies will be refunded to the Applicant.

2.11 Application Monies

Application Monies received under the Offer will be held in accordance with the Corporations Act in an account established and kept by, or on behalf of, the Company. After the allotment or allocation of Shares, the Application Monies will be paid to the Company and refundable to unsuccessful Applicants.

All interest earned on all Application Monies will be retained by the Company, whether or not the allotment of Shares offered pursuant to this Prospectus occurs.

2.12 Withdrawal of Offer

The Directors may at any time, in consultation with the Underwriter, decide to withdraw this Prospectus and the Offer, in which case the Company will return all Application Monies as soon as practicable within the time required by law.

2.13 ASX Listing and Quotation

The Company has applied to ASX for admission to the Official List and for official quotation by ASX of the Shares.

The Directors do not intend to allot any Shares unless and until ASX grants permission for the Shares to be listed for quotation, unconditionally or on terms acceptable to the Directors.

If approval for quotation is not granted in respect of the Shares within three (3) months after the Prospectus Date (or such longer period as is permitted by the Corporations Act with the consent of ASIC), then none of the Shares offered by this Prospectus will be allotted or issued.

If no allotment or issue of Shares is made, all Application Monies will be refunded to Applicants as soon as practicable within the time required by law.

ASX takes no responsibility for the contents of this Prospectus or the merits of the Offer contained in it. The fact that ASX may admit the Company to its Official List is not to be taken as an endorsement by ASX of the Company.

2.14 CHESS

The Company will apply to participate in the security transfer system known as the Clearing House Electronic Sub-register System ("CHESS"). CHESS is operated by ASX Settlement and Transfer Corporation Pty Ltd (ASTC), a wholly owned subsidiary of ASX, and in accordance with the Listing Rules and ASTC Settlement Rules.

On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will comprise the Company's principal Share register.

Under CHESS, the Company will not issue a Share certificate to Shareholders. Instead, the Company will issue a transaction confirmation statement, followed by a Security holding Statement. If an investor is broker-sponsored, the investor will also receive a CHESS statement.

These statements will also advise the Shareholder of either its Security holder Reference Number (SRN) in the case of a security holding on the issuer-sponsored sub-register, or its Holder Identification Number (HIN), in the case of a security holding on the CHESS sub-register.

At the end of any calendar month during which a shareholder's security holding changes, the shareholder will receive a statement. A shareholder may request a statement at any other time, however, a charge may be levied for the issue of additional statements.

2.15 Enquiries in Relation to the Offer

This Prospectus provides information for potential investors in the Company and should be read carefully and in its entirety. If after reading this Prospectus, Applicants have any questions in relation to an investment in the Company, they should contact a stockbroker, solicitor, accountant or other independent financial advisor, or alternatively the Underwriter.

ABN AMRO Morgans Corporate Limited

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3.1 Introduction

Clean TeQ is an Australian environmental and mining services group focused on developing, commercialising and selling air purification, resource recovery and water purification technologies.

Clean TeQ was founded in 1990 by Peter Voigt when he purchased the rights to a biofiltration technology to treat odorous air emissions. Over the past 17 years, Clean TeQ has successfully developed and commercialised this air purification technology and other air and water technologies, providing solutions to a broad range of air and water pollution and purification issues.

More recently, Clean TeQ has pioneered the development of the Clean-iX[®] Technology, for potential use in a number of industries and for a number of applications. The Clean-iX[®] Technology is currently being developed for resource recovery and water purification applications. It may also be applied to industries such as nutraceuticals, pharmaceuticals and food.

The following sections provide an overview of Clean TeQ's three divisions:

- Air Purification;
- Resource Recovery; and
- Water Purification.

3.2 Air Purification Division

The air purification division has been Clean TeQ's core operation since it was founded, servicing customers in the industrial and municipal/statutory sectors. The division provides air purification and odour elimination solutions to customers, including municipal and statutory authorities that manage sewerage treatment plants, and companies involved in industrial activities such as food processing, steel manufacturing, motor vehicle manufacturing and chemical processing.

3.2.1 Technologies

Clean TeQ's air purification technologies include:

- **BioFilters**

BioFilter technology provides a biological treatment of air streams for the removal of odour and low volatile organic compound (VOC) emissions. The technology works by passing the polluted air stream through a filter containing bacteria that degrades and eliminates the odorous compounds. This technology uses a natural filter material which can be recycled when exhausted.

- **OdorTeQ[®] BioTrickling Filters**

The OdorTeQ[®] BioTrickling Filter technology is an extension of the biofilter technology that allows for cost effective treatment of air that contains high concentrations of hydrogen sulphide and other compounds at a high rate of efficiency. This technology uses a filter media that does not require replacement.

- **FluidTeQ[®] Scrubber**

This technology is for the removal from air streams of particulates and contaminants such as sulphur oxide and nitrogen oxides with a high rate of efficiency and without clogging.

- **Clean Carb[™] Activated Carbon**

This technology is used for the removal of odours and high level VOCs. This technology is often used as a final polishing stage to other processes.



Range of air purification solutions

- **RETOX – Regenerative Thermal Oxidiser**

Clean TeQ has an agreement with Adwest Technologies Inc. to use, distribute and manufacture this technology exclusively across the Asia-Pacific region. Adwest has installed more than 550 of these systems in the USA across a variety of industries, highlighting the technology's broad application and the potential of the opportunity available to Clean TeQ.

This technology reduces VOCs and odours by thermally oxidising the contaminants. The heat created by the oxidation of VOCs is used to maintain the temperature in the system. Accordingly, the system has high operating efficiency and reduced energy usage compared to other thermal oxidising systems.

The table below illustrates the application of each of Clean TeQ's technologies for air purification.

Products and Target Markets in Air Treatment

	Course Particles	Fine Particles	VOC	Odour	Toxic
BioFilter	X	X	✓	✓	✓
OdorTeQ® BioTrickling Filter	X	X	✓	✓	✓
FluidTeQ® Scrubber	✓	✓	X	X	✓
CleanCarb™ AC	X	X	✓	✓	✓
RETOX RTO	X	X	✓	✓	✓

The key advantages of these technologies are that they are generally cost effective, have a smaller space requirement, lower operating costs and higher energy efficiency than comparable systems. In addition, the technologies have no chemical inputs (other than FluidTeQ® Scrubber).

Clean TeQ has installed its biological technologies at more than 80 sites around Australia, including the Sydney Olympic Village sewerage treatment plant at Homebush.

In addition, Clean TeQ recently installed the first two RETOX systems in Australia, one in a car manufacturing plant in Adelaide and another at a steel plant in Brisbane. Clean TeQ currently has an order for another system to be installed in Australia.

3.2.2 Business Model

The air division typically derives revenue from the design, construction and installation of air purification projects. Contracts are won via a competitive tender process or direct quote to clients.

Current projects and tenders include the installation of a number of systems for municipal councils, water authorities and industrial companies.

3.3 Resource Recovery Division

Clean TeQ has been granted the exclusive rights outside the former USSR to the Base Technology developed by the All Russian Research Institute of Chemical Technology (ARRICT) in Moscow. This Base Technology is well established with Russian gold and uranium mines operating with this technology over the past 30 years.

Clean TeQ has further developed unique systems utilising the Base Technology to create its Clean-iX® Technology, which can be used to extract a range of different resources in the mining industry including base metals, precious metals and radioactive elements.

3.3.1 Technology

The Clean-iX® Technology is based on the principles of ion exchange where the ionic charge is used to separate individual components or groups of components from liquids (Clean-iX® cLX) or slurries (Clean-iX® cRIP). The technology utilises specially developed Resin in conjunction with processes which have been developed by Clean TeQ.

There are two key parts to the technology:

- **Resin** – the Resin is specifically synthesised to provide high mechanical strength, which reduces the breakdown of the Resin so that it lasts longer, making the process more economically viable.
- **The Process** – Clean TeQ has developed a continuous countercurrent process which uses a process specific Resin to separate the resource from the slurry or pulp solution, then separates the Resin from the resource, and finally recycles the Resin back into the process.

3.3.2 Applications

The table below illustrates the applications of the Clean-iX® Technology in the resource recovery sector.

Products and Target Markets in Metal Extraction & Purification

	Base Metals	Uranium	Precious Metals	Light Metals
Clean-iX® cLX	✓	✓	✓	✓
Clean-iX® cRIP	✓	✓	✓	✓

Clean TeQ is targeting the Clean-iX® Technology for use in the following resource groups:

- **Base Metals**
 - Clean TeQ currently has granted an exclusive licence to BHP Billiton and CVRD for the use of the Clean-iX® Technology for nickel and cobalt recovery.
- **Radioactive Metals**
 - The Clean-iX® Technology provides a means of recovering uranium.
- **Precious Metals**
 - The Clean-iX® Technology provides a means of recovering precious metals and in particular enables the recovery of gold and silver from ore bodies where previously naturally-occurring impurities, such as carbon, made recovery uneconomic.
- **Light Metals**
 - Clean-iX® Technology provides a means of recovery for valuable light metals such as scandium.

Clean TeQ is currently in discussion with mining companies for the application of its technology for use with the above metals.

The advantages of this technology over competing processing technologies are:

- **Higher Resource Recovery Rates** – the Clean-iX® Technology generally extracts a higher percentage of the target resource compared to more traditional extraction methods. With this improved efficiency previously uneconomic mining projects may become economic.
- **Lower Costs** – the Clean-iX® Technology is expected to have a lower capital construction cost due to its smaller size, and lower operating costs due to the continuous countercurrent nature of the process.
- **Lower Environmental Impact** – the Clean-iX® Technology has a lower environmental impact than conventional technologies due to a smaller plant size, less soluble metals being lost into tailings and the lower use of water resources. The Company believes these environmental factors will become increasingly important for mining companies in obtaining mining permits.

In addition to those above, the advantages of this technology over competing processing technologies using resin are:

- **Lower Resin Use Rate** – the Clean-iX® Resin, being mechanically strong, does not break down during the process to the extent of competing resins.
- **Lower Resin Inventory** – the countercurrent nature of the Clean-iX® Technology means that lower amounts of Resin are used in the process compared to competing technologies using resin.

The expectation is that these advantages will lead to lower operating costs.

3.3.3 Business Model

This division expects to generate revenue from three sources:

1. **Sale of licences** – Clean TeQ intends to sell non-exclusive licences to mining companies for the use of its Clean-iX® Technology. Clean TeQ has already granted an exclusive licence to BHP Billiton and CVRD to continue the development of the technology for nickel and cobalt extraction processes. Clean TeQ has received significant licence fees and will continue to receive additional licence fees as further development milestones are achieved. A number of other opportunities for non-exclusive licensing of the technology are currently being investigated.
2. **Construction of plants and provision of services** – Clean TeQ will seek to construct Clean-iX® plants for clients in the mining industry. In August 2007 Clean TeQ was awarded a contract to construct a pilot plant for BHP Billiton for nickel extraction. Clean TeQ is also evaluating opportunities with other significant mining companies for the construction of Clean-iX® plants for processing uranium, copper and gold.



Clean-iX[®] demonstration plant

3. **Resin sales** – Over the longer term, Clean TeQ will seek to generate significant recurring income through the ongoing sale of Resin which are used in Clean-iX® plants.

This division has contracts in place representing revenue of \$6.7 million in FY08 (See Section 6 for further details).

Clean TeQ plans to invest approximately \$2.5 million of the funds raised from this Offer to build a demonstration plant in order to demonstrate its technology to uranium mining companies around the world which have shown interest in licensing Clean TeQ's technology.

Currently, Clean TeQ manufactures small quantities of Resin at its Dandenong facility and when larger quantities are needed Clean TeQ sources its requirements through toll manufacturers and Sorbextro. Further funds are planned to be spent in upgrading the existing Resin manufacturing capacity. Clean TeQ intends to build a dedicated Resin manufacturing plant as soon as commercial levels of Resin are required by its customers.

3.4 Water Purification Division

Clean TeQ's main technology for the water purification market is its Clean-iX® Technology, which it believes is also suitable for purification of waste waters and for desalination of brackish waters to produce high quality industrial water. Clean TeQ has other products that can be used in conjunction with its Clean-iX® Technology or where Clean-iX® Technology is not suitable.

3.4.1 Clean-iX® Technology

- **Clean-iX®**

In order to demonstrate the application of the technology for recycling treated effluent to produce industrial quality water, Clean TeQ has commissioned a pilot plant in conjunction with Water Corporation WA, the Western Australian Government and Rio Tinto's HIs melt® Division. Initial indications are that the plant is producing water at a lower cost than most current competing membrane technologies. This technology is also anticipated to be more economical than traditional reverse osmosis systems in the treatment of brackish waters, where power costs are high or in situations where biofouling of membranes is problematic.

3.4.2 Other Technologies

Clean TeQ has a number of third-party water purification technologies which complement its Clean-iX® Technology. These include:

- **Membrane Systems**

This product group includes traditional membrane systems, including microfiltration, ultrafiltration, nanofiltration, reverse osmosis and a submerged ultrafiltration membrane system. Combinations of these processes can convert water and wastewater into high quality water for a number of applications. Reverse osmosis should be noted as a technology that can be used for desalination and is the major competition to the Clean-iX® Technology for the purification of secondary treated effluent to high quality industrial water.

- **Ultraviolet Disinfection**

The ultraviolet disinfection system is an innovative fibre optics based UV system which disinfects water. The technology has been independently proven to reduce all tested pathogens including highly resistant strains of bacteria, yeasts, moulds, spores and the MS2 virus. The high bacterial and virus kill rate make this technology unique and well placed as requirements for guaranteed disinfection are introduced.

Clean TeQ has an agreement to sell this product in Australia.



Range of water purification technologies

• Filtration System

This filter system is used for the treatment of municipal and industrial wastewater. The filter is a compact unit for the mechanical separation of suspended solids from wastewater and recovery of by-products in the food industry.

Clean TeQ has an arrangement to sell this product in Australia.

The table below illustrates the application of these technologies in the water purification sector:

Products and Target Markets in Water Treatment

	Course Particles	Fine Particles	Bacteria/ Virus	Salts	Organics
Clean-iX®	X	✓	X	✓	✓
Filtration	✓	X	X	X	X
Membranes	X	✓	✓	X	X
Reverse Osmosis	X	X	X	✓	X
Ultraviolet	X	X	✓	X	X

3.4.3 Business Model

The water purification division will derive its revenue from both the provision of products and the design, construction and installation of its systems. This division is beginning to penetrate the industrial water purification market, and the Company considers there to be significant opportunities to market these technologies both in Australia and internationally.

3.4.4 Current Projects

Clean TeQ is commissioning a pilot plant in Western Australian in order to demonstrate its Clean-iX® Technology for the purification of treated wastewater from a sewage plant. Initial indications are that the plant is producing high quality industrial grade water at lower cost than competing technologies, with the independently validated outcome expected to be known in late 2007. If successful, Clean TeQ will work with Water Corporation WA, the Western Australian Government and Rio Tinto's HIs melt® Division to proceed with this technology to the next stage of commercialisation.

3.5 Growth Strategy

The Directors believe that Clean TeQ has a number of growth opportunities:

- **Air Purification – Leading Technologies in Growing Markets**

The market for air pollution solutions is growing rapidly in both Australia and overseas and demand for Clean TeQ's range of air technologies and expertise in this field is growing strongly, as customers seek environmentally sustainable solutions.

- **Resource Recovery – Clean-iX® Growth Potential**

The immediate growth opportunity in mining is to continue development of the technology in respect of nickel with BHP Billiton and CVRD, pursue discussions with other mining companies to secure licence and construction agreements for other metals, and in the longer term, generate recurring sales of Clean TeQ's Resin. The construction of a Resin manufacturing operation represents significant potential upside for Clean TeQ.

- **Water Purification – Leading Technology to Recycle a Scarce Resource**

There is a large opportunity for the energy efficient Clean-iX® Technology in this area to minimise the use of water and recycle waste water where practicable. This is a market that is currently undergoing significant growth and Clean TeQ's Clean-iX® Technology has the opportunity to penetrate this market. In the event of a successful outcome at the WA pilot plant, Clean TeQ will proceed to the next stage of the commercialisation of this technology.

3.6 Intellectual Property

The intellectual property in Clean TeQ's technologies is protected in various ways.

Clean TeQ is the owner of a patent portfolio made up of two Australian granted patents, three Australian patent applications, and two patent families based on international PCT applications, designating different countries for the national phases of these applications. The countries where patent protection have been sought for the PCT applications include Australia, the European region, United States of America and China. The patent portfolio primarily relates to resin structures and method or process patents for the Clean-iX® Technology.

Clean TeQ owns a portfolio of Australian registered trade marks used in the business, including CLEAN TEQ®, Clean-iX®, FluidTeQ® and OdorTeQ®. There are also some trade mark registrations or trade mark applications in China and Hong Kong.

Clean TeQ also has copyright protection over materials it produces as part of the operation of its business, including copyright in drawings, manuals, websites, brochures and other written or electronic materials.

As detailed above, Clean TeQ also has licensed in various forms of intellectual property and know-how from other entities, including from Adwest and Sorbextro.

Some of the important intellectual property and know-how that Clean TeQ owns and/or uses is protected in the form of confidential information or as trade secrets, as it is not able to be protected under registered schemes such as patents and designs.



section

industry
overview

section 4 industry overview

4.1 Air Purification

4.1.1 Industry Background

Historically, many air pollution control solutions have been targeted towards the treatment of visible pollution such as particulates. Traditional technology systems used to overcome these pollution issues include:

- Electrostatic Precipitators – particulate collection devices that remove particles such as dust and smoke from an air stream using the force of an induced electrostatic charge;
- Baghouses – use filtration to separate dust particulates from dusty gases. This results in the formation of dust cake on the filter, which eventually increases the resistance to gas flow and means the filter must be cleaned periodically; and
- Particulate Filters – used to remove finely divided solid or liquid particles from inhaled air.

The growing affluence of society and greater awareness of environmental issues has turned the focus to other air pollution problems that are not as visible but equally harmful, such as sulphur dioxide emissions, nitrous oxide emissions, organics and odours.

Biological solutions are becoming the preferred technologies to resolve environmental issues due to the environmental burden and occupational health & safety (OH&S) issues associated with traditional chemical based solutions. In addition, biological treatments are generally cheaper to construct and operate.

While thermal solutions have been a pollution solution for many decades, the impact of climate change means that the energy efficiency of such systems is under scrutiny. The regenerative thermal systems are now becoming the favoured solution due to their high energy recovery capability.

4.1.2 Competitors

Clean TeQ has two main local competitors in the biological air pollution industry in Australia:

- Aromatrix – a Singaporean based organisation specialising in environmental engineering solutions, odour management and control; and
- Bioway – Headquartered in The Netherlands with offices in the USA, Singapore and Australia, provides bioreactors and the development of solutions for treating polluted or odorous air emissions.

In the regenerative thermal oxidation (RTO) marketplace, Clean TeQ has several competitors in Australia including:

- MegTec – a USA based organisation specialising in thermal oxidisers; and
- HPA – an Australian company producing German designed RTO systems.

The Company believes its competitive advantage is its ability to provide solutions to a wide range of problems using a suite of technologies, rather than a single solution.

4.2 Resource Recovery

4.2.1 Industry Background

The mining industry has traditionally developed the highest quality ores. The goal of the industry has been to obtain the highest mineral concentration possible with the least processing requirements and costs.

The conventional methods used to extract valuable resources from ore include:

- Gravity separation, which is the separation of heavier minerals from lighter minerals;
- Flotation concentration, which utilises a foamed liquid solution to float and separate minerals; and
- Pyrometallurgy, where thermal treatment of ores and flotation concentrates are converted into more valuable metal oxides.

The mining industry is now facing a number of issues which are affecting the economic feasibility of these conventional technologies, particularly as high grade reserves become more depleted, ore bodies are increasing in complexity, and the deposits are becoming less accessible. This is leading to examination of the mining of lower grade deposits which would historically be considered uneconomic without the implementation of new technology.

Environmental concerns are also putting pressure on processes such as pyrometallurgy because of high energy requirements and high pollution.

To overcome these problems, the mining industry is exploring ways to improve the efficiency of mineral extraction processes and to maximise returns from lower grade ore bodies.

Hydrometallurgical processes have been touted as the solution to these problems. However, traditional hydrometallurgical techniques such as counter current decantation and solvent extraction require large amounts of water to process the ore and generally yield a low concentration of metals for refining and can pose problems in respect of the environment and safety.

4.2.2 The Clean-iX® Technology

The Company believes that the Clean-iX® Technology provides a solution to many of these problems and that whilst it is has the potential to become a technology of choice for resource extraction, the challenge is to convert mining companies from existing technologies.

The major benefit of the Clean-iX® Technology is its ability to extract a higher percentage of the target resource from a leachate and provide a lower hydraulic flow to any further refining processes, compared to more traditional methods.

Other advantages of Clean-iX® Technology over conventional technologies include:

- The higher recovery rates of valuable resources may allow mining of ores which were previously considered uneconomic;
- Lower capital investment and operating costs compared to competing technologies, and a smaller footprint; and
- Reduced environmental impact due to less water used in the process, higher potential for recycling of water in the process, and less soluble metals in tailings.

4.2.3 Competitors

The major competitors are:

Outokumpu – a Finnish mining services company that supplies a carousel ion exchange process that can be applied to the mining industry.

Calgon – a USA company that supplies a carousel ion exchange process that can be applied to the mining process.

Mintek Batemen – a partnership between Mintek, South Africa and Batemen Engineering that is currently using commercially available resins to produce a resin-based extraction of leached pulps.

Kemix – a South African company that designs and supplies mixing and separation equipment. They are currently using the technology for carbon-in-pulp plants and are suggesting that it is applicable to resin-in-pulp processing.

There are several competitors in the area of Resin supply. Companies such as Dow, Rohm and Haas and LanXess supply resin to traditional ion exchange markets. These markets are generally in the production of high value-add products such as pharmaceuticals and high purity water. Resin is used in the mining industry but this is limited to individual steps in the refining process.

The Clean-iX® Technology results in fully integrated resin process systems. The advantages of the Clean-iX® Technology are gained through the use of strong Clean TeQ Resin in a specially engineered countercurrent process.

Although there is considerable development now in train from other Resin suppliers and process providers, the Directors believe Clean TeQ has a timing advantage in this market.

4.3 Water Purification

4.3.1 Industry Background

Water has historically been perceived as an economic commodity of limitless supply and has been priced as such in the marketplace. However, this perception is changing as a result of drought conditions, and water for drinking and industrial use is now being seen as a scarce resource. This will result in an increase in the cost of buying water.

An important consequence of this change in perception is an increase in the pressure on industry to change the way it uses and recycles water. Governments and the public will expect industry to:

1. use water that has been recycled from waste water treatment plants; and
2. recycle its own industrial water for reuse in industry.

There are a number of technical issues which traditional water purification technologies have not been able to solve when it comes to using recycled or waste water in industry, including the presence in water of:

- visible particles that can affect the function of machinery;
- bacteria and viruses that pose an OH&S problem;
- salts that can negatively impact on industrial processes; and
- organics such as tannins from wood, hormones and antibiotics that may pose OH&S or maintenance issues.

4.3.2 Clean TeQ's Solution

Traditional water purification technologies such as coarse filters or chemical addition have not been able to adequately address these issues, and Clean TeQ has developed a suite of water technologies that in combination can:

- filter water with large particles;
- filter water with small particles; and
- remove dissolved components.

Clean TeQ has both coarse filter and membrane filter technologies that have the ability to filter all particle sizes. The traditional technology to remove dissolved components is reverse osmosis. This technology is a conventional technology which is well understood in the marketplace. However, it is not suitable for all applications as it has high energy and high maintenance requirements as reverse osmosis membranes become clogged and reduce effectiveness over large quantities of water.

Clean TeQ has adapted its Clean-iX® Technology for use in purifying water with the following advantages:

- it is multidimensional in that it filters and purifies water at the same time;
- it does not become clogged with particles;
- it has low power requirements; and
- it recovers more water than conventional membrane filter technology.

In addition to recycling waste water and industrial water for reuse by industry, this technology may also be suitable for the following applications:

- Coal Bed Methane Water – the extraction of coal bed methane often results in large amounts of brackish water being recovered, which could be purified for beneficial reuse.
- Steam Assisted Gravity Drainage Water – oil recovery from sands is a large industry in Canada and uses a lot of water which needs to be purified prior to recycling.

4.3.3 Competitors

The Clean-iX® Technology competes against the conventional membrane and ion exchange technologies. In some instances, for example where the Clean-iX® Technology does not offer a clear and demonstrated advantage, Clean TeQ may supply conventional technology, either by itself or in conjunction with the Clean-iX® Technology.

- **Membrane Filters**

There are a number of companies competing with Clean TeQ in the use of membrane filter technologies. The very large water service companies, Siemens and GE along with a myriad of smaller equipment vendors, supply conventional membrane plants. These membrane plants are generally energy intensive and suffer from biofouling and scaling. The pretreatment required prior to treatment by membranes is a major capital cost. The cost of energy and maintenance aspects of these plants is very high.

- **Ion exchange**

There are a number of companies that provide conventional batch ion exchange systems for high purity water purification. Companies such as Dow, Rohm & Haas and a number of smaller equipment suppliers support this area of the industry. These conventional systems are designed to deal with dissolved solids only and the occurrence of suspended solids renders them inoperable. The use of batch ion exchange processes in applications such as waste water recycling has not generally been successful.

The competition in the areas of primary filtration and UV disinfection are the major water companies and a multitude of smaller equipment suppliers. Companies such as ITT, supply major primary sedimentation equipment.

Wedeco ITT, Trojan Technologies and Hanovia are major UV technology companies that currently dominate this market.

Clean TeQ is seeking to establish a competitive advantage in supplying integrated water treatment solutions rather than a single product.



section

board and senior management

section 5 board and senior management

5.1 Board of Directors

The Board of Directors of the Company has been appointed for its significant experience and diverse skills. These skills include financial, accounting, legal, corporate governance, commercial, operational and management skills, which will enable the Board to:

- engage in prudent financial management;
- devise and implement operational and corporate strategic initiatives;
- monitor operations and results on an on-going basis;
- analyse investment proposals across industries critically and thoroughly; and
- apply best practice corporate governance practices.

The Board comprises the following Directors:



Ralph Pliner (60)
Independent Non-Executive Chairman

Ralph Pliner was appointed Chairman of the Board in September 2007.

Ralph has extensive experience as a corporate and securities lawyer in the mining, resources, oil, gas, utilities and infrastructure industries. From 1983 to the end of 2004, Ralph was an International Partner of the law firm Baker & McKenzie in Sydney, practising as a specialist corporate, securities, energy and resources lawyer. Ralph was previously a financial journalist with The Financial Mail in Johannesburg. Over the past 10 years Ralph has conducted the director responsibilities module in the Company Directors' Course in Sydney of the Australian Institute of Company Directors.

Ralph is a Non-Executive Director of Tower Australia Group Ltd, Saipem Australia Pty Ltd (the Australian subsidiary of the international pipeline construction company, Saipem SpA), and Australian Char Pty Ltd which manufactures BBQ fuel and char in the La Trobe Valley. He was President for 4 years of the NSW branch, as well as a director on the main board, of the Australian Mining and Petroleum Association.

Ralph holds a Bachelor of Commerce and Bachelor of Laws from Witwatersrand University in South Africa and a Master of Laws (First Class Honours) from Cambridge University, UK.



Greg Toll (54)
Chief Executive Officer

Greg Toll was appointed the Chief Executive Officer of Clean TeQ in 2007 and has been with Clean TeQ since 2001.

A shareholder in Clean TeQ, Greg is responsible for the operations of the business and oversees all operational and administration functions. Prior to joining Clean TeQ, Greg held senior executive positions in R&D, sales and marketing with Uncle Bens', Masterfoods, Nestle and Lion Nathan.

Greg has a Bachelor of Science (Veterinary) Degree with First Class Honours from Sydney University and is a Graduate Member of the Australian Institute of Company Directors.



Peter Voigt (55)
Technology Director

Peter Voigt established Clean TeQ in 1990 and is Clean TeQ's Chief Technology Officer, responsible for all research and development activities and the negotiation and management of overseas licences.

Peter is a biochemist, with extensive experience in product development, technology commercialisation, and developing complete engineering solutions. Prior to founding Clean TeQ, Peter held product and technology development roles with Arnotts and Uncle Bens'.

Peter has a Bachelor and Masters of Applied Science (Chemistry) from RoyalMelbourne Institute of Technology.



Jeremy Carter (51)
Executive Director

Jeremy is a shareholder and has played an important role in strategy and business development within Clean TeQ. He led the negotiations on behalf of Clean TeQ with BHP Billiton and CVRD for the successful licensing of the Clean-iX® Technology in respect of nickel and cobalt extraction. Jeremy has a long and successful track record as a strategy consultant in the mining industry including 12 years with McKinsey & Company. Following Admission, Jeremy's role will change to reflect Clean TeQ's evolution but he will remain actively involved in strategy and business development as well as serving as a Director on the Board. Jeremy was first appointed to the Board of Clean TeQ in 2003.

Jeremy has a Bachelor of Veterinary Science, a PhD from University of Queensland and an MBA from INSEAD.



Barry Lewin (49)
Non Executive Director

Barry Lewin was appointed to the Board in September 2007.

Barry is the founder and managing director of SLM Corporate Ltd, a corporate advisory and private equity firm based in Melbourne. SLM Corporate has acted as corporate advisor for Clean TeQ in its IPO. Barry has significant public company experience, including roles as Legal Counsel of Energy Resources of Australia Limited (1991–1994) and General Counsel, Company Secretary and a member of the Executive Committee of North Limited (1994–1999). Barry will be chair of the Audit and Nomination Committees.

Barry has degrees in Commerce and Law from the University of Cape Town in South Africa and has an MBA from Swinburne University, Melbourne.

5.2 Senior Management

Clean TeQ's senior management comprises:

Greg Toll

Chief Executive Officer

See above

Peter Voigt

Technology Director

See above

Jeremy Carter

Executive Director

See above

Marc Lichtenstein

Chief Financial Officer and Company Secretary

Marc Lichtenstein has accepted the appointment as Chief Financial Officer and Company Secretary, commencing in November 2007.

From November 2004 to October 2007, Marc was the Chief Financial Officer and Company Secretary of Bill Express Limited, joining that company at the time of their float. Prior to this, Marc was employed in the audit and assurance divisions of several accounting firms including as a Senior Manager at Pitcher Partners and Gaddie Metz & Kahn, and a Manager at KPMG. Marc has extensive finance, accounting, treasury and investor relations experience.

Marc has a Bachelor of Business from RMIT. He is a Member of the Institute of Chartered Accountants in Australia, the Institute of Chartered Secretaries Australia, and a Graduate Member of the Australian Institute of Company Directors.

Nikolai Zontov*Principle Research Scientist*

Nikolai Zontov joined Clean TeQ as an employee in August 2000.

Nikolai has had 30 years experience in ion exchange technology, and prior to joining Clean TeQ he was the Director General of the Sorption Department of the All Russian Research Institute of Chemical Technology (ARRICT).

Nikolai has a PhD in Chemical Engineering from ARRICT.

Matthew Lakey*Technical Sales Manager*

Matthew Lakey joined Clean TeQ as an employee in April 2002, and was appointed Technical Sales Manager in June 2005.

Matthew is responsible for the development of customer relationships and the quoting and tendering of projects. Matthew is a mechanical engineer, and was previously employed by GR Plastics and ABB.

Matthew has a Bachelor of Mechanical Engineering with Honours from Victoria University of Technology.

5.3 Corporate Governance

The Directors have adopted practices and procedures for the corporate governance of the Company. These establish the framework of how the Directors carry out their duties and obligations on behalf of shareholders.

5.3.1 Board Charter

The Company has adopted a Board Charter. This Board Charter sets out:

- the role and responsibilities of the Board and its members and it aims to promote high standards of corporate governance, strategic guidance and effective management practices for the Company;
- guidelines regarding the size and composition of the Board;
- the objectives of each of the Board committee, being the Audit Committee, Nomination and Remuneration Committee and the Markets Disclosure Committee; and
- that directors may seek any independent professional advice they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions in accordance with the procedure agreed by the directors.

5.3.2 Board committees

The Board has also established the following committees to assist it in carrying out its responsibilities, to share detailed work and to consider certain issues and functions in detail:

(i) Audit Committee

It is intended that the Audit Committee should comprise of at least three directors, who are all non-executive and a majority of whom are independent, the chairperson of which should be an independent director and should not be the chairperson of the Board. However, this may not always be practicable given the size of the Board and circumstances and therefore the Board will have discretion to determine the appropriate size and composition of the Committee from time to time. Currently, the Audit Committee consists of Ralph Pliner and Barry Lewin. The Audit Committee will be chaired by Barry Lewin.

In terms of the Company's Audit Committee Charter, the principal functions of the Audit Committee include assisting the Board to achieve its objectives in relation to:

- (A) financial reporting;
- (B) the application of accounting policies;

- (C) business policies and practices;
- (D) legal and regulatory compliance;
- (E) internal control and risk management systems;
- (F) maintaining and improving the quality, credibility and objectivity of the financial accountability process;
- (G) promoting a culture of compliance and effective compliance strategies;
- (H) promoting communications between the Board and the relevant participants in the financial accountability process; and
- (I) ensuring effective external audit functions.

The Audit Committee is also responsible for overseeing the establishment and implementation of risk management and internal compliance and control systems and ensuring there is a mechanism for assessing the efficacy and effectiveness of those systems.

(ii) Nomination and Remuneration Committee

It is intended that the Nomination and Remuneration Committee should comprise of at least three directors, who are all non-executive and a majority of whom are independent, the chairperson of which should be an independent director. However, this may not always be practicable given the size of the Board and circumstances and therefore the Board will have discretion to determine the appropriate size and composition of the Committee from time to time. Currently the Nomination and Remuneration Committee consists of Ralph Pliner, Barry Lewin and Jeremy Carter. The Nomination and Remuneration Committee will be chaired by Barry Lewin.

In terms of the Company's Nomination and Remuneration Committee Charter, the objective of the Nomination and Remuneration Committee is to assist the Board to achieve its objective to ensure the Company:

- (A) has a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- (B) has coherent remuneration policies and practices to attract and retain executives and directors who will create value for shareholders;
- (C) observes those remuneration policies and practices; and
- (D) fairly and responsibly rewards executives having regard to the performance of the Company, the performance of the executives and the general pay environment.

The Nomination and Remuneration Committee is also responsible for matters including identifying and recommending to the Board nominees for membership of the Board including the chief executive officer, ensuring succession plans are in place to maintain an appropriate balance of skills on the Board and reviewing those plans, as well as evaluating performance of directors.

In relation to remuneration, the Nomination and Remuneration Committee is responsible for matters including reviewing, approving and recommending to the Board for adoption executive remuneration and incentive policies and practices and annually considering, approving and recommending to the Board both executive and non-executive remuneration.

(iii) Market Disclosure Committee

The Market Disclosure Committee comprises of at least two directors. Currently the Market Disclosure Committee consists of Ralph Pliner, Barry Lewin and the Chief Executive Officer, Greg Toll. The Market Disclosure Committee is convened by the company secretary, Marc Lichtenstein who acts as disclosure officer. The Market Disclosure Committee will be chaired by Ralph Pliner.

The purpose of the Market Disclosure Committee is to assist the Board to achieve its objective of establishing, implementing and supervising a continuous disclosure system in accordance with the market disclosure protocol discussed below. The Committee is responsible for:

- (A) deciding if information should be disclosed to ASX;

- (B) ensuring compliance with continuous disclosure obligations and the Company's system to monitor compliance with continuous disclosure obligations;
- (C) monitoring regulatory requirements with respect to disclosure obligations;
- (D) monitoring movements in share price and share trading to identify circumstances where a false market may emerge; and
- (E) making decisions about trading halts.

5.3.3 Market disclosure protocol

The Company has adopted a market disclosure protocol. This protocol sets out the standards, protocols and the detailed requirements expected of all directors, officers, senior management and employees of the Company for complying with the Listing Rules and Corporations Act relating to continuous disclosure and communication of company information, as well as the role of the disclosure officer.

The protocol is designed to:

- (i) ensure the Company immediately discloses all price-sensitive information to ASX;
- (ii) ensure officers and employees are aware of the Company's continuous disclosure obligations; and
- (iii) establish procedures for:
 - (A) collection of all potentially price-sensitive information;
 - (B) assessing if information must be disclosed to ASX under the Listing Rules or the Corporations Act;
 - (C) releasing to ASX information determined to be price sensitive information and to require disclosure; and
 - (D) responding to any queries from ASX.

5.3.4 Code of conduct

The Company has adopted a code of conduct for directors and senior executives. As well as the legal and equitable duties owed by directors and senior executives, the purpose of this code of conduct is to:

- (A) articulate the high standards of integrity, ethical and law-abiding behaviour expected of directors and senior executives;
- (B) encourage the observance of those standards to protect and promote the interests of shareholders and other stakeholders (including employees, customers, suppliers and creditors);
- (C) set out the responsibility and accountability of directors and senior executives to report and investigate any reported violations of the code or unethical or unlawful behaviour; and
- (D) promote ethical and responsible decision making by the Company.

5.3.5 Share trading policy

The Company has adopted a share trading policy which outlines when directors, senior management and other employees of the Company may deal in shares of the Company traded on ASX and shares in other companies and procedures to reduce the risk of insider trading.

5.3.6 Privacy Policy

The Company has adopted a privacy policy which outlines the kind of information that the Company collects, how and why it is collected and explains the use and disclosure of the information. It also sets out details relating to access and correction of information and contact details for the Privacy Officer.

5.3.7 Extent of non-compliance with Principles of Good Corporate Governance and Best Practice Recommendations

The Company has complied with each of the Principles and Recommendations published by the ASX Corporate Governance Council (2nd edition) except the recommendations set out below.

- (i) **Recommendation 2.1** – that a majority of the board be independent directors.

As stated in the Company's Board Charter, the Company will aim to have a majority of independent non-executive directors. However this may not always be practicable given the size of the board and the circumstances of the Group. Currently the Board has one independent director, Ralph Pliner.

- (ii) **Recommendation 4.2** – the Audit Committee will comprise of at least three members, all of whom are non-executive directors, a majority of whom are independent, including the chair, who must not be the Chair of the Board.

As stated in the Company's Audit Committee Charter, the Company will aim to have an audit committee of at least that size and composition but it may not always be practicable given the size of the board and the circumstances of the Group. Currently the Audit Committee consists of two directors, both non-executive, one of whom is independent. The Chair of the Audit Committee is Barry Lewin, who is not an independent director.

- (iii) **Recommendation 8.1** – the Nomination and Remuneration Committee will comprise of at least three members, all of whom are non-executive directors, and the chair of which is to be an independent director.

As stated in the Company's Nomination and Remuneration Committee Charter, the Company will aim to have a nomination and remuneration committee of at least that size and composition but it may not always be practicable given the size of the board and the circumstances of the Group. Currently the Nomination and Remuneration Committee consists of the three directors, a majority of which are non-executive, one of whom is independent. The Chair of the Nomination and Remuneration Committee is Barry Lewin, who is not an independent director.

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6

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section 6 financial information

6.1 Basis of Preparation

This section contains the following Financial Information for Clean TeQ.

- Forecast Income Statement for the year ending 30 June 2008 (“Forecast Financial Information”); and
- Audited Historical Balance Sheet and Statement of Changes in Equity as at 30 June 2007, Income Statements and Statements of Cashflows for the two years ended 30 June 2007 (“Historical Financial Information”) and the Pro Forma Balance Sheet as at 30 June 2007 (“Pro Forma Financial Information”).

The Financial Information contained in this section should be read in conjunction with and is qualified in reference to the assumptions underlying their preparation and the sensitivity analysis as set out in this section, the Notes to the Financial Information contained in Section 6.4, the Risk Factors contained in Section 8, summaries of material agreements contained in Section 9 and other information contained in this Prospectus.

The Financial Information has been prepared on the basis of Australian equivalents of International Financial Reporting Standards (AIFRS) and in accordance with the Company’s accounting policies as set out in Note 1 in Section 6.4.

The Company will report its results on the basis of AIFRS. The Financial Information contained in this Prospectus is presented in abbreviated form and does not contain all the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act.

The Forecast, Historical and Pro forma Financial Information has been reviewed by Pitcher Partners Corporate Pty Ltd. A copy of their Report is contained in Section 6.5.

The Forecast Financial Information has been prepared by the Directors. The Directors have prepared the Forecast Financial Information with proper care and attention and consider all general and specific assumptions to be reasonable when viewed as a whole. However, the actual results are likely to vary from the Forecast Financial Information as the general and specific assumptions are, by their very nature, subject to uncertainties and contingencies, many of which are outside the control of the Company and the Directors. These variations may be materially positive or materially negative. Accordingly, neither the Company nor its Directors can give any assurance that the forecast financial outcomes will be achieved.

6.2 Forecast Financial Information

The table below sets out the Forecast Income Statement for the year ending 30 June 2008 together with the audited results for the year ended 30 June 2007 prepared in accordance with AIFRS, the accounting policies set out in Note 1 to Section 6.4 and the general and specific assumptions set out in Section 6.2.1.

	Consolidated Entity	
	30 June 2008 Forecast \$	30 June 2007 Actual \$
Revenue		
Air Purification	6,525,536	2,622,663
Water Purification	1,612,447	107,303
Resource Recovery	3,837,257	653,667
Licence Fee – Resource Recovery	2,860,000	3,352,500
Other	600,000	264,067
Total Revenue	15,435,240	7,000,200
Cost of Sales	7,840,011	1,736,490
Gross Profit	7,595,229	5,263,710
Operating Expenses	3,385,764	2,057,648
EBITDA	4,209,465	3,206,062
Depreciation	20,000	25,397
Amortisation	1,001,000	1,239,708
EBIT	3,188,465	1,940,957
Net Finance Cost/ (Income)	(195,000)	42,598
Profit before Tax	3,383,465	1,898,359
Income Tax	527,200	–
Net Profit After Tax	2,856,265	1,898,359

6.2.1 Notes to Forecast Financial Information

General Assumptions

The general assumptions adopted by the Directors in preparing the Forecast Financial Information include the following:

Economy	There are no material changes in economic conditions in the markets in which the Group operates during the forecast period.
Capital raising	The Offer is fully subscribed and the proceeds are received by the Closing Date.
Operating Environment	There is no significant change in the statutory, legal or regulatory environment during the forecast period that will affect the results of the Group.
Accounting Policies	The Group's accounting policies remain consistent with those disclosed in Note 1 in Section 6.4. The Financial Information is presented in accordance with AIFRS.
Regulatory and Reporting	There are no mandatory professional reporting requirement changes that would have a material effect on the Group's results.

Specific Assumptions

The specific assumptions adopted by the Directors in preparing the Forecast Financial Information include the following:

Revenue Assumptions

Revenues	Revenues have been forecast using (1) confirmed revenue which is based on signed contracts or orders in hand; (2) revenues subject to tender/negotiation, where management has received a verbal indication of its success and contracts are being negotiated, and (3) management estimated revenues, which are based on management's best estimate of work that will be undertaken during the financial year, having regard to the pipeline of opportunities on which it is tendering or likely to tender. Even if tender/negotiation revenues are not confirmed or are delayed, or if management estimated revenues are not confirmed, management is confident, based on current tender and new project enquiry levels, that lost revenue can be replaced.
Timing of Revenues	The timing of revenues is based on agreed or expected start dates of projects, together with the Directors' estimation of the amount of time required to complete each project.
Unbudgeted Risks	Clean TeQ has not made any adjustment to revenue for the potential occurrence of risks that are described in Section 8.

Set out below is a summary of the forecast revenue which is confirmed, currently being negotiated or tendered for and management estimates for further work during the period:

	Confirmed	Tender/ Negotiation	Management estimated	Total
Air Purification	3,564,516	1,961,020	1,000,000	6,525,536
Water Purification	–	–	1,612,447	1,612,447
Resource Recovery	3,837,257	–	–	3,837,257
Licence Revenue	2,860,000	–	–	2,860,000
Other	540,000	–	60,000	600,000
Total	10,801,773	1,961,020	2,672,447	15,435,240
	70%	13%	17%	

Cost Assumptions

Cost of Sales	Cost of sales has been determined based on job quotes for all projects currently confirmed, as well as past experience and the Directors' estimate of costs that will be likely to be incurred in order to achieve forecast revenues.
Timing of Cost of Sales	The timing of cost of sales is based on agreed or expected start dates of projects, together with the Directors' estimation of the amount of time required to complete each project.
Operating Expenses	Operating expenses have been based on prior years experience and increased to reflect additional costs which are expected to be incurred as a result of now being a public company, required expansion and the hiring of new staff.
Unbudgeted Risks	Clean TeQ has not made any adjustment to costs for the potential occurrence of risks that are described in Section 8.
Depreciation	Fixed assets including plant & equipment and capitalised leased assets are depreciated on a straight line basis over their useful lives to the economic entity. Refer to Note 1 in Section 6.4 for more information.
Amortisation	Development costs on commercialised products have a finite life and are amortised over the life of the expected return. Refer to Note 1 in Section 6.4 for more information.
Income Taxation	A corporate tax rate of 30% is assumed in the forecast period. This is offset against carried forward losses and Research and Development (R&D) taxation benefits which are assumed to be claimed at 125% of the R&D cost.
Dividends	No dividends have been forecast to be paid during the year ending 30 June 2008 other than as set out in the Pro Forma Balance Sheet.

Other

Interest Income	Interest is assumed to be earned on unused funds at bank at the rate of 6.50% per annum.
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6.2.2 Sensitivity Analysis

The Forecast Financial Information is based on certain economic and business assumptions about future events, including the assumptions detailed above. In order to illustrate the sensitivity of the Forecast Financial Information to variations in key assumptions, the Table below sets out the sensitivity in forecast earnings for the year ending 30 June 2008. The changes in key variables set out in the sensitivity analysis are not intended to indicate the entire range of variables that may be experienced in the year ending 30 June 2008, but are in the Directors' opinion appropriate sensitivities.

Care should be taken in interpreting these sensitivities. The impact of changes in each of the variables has been calculated in isolation from changes in other variables over the full year. In practice, changes in variables may offset each other or may be additive and the Company's management will use their best efforts to respond to any adverse change in any variable by taking action to minimise the effect on the Group's earnings.

Non-Licensed Revenue

The following table shows the movement in Gross Profit for an increase or decrease in revenue, and the increase or decrease in cost of sales in respect of non-licensed revenue:

Gross Profit (\$)	Change In Non-licensed Revenue					
		-10%	-5%	Directors' Forecast	+5%	+10%
	-4%	7,348,060	7,597,397	7,846,734	8,096,070	8,345,407
	-2%	7,234,883	7,477,932	7,720,981	7,964,030	8,207,080
Change In Cost Of Sales	Directors' Forecast	7,121,706	7,358,468	7,595,229	7,831,990	8,068,752
	+2%	7,008,529	7,239,003	7,469,477	7,699,950	7,930,424
	+4%	6,895,352	7,119,538	7,343,724	7,567,910	7,792,097

The percentage increases and decreases in revenue are as a percentage of non-licensed revenue whereas the percentage increases and decreases in cost of sales are absolute percentages of the estimated underlying cost.

Licensed Revenue

Any change in licensed revenue will have a direct impact on the Gross Profit equal to the impact on the Company's revenue as there is no cost of sale in connection with licensed revenue.

Operating Costs

The Directors have made a number of assumptions as to the likely increase in operating costs to meet the forecast growth of the Company. Any variance between actual operating costs and forecast operating costs will have a direct impact on the Net Profit reported.

6.3 Historical and pro forma Financial Information

CLEAN TEQ HOLDINGS LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED INCOME STATEMENT

	30 June 2007 Actual \$	30 June 2006 Actual \$
Revenue	7,000,200	5,552,531
Cost of Sales	1,736,490	2,802,001
Gross Profit	5,263,710	2,750,530
Operating Expenses	2,057,648	1,605,199
EBITDA	3,206,062	1,145,331
Depreciation	25,397	28,056
Amortisation	1,239,708	11,905
EBIT	1,940,957	1,105,370
Net Finance Cost	42,598	46,827
Profit before Tax	1,898,359	1,058,543
Income Tax Expense	–	–
Profit After Tax	1,898,359	1,058,543

The consolidated income statement should be read in conjunction with the accompanying notes in Section 6.4.

CLEAN TEQ HOLDINGS LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED BALANCE SHEET

	Notes	As at 30 June 2007 Pro Forma \$	As at 30 June 2007 Actual \$
CURRENT ASSETS			
Cash and cash equivalents		4,286,246	1,118,861
Trade and other receivables		1,011,904	1,011,904
Inventories	2	465,665	465,665
TOTAL CURRENT ASSETS		5,763,815	2,596,430
NON-CURRENT ASSETS			
Plant and Equipment	3	97,072	97,072
Intangible Assets	4	5,713,910	5,613,910
TOTAL NON-CURRENT ASSETS		5,810,982	5,710,982
TOTAL ASSETS		11,574,797	8,307,412
CURRENT LIABILITIES			
Trade and other payables		948,795	948,795
Interest bearing liabilities	5	11,492	669,170
Deferred Income	6	435,241	435,241
Short-term Liabilities	7	82,770	82,770
TOTAL CURRENT LIABILITIES		1,478,298	2,135,976
NON-CURRENT LIABILITIES			
Interest bearing liabilities		9,035	9,035
Long term provisions	7	37,469	37,469
TOTAL NON-CURRENT LIABILITIES		46,504	46,504
TOTAL LIABILITIES		1,524,802	2,182,480
NET ASSETS		10,049,995	6,124,932
EQUITY			
Issued Capital	8	7,233,855	2,108,792
Retained earnings		2,816,140	4,016,140
TOTAL EQUITY		10,049,995	6,124,932

The consolidated balance sheet should be read in conjunction with the accompanying notes in Section 6.4.

Assumptions accompanying the Pro Forma Balance Sheet

The following is a summary of the significant transactions that have occurred or are likely to occur by the time of the completion of the Offer. These transactions are assumed to have occurred at 30 June 2007 for the purposes of the Pro Forma Financial Information.

New Parent Entity	The incorporation of Clean TeQ Holdings Limited on 10 September 2007 and its purchase of all the shares in Clean TeQ Limited on 24 September 2007 on a scrip for scrip basis. The Corporate restructure resulted in new Shares being issued to existing Shareholders on a 28.5:1 basis.
Payment of Dividend	A dividend in the amount of \$1.2 million was declared on 11 September 2007 and paid on 14 September 2007 to shareholders of Clean TeQ Limited existing at the time.
Offer of new Shares	The offer of 12,500,000 new Shares in the Company being fully subscribed at the Offer Price of \$0.50 each.
Costs of the offer	Cost associated with the offer of \$1,124,937 being paid from the funds raised.
Repayment of Loans	Related party loans in the amount of \$657,678 being repaid prior to the lodgement of this Prospectus.
Sorbextro Licence fee	The payment of a licence fee to Sorbextro in the amount of \$100,000 at the time of listing on the ASX.
Options	The issue of 3,081,000 share options to directors and employees upon listing on the ASX (refer to section 9.4).

CLEAN TEQ HOLDINGS LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	As at 30 June 2007 Pro Forma \$	As at 30 June 2007 Actual \$
TOTAL EQUITY AT THE BEGINNING OF THE YEAR	4,226,573	4,226,573
Profit for the period	1,898,359	1,898,359
Total recognised income and expense for the period	1,898,359	1,898,359
Attributable to:		
Members of the parent entity	1,898,359	1,898,359
Transactions with equity holders in their capacity as equity holders:		
Net Contributions	5,125,063	–
Dividends provided for or paid	(1,200,000)	
	5,823,422	1,898,359
TOTAL EQUITY AT THE END OF THE PERIOD	10,049,995	6,124,932

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes in Section 6.4.

CLEAN TEQ HOLDINGS LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS

	30 June 2007 Actual \$	30 June 2006 Actual \$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	7,515,321	4,964,778
Payments to suppliers and employees	(3,975,423)	(4,221,529)
Interest received	24,568	16,155
Finance costs	(49,532)	(35,424)
Net cash provided by operating activities	3,514,934	723,980
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(32,033)	(37,965)
Investment in intangibles	(1,733,995)	(1,657,839)
Proceeds from sale of property, plant and equipment	–	15,977
Net cash used in investing activities	(1,766,028)	(1,679,827)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) of borrowings	(385,406)	362,021
Net cash provided by/(used in) financing activities	(385,406)	362,021
Net increase/(decrease) in cash and cash equivalents	1,363,500	(593,826)
Cash and cash equivalents at beginning of year	(244,639)	349,187
Cash and cash equivalents at end of the year	1,118,861	(244,639)

The consolidated statement of cashflows should be read in conjunction with the accompanying notes in Section 6.4.

6.4 Notes to the Financial Information

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Pro Forma and Historical Financial Information has been prepared in accordance with the measurement and recognition requirements prescribed by the Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial information covers Clean TeQ Holdings Limited and controlled entities as an economic entity. The financial report was consolidated on the basis that Clean TeQ Holdings Limited was the parent entity. Following the incorporation of Clean TeQ Holdings Limited, it became the holding Company of the economic entity. The transaction was accounted for using reverse acquisition accounting. Clean TeQ Holdings Limited is a company limited by shares, incorporated and domiciled in Australia.

The report has been prepared on the basis of assumption set out above. In addition, the financial information has been prepared under the historical cost convention, as modified by revaluations to a fair value for certain classes of assets described in the accounting policies.

The financial information represented in the Prospectus is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act 2001.

The financial information has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial information. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of consolidation

A controlled entity is any entity Clean TeQ Holdings Limited has the power to control the financial and operating policies of the entity so as to obtain benefits from its activities. Controlled entities of Clean TeQ Holdings Limited and the percentage ownership include:

Clean TeQ Limited	100%
Resix Pty Ltd	100%
Clean TeQ Resin Production Pty Ltd	90%

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

(b) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. At year end, no such deferred income tax assets were recognised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Clean TeQ Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. It is intended that Clean TeQ Holdings Limited will also form part of the consolidated tax Group.

The head entity, Clean TeQ Holdings Limited, and the controlled entities in the tax consolidation group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone tax payer in its own right.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the funding agreements are recognised as a contribution to (or distribution from) wholly-owned consolidated entities.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

(d) Plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets is depreciated on a straight line basis over their useful lives to the economic entity commencing. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	15–40%
Leased plant and equipment	18.75%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

(e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases are expensed on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(f) Impairment of assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Intangibles

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

For development costs relating to pre-commercialised products, no amortisation has been recorded. Development costs on commercialised products have a finite life and are amortised over the life of the expected return.

Patents

Patents are amortised over a 20 year period in line with the expected benefits.

Licences

Licence fees are amortised over a 20 year period in line with the expected benefits.

(h) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(i) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(k) Revenue

The Group recognises revenue when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the entity.

Sale of Developed Units

Revenue is recognised for units developed once the right to receive the revenue has been obtained. This is usually when the risks and rewards of the units developed have passed to the purchaser and there are no further obligations attaching to the use of the developed unit.

Patents

Revenue is recognised where the right to use technology has been given to third parties and there are no further obligations of the company to perform any further services. The revenue is recognised at the time the technology is given to the third party, even if it is only for a specified period.

Licences

Revenue in respect of licences to use technology by third parties is recognised over the period of the licence.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

(l) Government Grants

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them to the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant & equipment are included in non-current liabilities as deferred income and are credited to the income statement on a straight line basis over the expected lives of the assets.

(m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale. All other borrowing costs are expensed.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

NOTE 2: INVENTORIES

	As at 30 June 2007 Pro Forma \$	As at 30 June 2007 Actual \$
CURRENT		
Raw materials at net realisable value	332,050	332,050
Finished goods at cost	82,877	82,877
Stock in transit at cost	50,738	50,738
Total inventories	465,665	465,665

NOTE 3: PLANT AND EQUIPMENT

	As at 30 June 2007 Pro Forma \$	As at 30 June 2007 Actual \$
Plant and equipment		
At cost	157,624	157,624
Accumulated depreciation	(77,121)	(77,121)
	80,503	80,503
Lease plant and equipment		
At cost	23,662	23,662
Accumulated amortisation	(7,093)	(7,093)
	16,569	16,569
Total plant and equipment	97,072	97,072

	Plant and Equipment \$	Leased Plant and Equipment \$	Total \$
(a) Movements in Carrying amount			
Carrying Amount at 30 June 2006	70,043	20,392	90,435
Additions	32,033	–	32,033
Depreciation expense	(21,573)	(3,823)	(25,396)
Carrying amount at 30 June 2007	80,503	16,569	97,072

NOTE 4: INTANGIBLES

	As at 30 June 2007 Pro Forma \$	As at 30 June 2007 Actual \$
Research and development		
At cost	6,553,034	6,553,034
Accumulated amortisation	(1,225,117)	(1,225,117)
	5,327,917	5,327,917
Patents		
At cost	291,827	291,827
Accumulated amortisation	(26,987)	(26,987)
	264,840	264,840
Licences		
At cost	121,153	21,153
Accumulated amortisation	–	–
	121,153	21,153
Total Intangibles	5,713,910	5,613,910

	Research and Development \$	Patents \$	Licences \$	Total \$
Movements in Carrying amount				
Carrying Amount at 30 June 2006	4,872,768	225,702	21,153	5,119,623
Additions	1,680,266	53,729	–	1,733,995
Amortisation expense	(1,225,117)	(14,591)	–	(1,239,708)
Carrying amount at 30 June 2007	5,327,917	264,840	21,153	5,613,910
Pro Forma Adjustments	–	–	100,000	100,000
Carrying amount at Pro Forma 30 June 2007	5,327,917	264,840	121,153	5,713,910

NOTE 5: INTEREST BEARING LIABILITIES

		As at 30 June 2007 Pro Forma \$	As at 30 June 2007 Actual \$
CURRENT			
Lease Liability	9	11,492	11,492
Other Loans		–	657,678
		11,492	669,170
NON CURRENT			
Lease Liability	9	9,035	9,035
		9,035	9,035

NOTE 6: DEFERRED INCOME

		As at 30 June 2007 Pro Forma \$	As at 30 June 2007 Actual \$
Deferred Income		435,241	435,241
		435,241	435,241

The deferred income as at 30 June 2007 relates to Air Pollution control sales contracts for which income had been received for projects that were incomplete at the end of the financial year.

NOTE 7: PROVISIONS

		As at 30 June 2007 Pro Forma \$	As at 30 June 2007 Actual \$
Employee benefits			
Current		82,770	82,770
Non-Current		37,469	37,469
		120,239	120,239

NOTE 8: CONTRIBUTED EQUITY

	As at 30 June 2007 Pro Forma \$	As at 30 June 2007 Actual \$
56,504,258 Ordinary Shares (2007 Actual: 1,544,009)	7,233,855	2,108,792
	7,233,855	2,108,792

(a) Issued and paid up capital**Movements during the year**

Balance at the beginning of the year	2,108,792	2,108,792
Issue of ordinary shares under the Prospectus	6,250,000	–
Capital raising costs	(1,124,937)	–
Balance at the end of the period	7,233,855	2,108,792

Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

Share Options

The Company will issue 3,081,000 share options at the time of listing on the ASX to directors and employees. One third of the options will be exercisable immediately with a third exercisable after one year and the remaining third after two years. Further details are set out in Section 9.4.

NOTE 9: COMMITMENTS AND CONTINGENCIES

	As at 30 June 2007 Pro Forma \$	As at 30 June 2007 Actual \$
Finance lease commitments		
Payable – minimum lease payments		
Within one year	12,916	12,916
One year or later and not later than five years	9,556	9,556
Greater than 5 years	–	–
	22,472	22,472
Less future finance charges	(1,946)	(1,946)
Present value of minimum lease payments	20,526	20,526

Operating lease commitments

Non-cancellable operating leases contracted but not capitalised in the financial statements:

Within one year	125,250	125,250
One year or later and not later than five years	252,092	252,092
Greater than 5 years	–	–
	377,342	377,342

The Property lease is a non-cancellable lease with a five-year term, with rent payable monthly in advance. Rental provisions within the lease agreement require that the minimum lease payments shall be increased by 3.5% per annum. An option exists to renew the lease at the end of the five years. The lease allows for subletting of all lease areas with the Landlord's consent.



PITCHER PARTNERS

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Pitcher Partners is an association of Independent firms
| Melbourne | Sydney | Brisbane | Perth | Adelaide

MWP:MS

25 September 2007

The Directors
Clean TeQ Holdings Limited
270-280 Hammond Road
DANDENONG SOUTH VIC 3175

Dear Sirs,

INVESTIGATING ACCOUNTANT'S REPORT ON HISTORICAL AND FORECAST FINANCIAL INFORMATION

This report has been prepared at the request of the Directors of Clean TeQ Holdings Limited (the "Company") for inclusion in a Prospectus to be dated on or around 25 September 2007 in connection with the initial public offering of 12,500,000 shares at an offer price of \$0.50 per share to raise \$6,250,000. This issue has been fully underwritten.

Pitcher Partners Corporate Pty Ltd ("Pitcher Partners Corporate") has been requested to prepare a report covering the Historical and Forecast Financial Information described below and disclosed in the Prospectus. Pitcher Partners Corporate holds the appropriate Australian Financial Services Licence for the issue of this report.

References to the Company and other terminology used in this report have the same meaning as defined in the Glossary in the Prospectus.

Background

The Company and its controlled entities, Clean TeQ Limited (CTL), Resix Pty Ltd and Clean TeQ Resin Production Pty Ltd (collectively referred to as Clean TeQ), are an Australian technology solutions group servicing the air, water and mining markets.

The Company was incorporated on 10 September 2007 to become the holding company and listing vehicle acquiring all of the shares in CTL on 24 September 2007. CTL was established in 1990 when it purchased the rights to a bio-filtration technology to treat air emissions.

Recently CTL has developed a platform technology which is an ion exchange technology that Clean TeQ is initially targeting for use in the filtration and recycling of water and the extraction of minerals for the mining industry.

Historical Financial Information

The Historical Financial Information set out in Section 6.3 and 6.4 comprises the following:

- Clean TeQ's audited Income Statements and Statements of Cashflows for the two years ended 30 June 2007;
- Clean TeQ's audited Balance Sheet and Statement of Changes in Equity as at 30 June 2007; and

- the Pro forma Balance Sheet and Pro forma Statement of Changes in Equity as at 30 June 2007 (“the Pro forma Financial Information”) of Clean TeQ on the assumption that all transactions and assumptions to the Pro forma Financial Information have occurred or will occur as a consequence of the Offer proceeding;
- the notes to the above Historical Financial Information.

The Historical Financial Information set out in Section 6.3 and 6.4 has been extracted from the audited financial statements of CTL. The financial statements were audited by BDO Kendalls Audit & Assurance (VIC) Pty Ltd who issued an unqualified audit in respect of the financial statements of CTL for the year ended 30 June 2007.

The Pro forma Financial Information relates to the Company and its controlled entities. The Pro forma Financial Information discloses the transactions that have or are expected to occur prior to allotment date as if they had occurred at 30 June 2007.

The Directors of the Company are responsible for the preparation of the Historical Financial Information. The accounting policies adopted in the preparation of the Historical Financial Information are as set out in the notes to the Historical Financial Information included in Section 6.4.

Forecast Financial Information

The Forecast Financial Information outlined in Section 6.2: Financial Information of the Prospectus comprises:

- the Forecast Income Statement for the financial year ending 30 June 2008; and
- best estimate assumptions underlying the Forecast Financial Information.

The Forecast Financial Information has been prepared by the Directors of the Company in order to provide potential investors with a guide to the potential financial performance of Clean TeQ for the financial year ending 30 June 2008.

The Directors are responsible for the preparation and presentation of the Forecast Financial Information, which is based on best-estimate assumptions relating to future events they expect to occur and actions that they expect to take, including the pro forma transactions.

The sensitivity analysis set out in Section 6.2.2: Financial Information of the Prospectus highlights the impacts on the forecast financial performance of changes in key assumptions. The Forecast Financial Information is therefore only indicative of the financial performance which may be achievable.

Prospective investors should be aware of the material risks and uncertainties relating to an investment in the Company detailed in Section 8: Risk Factors of the Prospectus, and the inherent uncertainty relating to the Forecast Financial Information. We disclaim any assumptions of responsibility for any reliance on this report or on the forecasts to which it relates for any other purposes other than for which it was prepared.

Scope

Review of Historical Financial Information

For the purposes of this report, we have reviewed the Historical Financial Information in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the Historical Financial Information set out in Section 6.3, is not presented fairly in accordance with the basis of preparation set out in Section 6.4.

Our review of the Historical Financial Information has been conducted in accordance with AUS 902 "Review of Financial Reports" applicable to review engagements and AGS 1062 "Reporting in connection with Proposed Fundraising". Our procedures included the following:

- enquiries and interviews with the directors, personnel, auditors and advisors of Clean TeQ;
- the performance of analytical procedures applied to the Historical Financial Information;
- a review of work papers, accounting records and other documents of Clean TeQ and its auditors;
- a review of accounting policies for consistency of application and adjustments made, if any, to align the accounting policies to those of the Company as set out in the Financial Information presented in Section 6.4; and
- a review of the transactions incorporated in the Pro forma Financial Information.

These procedures have been undertaken to form an opinion whether, in all material respects, the Historical Financial Information is presented fairly in accordance with the measurement and recognition requirements prescribed by the Australian Accounting Standards and other mandatory professional reporting requirements. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Historical Financial Information.

Review of Forecast Financial Information

We have reviewed the Forecast Financial Information together with the underlying assumptions on which the Forecast Financial Information is based as set out in Section 6.2 of the Prospectus in order to give a statement thereon to the Directors of the Company.

This report has been prepared having regard to the guidance set out in AUS 804 "The Audit of Prospective Financial Information", AGS 1062 "Reporting in connection with Proposed Fundraising", and ASIC Policy Statement 170 "Prospective Financial Information".

Our review of the Forecast Financial Information has been conducted in accordance with AUS 902 "Review of Financial Reports" applicable to review engagements. Our procedures consisted primarily of enquiry, comparison, and analytical review procedures including discussions with management and Directors of the Company of the factors considered in determining their assumptions. Our procedures included examination, on a test basis, of evidence supporting the assumptions, amounts and other disclosures in the Forecast Financial Information and the evaluation of Accounting Policies used in the Forecast Financial Information. These procedures have been undertaken in order to state whether anything has come to our attention, which causes us to believe that:

- the Directors' best-estimate assumptions, as set out in Section 6.2.1: Financial Information of the Prospectus, do not provide reasonable grounds for the preparation of the Forecast Financial Information; and
- whether in all material respects, the Forecast Financial Information is not properly compiled on the basis of the Directors' best-estimate assumptions, in accordance with Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and accounting policies of Clean TeQ to present a view consistent with our understanding of Clean TeQ's historical and forecast operations.

The Directors are responsible for the preparation of the Forecast Financial Information which is provided to potential investors as a guide to Clean TeQ's potential future performance. There is a significant degree of subjective judgment in the preparation of forecasts. As such actual results may vary materially from the financial forecast information. Accordingly, investors should have regard to the investment risks and sensitivities outlined in Section 8: Risk Factors of the Prospectus.

Our review, which is not an audit, is substantially less in scope than an audit examination conducted in accordance with Australian Auditing and Assurance Standards and provides less assurance than an audit. Accordingly, we do not express an opinion of the Forecast Financial Information.

The Forecast Financial Information relates to events and actions that have not yet occurred and may not occur. While evidence may be available to support the underlying assumptions, these assumptions are generally future-orientated and therefore speculative in nature. Actual financial performance may vary from the Forecast Financial Information presented in the Prospectus and such variations may be material.

Conclusion

Review Statement on the Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the Historical Financial Information set out in Section 6.3 and 6.4 does not fairly present:

- the Income Statement and Statement of Cashflows for the years ended 30 June 2006 and 30 June 2007;
- the Balance Sheet and Statement of Changes in Equity as at 30 June 2007;
- the Pro forma Financial Information as at 30 June 2007 assuming that all transactions set out in the assumptions to the Pro forma Financial Information have occurred or will occur as a consequence of the Offer proceeding; and
- the notes to the above Historical Financial Information.

Review statement on the Forecast Financial Information

Based on our review, which is not an audit, of the Forecast Financial Information contained at Section 6.2: Financial Information of the Prospectus, nothing has come to our attention which causes us to believe that:

- the Directors' best-estimate assumptions do not provide reasonable grounds for the preparation of the Forecast Financial Information;
- the Forecast Financial Information is not properly compiled on the basis of the Directors' best-estimate assumptions; and
- the Directors' Forecast Financial Information is not itself unreasonable.

Actual financial performance is likely to be different from the Forecast Financial Information since anticipated events frequently do not occur as expected and the variations may be material. Accordingly, we express no opinion as to whether the Forecast Financial Information will be achieved.

Subsequent Events

Apart from the matters dealt with in this report, and having regard to the scope of our report, nothing has come to our attention that would cause us to believe that matters arising after 30 June 2007, other than the matters dealt with in this report, or the Prospectus would require comment on, or adjustment to, the information contained in this report, or would cause such information to be misleading or deceptive.

Independence and Disclosure of Interest

Pitcher Partner Corporate and Pitcher Partners do not have any interest in the outcome of this Offer other than the preparation of this report, the provision of financial due diligence and other advisory services in relation to the Offer and the appointment as auditors of Clean TeQ, for which normal professional fees will be received.

Financial Services Guide

Our Financial Services Guide has been included at the end of this report to assist retail investors in their use of any general financial product advice that may be in our report.

Yours faithfully

PITCHER PARTNERS CORPORATE PTY LTD



M W PRINGLE
Director and Representative

Financial Services Guide

25 September 2007

What is a Financial Services Guide?

This Financial Services Guide ("FSG") is an important document the purpose of which is to assist you in deciding whether to use any of the general financial product advice provided by Pitcher Partners Corporate Pty Ltd. The use of "we", "us" or "our" is a reference to Pitcher Partners Corporate Pty Ltd as the holder of Australian Financial Services Licence ("AFSL") No. 229841. The contents of this FSG include:

- who we are and how we can be contacted
- what services we are authorised to provide under our AFSL
- how we (and any other relevant parties) are remunerated in relation to any general financial product advice we may provide.
- details of any potential conflicts of interest
- details of our internal and external dispute resolution systems and how you can access them.

Information about us

We have been engaged by Clean Teq to give general financial product advice in the form of a report to be provided to you in connection with a financial product to be issued by another party. You are not the party or parties who engaged us to prepare this report. We are not acting for any person other than the party or parties who engaged us. We are required to give you an FSG by law because our report is being provided to you. We are only responsible for the financial product advice provided in our report and for the contents of this FSG. You may contact us by writing to GPO Box 5193, MELBOURNE VIC 3001, or by telephone on +61 (0) 3 8610 5000.

Pitcher Partners Corporate Pty Ltd is ultimately owned by the Victorian partnership of Pitcher Partners, a provider of audit and assurance, accounting, tax, corporate advisory, insolvency, superannuation, investment advisory and consulting services. Directors of Pitcher Partners Corporate Pty Ltd are partners of Pitcher Partners.

The Victorian partnership of Pitcher Partners is an independent partnership of Pitcher Partners. As such, neither it nor any of the other independent partnerships has any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the name "Pitcher Partners", or other related names.

The financial product advice in our report is provided by Pitcher Partners Corporate Pty Ltd and not by the Victorian partnership of Pitcher Partners or its related entities.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, we and the Victorian partnership of Pitcher Partners (and its related bodies corporate) may from time to time provide professional services to financial product issuers in the ordinary course of business.

What financial services are we licensed to provide?

The AFSL we hold authorises us to provide the following financial services to both retail and wholesale clients:

- to provide general financial product advice only in respect of securities, derivatives, debentures, stocks or bonds issued or proposed to be issued by a government and interests in managed investment schemes including investor directed portfolio services and deposit and payment products limited to basic deposit products and deposit products other than basic deposit products.

Information about the general financial product advice we provide

The financial product advice provided in our report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our report is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is being provided to you in connection with the acquisition or potential acquisition of a financial product issued by another party, we recommend you obtain and read carefully the relevant Product Disclosure

Statement ("PDS") or offer document provided by the issuer of the financial product. The purpose of the PDS is to help you make an informed decision about the acquisition of a financial product. The contents of the PDS will include details such as the risks, benefits and costs of acquiring the particular financial product.

How are we and our employees remunerated?

Our fees are usually determined on an hourly basis; however they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out-of-pocket expenses incurred in providing the services.

Fee arrangements are agreed with the party or parties who actually engage us and we confirm our remuneration in a written letter of engagement to the party or parties who actually engage us.

Neither Pitcher Partners Corporate Pty Ltd nor its directors and officers, nor any related bodies corporate or associates and their directors and officers, receives any commissions or other benefits, except for the fees for services rendered to the party or parties who actually engage us. Our fees for such services are based on time spent at our professional hourly rates.

All of our employees receive a salary with partners also having an equity interest in the partnership. We do not receive any commissions or other benefits arising directly from services provided to you. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance.

We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

What should you do if you a complaint?

If you have any concerns regarding our report, you may wish to advise us. Our internal complaint handling process is designed to respond to your concerns promptly and equitably. Please address your complaint in writing to:

The Managing Partner
Pitcher Partners
GPO Box 5193
MELBOURNE VIC 3001

If you are not satisfied with the steps we have taken to resolve your complaint, you may contact the Financial Industry Complaints Service ("FICS"). FICS provides free advice and assistance to consumers to help them resolve complaints relating to members of the financial services industry. Complaints may be submitted to FICS at:

Financial Industry Complaints Service
GPO Box 579
Collins Street West
MELBOURNE VIC 8007
Telephone: 1300 780 808
Fax: +61 3 9621 2291
Internet: <http://fics.asn.au>

The Australian Securities and Investments Commission ("ASIC") regulates Australian companies, financial markets, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit. Their website contains information on lodging complaints about companies and individual persons and sets out the types of complaints handled by ASIC. You may contact ASIC as follows:

Info line: 1 300 300 630
Email: info@asic.gov.au
Internet: <http://www.asic.gov.au/asic/asic.nsf>

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section

technical expert report

Evaluation of the Technical Capability of CleanTEQ Pty Ltd

A Report submitted to the Directors of:



CleanTeQ Pty Ltd

Submitted by:

Haihong Li, Robert Eldridge and Peter Scales
Department of Chemical and Biomolecular Engineering
The University of Melbourne, Vic, 3010 Australia
Ph +61 3 8344 6480
Fax + 61 3 8344 4153

August 21 2007

SIGNED: _____

Department of Chemical and Biomolecular Engineering, University of Melbourne

Issue Date: August 21st 2007
Prepared by: Robert Eldridge, Haihong Li
Checked by: Peter Scales

Contact Details

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Disclaimer

The contents of this document are presented in good faith based on the data collected for this study. This report is presented subject to the condition that any persons or organisations making use of the contents of the report do so at their own risk and that there is no implied warranty or contingent or other liability on The University of Melbourne in relation to any damages, costs or losses suffered by any part as a result of this report.

Introduction

The Department of Chemical and Biomolecular Engineering at the University of Melbourne was contracted by CleanTeQ Pty Ltd to overview the status of present technology within the company. The University was asked to investigate, for each of the technologies associated with the company, the following facts:

- The morphology, be it commercial, pre-commercial or in-development and the expected time scale to commercial application.
- The competitive advantage and/or novelty of the technology
- The application base of the technology, be it commercialised, in development or speculative
- The manufacture and supply capability for each technology

Dr Robert Eldridge and Dr Haihong Li visited the company for a period of two days for the purpose of conducting the review. This report has been prepared at the request of the Directors of Clean TeQ Holdings Limited ("Clean TeQ") for inclusion in a Prospectus to be dated on or around 24 September 2007 in connection with Clean TeQ's initial public offering of 12,500,000 shares at an offer price of \$0.50 per share to raise \$6,250,000.

It is concluded that the company has a range of technologies in the air and water purification area that are commercially viable and that show technical advantage in the important area of environmental sustainability. The company also has a range of emerging technologies in the area of metals recovery in mining. These technologies also show advantages over current technologies.

In this report the term 'commercial' means that the technology so described is suitable for use in at least some applications without further development, and is already in operation by end-users. 'Innovative' means that the technology offered by CleanTeQ differs significantly from known technologies intended for similar applications. 'Technical advantage' means any feature of the technology that results in improved performance or reduced capital or operating cost, space requirements or waste generation in comparison with other technologies that might be considered for the same application. 'Competitive' means that by virtue of one or more technical advantages the technology may be preferred by clients despite any technical advantages that other technologies might possess.

In preparing this report, it is acknowledged that one of us (Peter Scales) is known, through University teaching, to a number of (3) CleanTeQ Pty Ltd employees. There are no other current or prior associations with CleanTeQ Pty Ltd Directors or employees.

CleanTeQ Pty Ltd Technology Portfolio

1. Air Effluent Purification–Biological

The technology

CleanTeQ designs and constructs two distinct types of biological air cleaning plant. Both employ selected microorganisms to degrade noxious gases but biofilters containing CleanTeQ's branded *Biofiltaire* range of media also neutralise acidic byproducts, while the OdorTeQ range of biocatalytic packed-column filters, which are designed for heavier pollution loads, produce a dilute liquid waste stream suitable for discharge to sewer.

Applications

Biodegradation is well suited to control of solvent vapours from inks, coatings and chemical processes as well as noxious and odorous off-gas from food processing, sewers or sewage treatment plants.

Advantages

In contrast to adsorption and scrubbing processes, biodegradation destroys rather than merely removes the polluting gases. The biological processes offered by CleanTeQ have a number of clear advantages over older soil-based biofilters including smaller footprint, reliability, rapid startup, and absence of secondary pollution. Biofilters and biocatalytic filters with throughputs ranging from small to very large are designed with CleanTeQ's in-house design software, which enables high pollutant removals to be achieved with low materials costs and low energy consumption. CleanTeQ's CleanCarb activated carbon system can be added as a 'polishing' filter to remove remaining traces of pollutants. In favourable cases, spent *Biofiltaire* media can be recycled to beneficial use as fertiliser.

Evaluation

These technologies are concluded to be commercial and innovative and to show technical advantage.

2. Air Effluent Purification–Thermal

The technology

CleanTeQ offers the RETOX regenerative thermal oxidiser in partnership with its developer, Adwest Technologies Inc (USA). Heat generated by the oxidation of combustible vapours at moderate temperatures is captured by packed beds of ceramic rings and used to heat incoming vapours to their autoignition temperature.

Applications

RETOX destroys combustible vapours that are resistant to biodegradation or are present in high concentrations, including hydrocarbon, alcohol, ketone and similar solvent vapours from printing, adhesives, surface coatings and chemical processing. The technology also has potential for electricity generation from emerging fuel sources such as coal seam methane.

Advantages

Moderate temperatures avoid the formation of nitrogen oxides and other secondary pollutants generated by high-temperature incineration. Efficient heat capture enables supplemental fuel to be used only at startup or when the level of combustible vapour is low. Consequently, fuel consumption is much lower than in non-regenerative thermal oxidisers. The design of the ceramic packing permits low pressure drops and hence low energy costs. A novel valve design contributes to high levels of pollutant destruction. Plant design is aided by Adwest's software, which contains thermal property data for solvents of interest.

Evaluation

RETOX technology is concluded to be commercial and innovative and to show technical advantage.

3. Air Effluent Purification–Physicochemical

The technology

CleanTeQ offers physicochemical air cleaning technology based on activated carbon sorption or scrubbing with water or chemical solutions.

Applications

Carbon sorption is well-established technology for removing toxic or malodorous vapours from air streams. Examples are removal of hydrogen sulfide from sewer gas or solvent vapours from petrochemical processing. Scrubbing is another mature technology, suited to removing dusts or mists as well as noxious gases. Basic gases such as ammonia or amine vapours can be efficiently scrubbed with acid solutions. Conversely, alkaline solutions are effective in scrubbing acid gases and mists.

Advantages

Carbon sorption can achieve very low residual pollutant levels and is therefore suitable as a polishing step after biofiltration, while scrubbing can advantageously remove solid particles or oil mist simultaneously with noxious gases. CleanTeQ's capability in this area includes plant design and selection of chemical-impregnated carbons. In general the company's focus on sustainability makes these processes less attractive than biofiltration or RETOX. However, in favourable cases, scrubbing

can be used for resource recovery. For example, scrubbing of ammonia with acid allows fertiliser values to be captured.

Evaluation

This technology is concluded to be commercial and well established.

4. Water and Wastewater Purification–Ion Exchange

The technology

CleanTeQ possesses advanced know how in separation, purification and product recovery by adsorption or ion exchange in countercurrent moving beds. Ion exchange is used either to recover valuable ions from solution or to significantly lower the ionic impurities of a solution stream. CleanTeQ's know how is embodied in the Clean-iX range of ion exchange resins and innovative moving-bed contactors. Clean-iX resins are designed to be easily separated from the treated solution and transferred to a U-shaped column where they move through a counterflow of a stripping solution, which regenerates the resin for reuse.

Applications

Clean-iX technology is suitable for upgrading wastewater streams to industrial process water or for producing potable water from hard or alkaline groundwater. The Clean-iX MR metal recovery system recovers both water and plating chemicals from electroplating rinse water. Another possible application is the use of a strong acid cation exchange resin followed by an anion exchanger to remove salts and organic matter from secondary sewage effluent with a 95% yield of water suitable for use in boilers.

Advantages

Treating metal-containing wastewater by ion exchange enables metal salts to be recovered and avoids the generation of toxic sludges, which are costly to dispose of in controlled landfills. Ion exchange removes salts from water, rather than water from salts as do membrane processes or distillation, and therefore uses much less energy. CleanTeQ's moving-bed process is compact and uses much less resin than traditional fixed-bed ion exchange plants.

Evaluation

This technology is concluded to be commercial in the case of metal recovery and pre-commercial and at the demonstration stage for municipal waste water applications. It is innovative and the resin technology has advantages over many competitive technologies.

5. Water and Wastewater Purification–Filtration

CleanTeQ holds a license for the patented Salsnes filter, which remove fats, grease and solid particles on an endless moving screen. The screen speed is controlled by a pressure sensor to match variations in the incoming solids load. Solids are removed from the screen by an air knife and dewatered before discharge. Advantages of the Salsnes filter include its small footprint, low wash water consumption and low energy use. It is well suited to food industry applications and primary treatment of municipal wastewater. This technology is concluded to be commercial and competitive in the market place.

6. Water and Wastewater Purification–Disinfection

CleanTeQ also holds a license for the Atlantium ultraviolet disinfection system, which employs fibre optic principles to maximize inactivation of waterborne micro-organisms by UV light delivered from out-of-the-water lamps. The system achieves very high levels of inactivation of bacterial spores, viruses and other resistant organisms with low energy consumption. Other advantages of the Atlantium design including safety, small head loss, low maintenance and easy lamp replacement should make it very attractive to the water, food and beverage and aquaculture industries. This technology is concluded to be commercial, innovative and competitive in the market place.

7. Water and Wastewater Purification–Membranes

CleanTeQ offers C-MEM submerged hollow-fibre ultra-filtration membrane systems through a cooperative partnership with their membrane suppliers. C-MEM systems remove dirt, micro-organisms and organic matter from water for potable or industrial use. With the addition of a coagulant or sorbent such as activated carbon, toxins and trace chemical contaminants can also be removed. Clean-TeQ's membrane technology can also be used in membrane bioreactors for wastewater reclamation or biosynthesis of high-value chemicals. Advantages of C-MEM over competing membrane technology include low-cost materials of construction and robust membranes able to withstand air scouring, which is used to dislodge accumulated impurities. High water flux at low trans-membrane pressure leads to low operating costs. This technology is concluded to be commercial, innovative and competitive in the market place.

8. Purification and Product Recovery by Ion Exchange

The technology

The Clean-iX ion exchangers referred to above include resins able to selectively take up product from dilute solution while rejecting the bulk of any impurities present. Unlike conventional resins, Clean-iX resin beads are designed for use in mineral pulps or fermentation broths containing high levels of solid particles. Once loaded with product, the Clean-iX beads are readily separated from the suspension and transferred to a regeneration column where they are stripped to yield a concentrated

product stream and a second stream containing any impurities or byproducts picked up by the resin. CleanTeq have a patented U shaped stripping column.

Applications

The technology is applicable in a diverse range of industries where dissolved substances must be purified and recovered from solution. Examples are pharmaceuticals, fine chemicals and mineral production, including gold and other precious metals, nickel, uranium and rare earths.

Advantages

Generic advantages of the Clean-iX moving-bed process over traditional ion exchange processes include small plant size, compatibility with suspended solids and high product concentration. Other advantages are specific to particular applications. For example, CleanTeQ's gold-selective resin can adsorb gold from cyanide liquors over a wide pH range and eliminates the problem of preg-robbing. This is often encountered when the carbon-in-pulp process is used with carbonaceous ores. Recovery of uranium at high concentration obviates the need for costly and hazardous solvent extraction plants. The exceptional toughness of Clean-iX resin beads makes them suitable for use in pulps containing high levels of abrasive mineral particles.

Evaluation

CleanTeQ is working with mineral producers to pilot and implement the technology. This technology is concluded to be pre-commercial, innovative and has the potential to show significant competitive advantage in several emerging areas of product recovery, including metals production.

Technology	Application	Advantages	Status
Air effluent purification			
CleanTeQ biofilters	chemicals, food processors, sewer gas —low pollutant concentration	compact, modular, low energy, fast startup, tailored bacterial consortium, no chemical input, no secondary pollution	commercial
OdorTeQ biocatalytic filters	chemicals, food processors, sewer gas —high pollutant concentration	compact, low energy, very high removal, low liquid effluent flow to sewer	commercial
RETOX thermal oxidiser	volatile organic compounds	compact, low energy, high removal, no secondary pollution, high heat recovery	commercial
CleanCarb activated carbon	VOCs, polishing biofilter offgas	high removal	commercial
FluidTeQ fluidised bed scrubbing	dusty gas, vapour containing oil mist	removes vapours and particles	commercial
Chemical scrubbing	ammonia, H ₂ S, acid vapours	ammonia recovery	commercial
Water and wastewater purification			
Clean-iX water	groundwater purification, wastewater reclamation	compact, low energy, low chemical use,	demonstrated

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		tolerates suspended solids	
Clean-iX MR	metal finishing	compact, low energy, low chemical use, recover water and metals	commercial
Salsnes filters	food industry, primary sewage treatment, sewer overflows	compact, high flows, low energy, low fouling, high solids, low washwater use	commercial
CleanTeQ Rayo Atlantium HOD UV	potable water, wastewater, food, beverage, aquaculture	high flows, inactivates a wide range of pathogens, safe, low energy, low maintenance, no halogenated byproducts	commercial
CleanTeQ C-Mem submerged ultrafiltration	potable water, wastewater reclamation, fermentation	compact, low cost, low energy, robust, pathogen removal	commercial
Mineral processing by ion exchange			
Clean-iX ion exchange	nickel from laterite ores	robust resin, low inventory, high selectivity, high product concentration	in development
Clean-iX ion exchange	gold	eliminate preg-robbing, recycle cyanide	in development
Clean-iX ion exchange	uranium	eliminate solvent extraction	in development

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section

8

risk factors

section 8 risk factors

Clean TeQ's future business operations are subject to risks that may adversely affect its future performance and the value of an investment in the Company. Investors should consider these risks carefully before subscribing for the Shares offered by this Prospectus as they may diminish the value of Shares. Some of these risks can be mitigated by the use of contingency plans and prudent management techniques; however, many of the risks are outside the control of Clean TeQ and cannot be mitigated. Further, if any of the following risks actually occur, Clean TeQ's business, financial condition, results of operations and prospects for growth may suffer materially. As a result, you could lose all or part of your investment.

The principal risk factors include, but are not limited to, the matters set out below in this section of the Prospectus.

8.1 Specific Risks

The Directors believe that, there is a range of specific risks associated with Clean TeQ's operations. Potential investors in the Company should consider the following risks prior to investing, but should note that these risks are not exhaustive.

(a) Limited Operating History in Water and Mining

Clean TeQ commenced trading in 1990 in the area of air purification and odour control. However, Clean TeQ has only limited operating history in the areas of resource recovery and water purification, upon which an evaluation of Clean TeQ and its prospects can be based.

As a result of Clean TeQ's limited operating history, particularly in the areas of water purification and resource recovery, Clean TeQ does not have the data or experience in winning and pricing projects in these areas which may result in the forecast not being achieved, projects being underpriced, margins being reduced, and inappropriate allocation of resources. Further, while the business plan of Clean TeQ anticipates significant competition in relation to its products it does not have the data or experience to accurately assess the likely response of competitors in these markets.

As a result Clean TeQ's revenues and profits may be adversely affected.

(b) Commercialisation Risks

There can be no guarantee that, after further research and development, Clean TeQ's efforts to use its technologies in both its existing markets and in new markets and applications will be commercially successful. For example, funds expended on the proposed plant to demonstrate the Clean-iX[®] Technology for the uranium mining industry may not result in take up of the technology by the industry, resulting in no or little financial benefit to Clean TeQ for funds expended.

Market acceptance of Clean TeQ's technologies and products is uncertain. These uncertainties can be caused by:

- (i) difficulties in marketing any of Clean TeQ's technologies and products, including those associated with proving the capabilities of the technologies;
- (ii) the unwillingness of customers to adopt new technical solutions;
- (iii) differences in the analysis of data obtained from pilot or demonstration trials;
- (iv) delays in marketing any of Clean TeQ's technologies and products; and
- (v) the discovery and development of new competitive technologies and/or products.

Accordingly, there can be no assurance that Clean TeQ's technologies and products will be successful in the market place, or that Clean TeQ will receive any profits from the sale of its technologies and/or products. As a result, Clean TeQ's revenues and profits may be adversely affected.

(c) Growth Management

Clean TeQ's anticipated growth may place a significant strain on its managerial, operational and financial resources. To manage its potential growth, Clean TeQ must improve its technical, operational and financial systems and expand, train and manage its employee base. There can be no assurance that Clean TeQ will be able to effectively manage the expansion of its operations, that Clean TeQ's systems,

procedures or controls will be adequate to support its operations or that Clean TeQ's management will be able to achieve the expansion necessary to fully exploit the market opportunity for its technologies and/or products. Any inability to manage growth effectively could have a material adverse effect on Clean TeQ's business, results of operations and financial condition.

(d) Product Performance

The performance of Clean TeQ's technologies and products is critical to its reputation and to its ability to achieve market acceptance of these products. Any product failure could have a material adverse effect on Clean TeQ's business, results of operations and financial conditions.

This aspect of Clean TeQ's business is exacerbated by the fact that many of the solutions which Clean TeQ provides for its customers are unique to that customer's needs and requirements and the environmental conditions faced at a particular site. Although Clean TeQ will apply its expertise and experience in developing solutions, until the solution is built, installed and operating, Clean TeQ cannot be certain of the performance of its product. Accordingly, Clean TeQ may be required to spend time and money altering its designs or products to suit particular installations, which could adversely impact on the profitability of Clean TeQ.

(e) Resin manufacture

The Clean-iX[®] Technology is based around the use of the Resin, which is a consumable in any ion-exchange process. An aspect of Clean TeQ's business plan involves the sale of the Resin. Currently Clean TeQ has limited capacity to produce the Resin and is otherwise reliant upon toll manufacture by others.

Accordingly, Clean TeQ is reliant upon continued supply of Resin from toll manufacturers and Sorbextro until it is able to increase its own production capacity or source alternative supplies. Given the confidentiality of the Resin production process, sourcing alternative suppliers may take time.

As a result, Clean TeQ's ability to implement its business plan may be adversely affected if it is unable to procure an alternative supply of Resin, with a resulting adverse impact on Clean TeQ's revenues and profitability.

(f) Dependency on Senior Management

Clean TeQ's performance is substantially dependent on its senior management and key technical personnel to continue to develop the technologies and products. Clean TeQ's success also depends substantially on the continued efforts of its senior management team, which currently is comprised of a small number of individuals. The loss of the services of any of its senior executive officers or other key employees could have a material adverse effect on the business, results of operations and financial condition of Clean TeQ.

While Clean TeQ has put into place employment agreements with all of its key employees which provide each employee with financial incentives to remain with Clean TeQ, there can be no guarantee that those key employees and consultants will remain with Clean TeQ.

(g) Dependency on Licence and Distribution Agreements

In its air and water businesses, Clean TeQ relies on distribution and other arrangements with third parties for its right to use certain technologies or sell/distribute certain products and solutions. The various agreements and other arrangements may be terminated by the third party licensors or suppliers at any time and for a variety of reasons. While Clean TeQ intends to comply with its agreements and other arrangements, it cannot guarantee that it will be able to retain all of the rights that it currently enjoys under such agreements and other arrangements or that it will remain entitled to continue to use certain technologies or sell/distribute certain products and solutions.

(h) Dependency on third party manufacturers

Clean TeQ depends in the main on third parties for manufacturing of its design solutions to customer problems, its products and pilot and other plants that incorporate its technologies. To the extent that Clean TeQ cannot control these third parties, it may adversely affect its ability to develop and deliver products and solutions to customers on a timely, effective and competitive basis.

(i) Sorbextro Licence

In a material respect, the ability to utilise Clean iX® Technology is dependent on the continued existence of the licence agreement with Sorbextro. The loss (without replacement with a similar licence) of this agreement, or breach of it by Sorbextro (eg. in the form of supply of the Resin know-how and expertise to any third party or other similar event), is likely to have a material and adverse effect on Clean TeQ and its financial performance and the price of its Shares.

(j) Technology & Intellectual Property Rights

Clean TeQ's success will depend, in part, on its ability to obtain adequate and valid patent protection, maintain trade secret protection (confidentiality) and operate without infringing on the proprietary rights of third parties or having third parties circumvent Clean TeQ's rights. No guarantee can be given that such protection will be successfully and validly obtained by Clean TeQ, including the grant of patents currently applied for.

The granting of a patent does not guarantee that the patent concerned is valid, the rights of others are not infringed or that competitors will not develop technology to avoid Clean TeQ's patented technology.

The patent positions of technology companies can be highly uncertain and frequently involve complex legal and factual questions. Therefore, neither the breadth of claims allowed in technology and process patents nor their enforceability can be predicted with certainty. There can be no assurance that any patents which Clean TeQ may own or control will afford Clean TeQ commercially significant protection of its technology or its products or have commercial application.

While Clean TeQ believes it has taken appropriate steps to protect its technology, the law may not adequately protect Clean TeQ's rights in all places where Clean TeQ does business, or enable Clean TeQ's rights to be enforced adequately. There can be no assurance that the measures taken by Clean TeQ have been, or will be, adequate to protect Clean TeQ's technology.

The enforceability of a patent is dependent on a number of factors which may vary between jurisdictions. These factors include the validity of the patent and the scope of protection it provides. The validity of a patent depends upon factors such as the novelty of the invention, the requirement in many jurisdictions that the invention not be obvious in light of the prior art (including any prior use or documentary disclosure of the invention), the utility of the invention and the extent to which the patent specification clearly discloses the best method of performing the invention. The legal interpretation of these requirements often varies between jurisdictions. The scope of rights provided by a patent can also differ between jurisdictions. There can be no assurance that others will not seek to imitate Clean TeQ's products, and in doing so, attempt to design their products in such a way as to circumvent Clean TeQ's rights. Additionally, the ability and costs of the legal process to provide efficient and effective procedures for dealing with actual or suspected infringements can vary considerably between jurisdictions. There is no guarantee that Clean TeQ will be able to enforce its rights in any particular jurisdiction or even if it can, that it will have the funds to enable it to do so.

(k) Confidential information

Much of Clean TeQ's valuable technology is know-how and confidential information. Maintaining and protecting confidential information is more difficult, both practically and legally, than protecting other registerable types of intellectual property. Further, once confidential information loses its confidentiality, it cannot be recovered and it loses its value.

In the past Clean TeQ has not had the systems to fully protect its confidential information and is in the process of developing improved systems to capture and protect such information. There is no guarantee that such systems will be completely effective and given the nature of confidential information, it is difficult to protect against a person determined to disclose such information.

In particular, other parties, including Sorbextro, are aware of the Resin formula which Clean TeQ uses, and other parties may in the future become aware of the formula. There is no guarantee that these other parties will be able to maintain the confidentiality of this information.

Failure to maintain the confidentiality of Clean TeQ's confidential information will reduce the value of that information and reduce Clean TeQ's competitive advantage, which could adversely impact Clean TeQ's revenues and profitability.

(l) Liability risks

Clean TeQ's business exposes it to potential product liability and professional indemnity risks which are inherent in the development of its products and services and the marketing and use of those products, services and Resin. Clean TeQ will seek to obtain adequate product liability and professional indemnity insurance whenever prudent. However, there can be no assurance that adequate or necessary insurance coverage will be available at an acceptable cost or that a product liability, professional indemnity or other claim would not materially and adversely affect the business or financial condition of Clean TeQ.

(m) Production Risks & Sales Risk

Clean TeQ may not achieve budgeted revenue levels for reasons such as its inability to employ sufficient employees with the necessary technical expertise and/or experience, technical equipment failure, unavailability of products, non-performance of other contractors, disputes, shipping difficulties or a range of other causes, some of which may be totally outside the control of Clean TeQ.

There can be no assurance that Clean TeQ will be able to establish effective sales and distribution capabilities or be successful in gaining market acceptance for products embodying its technologies.

(n) Design and Construct Contracts

Much of Clean TeQ's revenue is derived from design and construct contracts. Typically, such contracts are one-off projects and do not necessarily generate ongoing income. For example, the forecast revenue for the resource recovery division for 2007/2008 is based solely on Clean TeQ's engagement by BHP to continue development of the technology for nickel and cobalt recovery. This may not result in further revenues (or revenues to the same degree) beyond that financial year and Clean TeQ will need to source revenues from other clients in this industry.

In addition by their nature such contracts can result in a mismatch of revenue required and expenses incurred. In addition, many of these contracts include retentions to meet defect payments. This can result in a significant delay in Clean TeQ receiving the revenue reflected in the retention, if it is received at all. Further many such contracts require delivery of bank guarantees which add to Clean TeQ's cost.

Such contracts can also be subject to delays and overruns which can both delay revenue receipts and add to costs incurred, reducing Clean TeQ's profit margin on a project.

Finally, Clean TeQ is required to indemnify other parties for certain claims under such contracts. Any claims made under such indemnities would adversely affect Clean TeQ's financial performance.

(o) Additional Financing Requirements

There can be no assurance that Clean TeQ will not require additional working capital for its business or need such to seek additional capital (from equity or debt sources) to exploit business opportunities. This is particularly so given the nature of design and construct type contracts which Clean TeQ enters into. There can be no assurance that Clean TeQ will be able to raise such capital on favourable terms (or at all) or, if it is able to raise the capital, that it will be able to utilise that capital efficiently. If Clean TeQ is unable to obtain or utilise such additional capital, Clean TeQ may be required to reduce the scope of its business activities or forego an investment opportunity, which could adversely effect its business, financial condition and results of operation. Further the costs associated with such capital raising and the cost of capital itself may adversely impact on Clean TeQ's profitability.

(p) Competition

As a strategic response to changes in the competitive environment, Clean TeQ may from time to time make certain pricing, service or marketing decisions or acquisitions that could have a material adverse effect on Clean TeQ's business, results of operations and financial conditions.

There can be no assurance that other parties will not develop products that compete with or supersede Clean TeQ's technologies. Therefore, the success of Clean TeQ is in part conditional on further development of its technologies within an appropriate time frame, market acceptance and competitor response.

The industries in which Clean TeQ operates and proposes to operate are, like most industries, subject to competition. It is possible that other competitors in those industries will develop or adopt competing products and services to those of Clean TeQ. If this were to occur, it may have a material adverse effect on operating and financial performance of Clean TeQ.

The risk exists that one or more of the competitive products in development now or in the future will prove more efficacious, more cost effective or more acceptable to customers than Clean TeQ's technologies, products and services. It is possible that a competitor may enter the market place in the areas in which Clean TeQ operates and establish itself as the preferred technology solution or product supplier for an indicated use.

Such competition and new technologies can have the effect of:

- (i) rendering Clean TeQ's research and development obsolete;
- (ii) decreasing the financial value of a technology, products or services; or
- (iii) reducing Clean TeQ's pricing and profit margins.

Further, Clean TeQ's competitors may include large multi national companies with resources far in excess than that of Clean TeQ. These competitors could use the resources in a number of ways which would be adverse to Clean TeQ. For example, a competitor could invest heavily in research and development to reduce Clean TeQ's technology advantage. Alternatively, a competitor could reduce the pricing of its products aggressively so as to convince customers to adopt its products, notwithstanding any competitive or technological advantage which Clean TeQ's products and services may have. As a result Clean TeQ's revenues and profits may be adversely affected.

8.2 General Risks

(a) Economic Factors

Clean TeQ's performance will depend significantly on Australian and global economic conditions, including movements in inflation and interest rates, currency fluctuations, supply and demand and industrial disruption. Changes in these conditions may impact Clean TeQ's business and profitability via the prices that can be obtained for Clean TeQ's products and services or the demand for Clean TeQ's products. The Board cannot predict the impact of future economic conditions on its business.

(b) Share Price

Investors should recognise that the price of the Shares may fall as well as rise. Many factors will affect the price of the Shares including local and international stock markets, general economic factors, accounting standards and practices, domestic and international economic conditions, investor sentiment, changes in government fiscal, monetary and regulatory policies and the occurrence of other local, state, national and international events, such as armed conflicts.

(c) Government legislation

Australian and international government legislation is subject to review and change from time to time. Any such change is likely to be beyond the control of Clean TeQ and could adversely affect Clean TeQ's operations, revenues and costs.

Clean TeQ's operations are subject to laws, regulatory restrictions and certain governmental directives, recommendations and guidelines relating to, amongst other things, occupational safety, the use and handling of materials, prevention of illness and injury, environmental protection and hazardous substance control. There can be no assurance that future legislation will not impose further government regulation with which Clean TeQ will be required to comply.

(d) Past performance

Market conditions and business generally are continually changing and the fact that Clean TeQ's performance has been profitable in the past is not necessarily relevant to or indicative of its prospects

for future profitability. Past results are not necessarily indicative of future performance. No assurance can be made that profits will be achieved or that losses will not be incurred by Clean TeQ or investors in the Shares.

(e) Changing market conditions

Markets are characterised by changing customer needs, new product innovations and introductions and evolving industry and community standards. These developments and changes could render the services, products and technologies used by Clean TeQ less attractive to customers. This may reduce Clean TeQ's market share and limit growth, which in turn may have an adverse impact on revenue and profitability of Clean TeQ.

(f) Liability and Insurance Risk

Clean TeQ's insurance arrangements may not be adequate to protect Clean TeQ against all liabilities for losses arising from claims made against Clean TeQ by third parties. The liabilities/losses may arise from, but are not limited to, claims relating to public liability, environmental losses, property damage, product liability, business interruption and other risks that may arise in the course of its operations. If this occurs, Clean TeQ's financial performance could be materially affected.

(g) Litigation and Dispute Risk

From time to time, Clean TeQ may be involved in litigation in relation to issues such as contract, personal injury, employee disputes, intellectual property, environmental and other claims which may arise in the ordinary course of business. Any claim made against Clean TeQ may adversely impact upon the operational and financial performance of Clean TeQ, and may also negatively impact on the Share price. In addition, should Clean TeQ decide to pursue claims against a third party, including any party with whom Clean TeQ has entered into agreements, this process may incur significant management and financial resources, and a positive outcome for Clean TeQ can not be guaranteed. Further, even if Clean TeQ is successful in obtaining a judgement against a third party, Clean TeQ may not be able to recover any monies from that party. If this occurs, Clean TeQ's financial performance could be materially affected.

(h) Doing Business Internationally

There are certain risks inherent in doing business on an international level, such as unexpected changes in regulatory requirements (including taxation), tariffs, customs, duties and other trade barriers, longer payment cycles, problems in collecting accounts receivable, political instability, war and other political risks, fluctuations in currency exchange risk, foreign exchange controls which restrict or prohibit repatriation of funds, technology exports and import restrictions or prohibitions, seasonal reductions in business activity and potentially adverse tax consequences, any of which could adversely impact on the success of Clean TeQ's present and future proposed international operations.

Companies doing business in foreign countries may be required to obtain operating licences in new and uncertain regulatory environments. Such licences could prove to be difficult to obtain and retain, depending on government policies, customers, changes in political leadership and other factors.

Investors are strongly advised to regard any investment in the Company as long term and to be aware that substantial fluctuations in the value of their investment may occur over different periods of time.

The Prospectus provides information for investors to enable them to decide if they wish to invest in the Company. The Prospectus should be read in its entirety. If you have any questions about the desirability of, or procedure for investing in the Company, please contact your stockbroker, accountant or other independent financial adviser.



section

additional
information

section 9 additional information

9.1 Incorporation

Clean TeQ Holdings Limited (ACN127 457 916) was registered in Victoria as a public company limited by shares on 10 September 2007. Clean TeQ Holdings Limited acquired all of the shares in Clean TeQ Limited (ACN 089 076 022) on 24 September 2007.

Clean TeQ Limited owns all of the issued capital in Resix Pty Limited (ACN 106 222 502) and 90% of the shares in Clean TeQ Resin Production Pty Ltd (ACN 088 437 736).

9.2 Balance Date and Tax Status

The accounts balance date of the Company will be 30 June of each year. The Directors expect that the Company will be taxed in Australia as a public company.

9.3 Rights Attaching to Shares

There is only one class of shares in the Company, fully paid ordinary shares.

The rights attaching to shares in the Company are:

- (i) set out in the Constitution; and
- (ii) in certain circumstances, regulated by the Corporations Act, the Listing Rules, the SCH Business Rules and the general law.

The following is a summary of the principal rights of the holders of Shares.

(a) Voting

Every holder of shares present in person or by proxy, attorney or representative at a meeting of shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of shares who is present in person or by proxy, attorney or representative has one vote for every fully paid share held by him or her, and for every partly paid share registered in such shareholder's name on the Company's share register, a fraction of a vote equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable, whether or not called (excluding amounts credited), on the share.

A poll may be demanded by the chairperson of the meeting, by any five shareholders present in person or by proxy, attorney or representative having the right to vote at the meeting or by any one or more shareholders who are together entitled to not less than 5% of the total voting rights of, or paid up value of the shares of all those shareholders having the right to vote at that meeting.

(b) Dividends

Dividends are payable out of the Company's profits and are declared or determined to be payable by the Directors. Dividends declared will be payable on the shares at a fixed amount per share.

(c) Transfer of Shares

A shareholder may transfer shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX or the Corporations Act for the purpose of facilitating transfers in shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors may refuse to register any transfer of shares, other than a Proper ASTC Transfer where permitted by the Listing Rules. The Company must not refuse or fail to register or give effect to or delay or in any way interfere with a Proper ASTC Transfer of shares or other securities.

(d) Meetings and notice

Each shareholder is entitled to receive notice of and to attend general meetings of the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules.

(e) Liquidation rights

The Company has only one class of shares on issue, which all rank equally in the event of liquidation. Once all the liabilities of the Company are satisfied, a liquidator may, with the authority of a special resolution of shareholders, divide among the shareholders at the time the whole or any part of the remaining assets of the Company. The liquidator may with the sanction of a special resolution of the Company vest the whole or any part of the assets in trust for the benefit of shareholders as the liquidator thinks fit, but no shareholder of the Company can be compelled to accept any shares or other securities in respect of which there is any liability.

(f) Issue of Further Shares

The Directors may allot, issue or grant options in respect of, further shares on such terms and conditions as they see fit. However, the Directors must act in accordance with the Corporations Act, Listing Rules and any rights for the time being attached to the shares in any special class of those shares.

(g) Dividend Reinvestment Plan and Bonus Share Plan

The Constitution authorises the Directors to establish and maintain dividend reinvestment plans (whereby any member may elect that dividends payable by the Company be reinvested by way of subscription for shares in the Company) and bonus share plans (whereby any member may elect to forgo any dividends payable on all or some of the shares held by that member and to receive instead fully paid ordinary shares in the Company).

(h) Share Buy Backs

Subject to the provisions of the Corporations Act and Listing Rules, the Company may buy back shares in itself on the terms and at times to be determined by the Directors.

(i) Non-marketable parcels

The Constitution contains procedures to enable the Company to seek to sell up non-marketable parcels on behalf of shareholders, unless the shareholder requests otherwise.

(j) Variation of Class Rights

Unless otherwise provided by the Constitution or by the terms of issue of a class of shares, the rights attaching to any class of shares may be varied, cancelled or modified:

- (i) with the written consent of members with at least 75% of the votes in that class; or
- (ii) with the sanction of a special resolution passed at a separate meeting of the holders of those shares.

In either case, the holders of not less than 10% of the votes in that class of shares the rights of which have been varied, cancelled or modified, may apply to the court to have the variation, cancellation or modification set aside.

(k) Shareholder liability

As the shares offered under the Prospectus are fully paid shares, they are not subject to any calls for money by the directors and will therefore not become liable for forfeiture.

(l) Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least 75% of shareholders present and voting at the general meeting. At least 28 days written notice of the special resolution must be given.

(m) Listing Rules

If and while the Company is admitted to the Official List of ASX, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision, the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

9.4 Clean TeQ Option Plan

Plan Details

The Company has introduced a share option plan for employees and directors of, and service providers to, Clean TeQ (“the Plan”). The broad details of the Plan are set out below:

- (i) Under the Plan, eligible persons will be offered, and if accepted, granted, options entitling the holder to subscribe for Shares. The options may be subject to vesting and exercise restrictions (to be determined by the Board at the time of issue/acquisition). If a person no longer qualifies for the Plan, they will have three months to exercise any options which are capable of being exercised (except in limited circumstances).
- (ii) It is intended that the exercise price will generally be at or in excess of the prevailing volume weighted average sale price of Shares traded on ASX in the period immediately prior to the date of offer of the options.
- (iii) The Board will also retain a discretion to waive any conditions under certain limited circumstances and/or to allow options to be exercised and Shares acquired or transferred for monetary consideration equivalent to their value. The options will not otherwise be transferable once granted.
- (iv) The determination of eligibility to participate is at the absolute discretion of the Board. The Board may also determine at its absolute discretion the applicable performance criteria to be achieved and the time period in which those criteria must be satisfied. While not limiting the Board’s discretion, the performance criteria would generally be focused on the key financial and other performance measures set by Clean TeQ.
- (v) It is also expected that options allocated to a participant under the Plan will not be exercised by the employee until the performance criteria have been satisfactorily achieved (subject to the overriding discretion of the Board to waive or modify vesting conditions).
- (vi) While the terms of the options will adjust for corporate reorganisations and the like, holders of the options will have to exercise their options to participate in capital raisings by the Company.

It is intended that the maximum number of options to be offered to a participant under the Plan will be reasonable in terms of the participant’s total remuneration and the performance of Clean TeQ. While the Plan permits annual grants of options, it is not anticipated that Clean TeQ will make offers of options to participants each year.

Initial Grant

The Company has agreed to initially offer 3,081,000 options under the Plan, which are intended to be issued immediately prior to Admission. The options will be issued in three equal tranches as follows:

- (i) each option in the first tranche will have an exercise price of \$0.50 and will be capable of exercise at any time prior to the third anniversary of the issue date;
- (ii) each option in the second tranche will have an exercise price of \$0.55 and will be capable of exercise at any time in the period from the first anniversary of the issue date to the fourth anniversary of the issue date; and
- (iii) each option in the third tranche will have an exercise price of \$0.60 and will be capable of exercise at any time in the period from the second anniversary of the issue date to the fifth anniversary date.

No other conditions attach to the exercise of the options the subject of this grant and the options will otherwise have terms and conditions commonly applicable to options issued by ASX listed companies.

9.5 Legal Proceedings

The Directors are not aware of any litigation pending or threatened which may materially affect the business or financial position of the Company or Clean TeQ as a whole.

9.6 Voluntary Escrow

Each of Peter Voigt, Greg Toll and Jeremy Carter (and their respective controlled entities, Thierville Pty Ltd, Toll Associates Pty Ltd and Jeremy's Haven Pty Ltd) have agreed to enter into an escrow agreement with the Company which prohibits the dealings in their Shares during the 12 months following Admission, except in limited circumstances around takeovers.

The Company has applied to ASIC for relief from Chapter 6D of the Corporations Act to enable it to enter into these escrow deeds.

9.7 Material Contracts

The Directors consider that certain contracts would reasonably be considered to be significant or material to the Company or are of such a nature that investors and their professional advisers would reasonably expect to find described in a Prospectus for the purpose of making an informed assessment of the Offer (“Material Contracts”).

The main provisions of the Material Contracts are summarised below. As this section contains a summary only of the Material Contracts, the provisions of each contract are not fully described. To understand fully all rights and obligations pertaining to the Material Contracts, it will be necessary to read them.

(a) Underwriting Agreement

On 24 September 2007, the Company and ABN AMRO Morgans Corporate Ltd entered into the Underwriting Agreement under which the Underwriter agreed to arrange, manage and underwrite the Offer.

The key points of the Underwriting Agreement are set out (in summary only) below.

The Underwriter will underwrite the Offer by subscribing for or procuring subscriptions for any Shares comprising the shortfall, where the shortfall is the difference between the total number of Shares offered for subscription under the Offer 12,500,000 and the number of Shares the subject of Valid Applications (as defined in the Underwriting Agreement) prior to the Closing Date.

If the Underwriter performs its obligations under the Underwriting Agreement, it will be entitled to receive a fee from the Company of \$312,500. The fee comprises an underwriting fee of \$93,750, a selling fee of \$93,750 and a management fee of \$125,000. Any amounts due to the sub-underwriters and all handling fees will be paid directly by the Underwriter.

The Underwriter may terminate the Underwriting Agreement if the following events occur:

- (i) **(lodgement of Prospectus)** the Company fails to lodge the Prospectus with ASIC on 25 September 2007 or such other date agreed by the parties except where the sole reason or failing to lodge is an act or omission of the Underwriter;
- (ii) **(Quotation approvals)** approval is refused or not granted, other than subject to customary conditions, to the official quotation of all of the Offer Shares on ASX on or before the requisite date, or if granted, the approval is subsequently withdrawn, qualified or withheld before the issue of any Offer Shares;
- (iii) **(market fall)** at any time prior to the allotment date of the Offer Shares the S&P/ASX 200 Index of ASX is 10% or more below the level of that index at the close of normal trading on the Business Day before the date of signing this agreement;
- (iv) **(adverse change)** any material adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of Clean TeQ, including:
 - (A) any change in the earnings, future prospects or forecasts of Clean TeQ;
 - (B) any change in the nature of the business conducted by Clean TeQ;
 - (C) any event of insolvency in relation to Clean TeQ; or
 - (D) any change in the assets, liabilities, financial position or performance, profits, losses or prospects of Clean TeQ from those respectively disclosed in the Prospectus or otherwise to the public;
- (v) **(withdrawal)** the Company withdraws the Prospectus or the Offer or, without the written approval of the Underwriter, the Company lodges a supplementary prospectus;
- (vi) **(transaction documents)** there is a termination or material amendment of any of the transaction documents or any authorisation which is material to anything referred to in the transaction documents is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;

- (vii) **(key clients)** there is a termination or a material alteration to an agreement or relationship between the Company and BHP, CVRD, Munters or Barwon Water.
- (viii) **(repayment)** any circumstance arises after lodgement of the Prospectus that results in the Company offering applicants an opportunity to withdraw their applications for offer shares and be repaid their application money;
- (ix) **(disclosure in Prospectus)** a statement contained in the Prospectus is misleading or deceptive, or a matter required by the Corporations Act is omitted from the Prospectus (having regard to the provisions of the sections 710, 711 and 716);
- (x) **(supplementary Prospectus)** the Company fails to lodge a supplementary prospectus in a form acceptable to the Underwriter in circumstances where the Underwriter reasonably believes that the Company is prohibited by section 728(1) of the Corporations Act from offering Shares under the Prospectus;
- (xi) **(Prospectus to comply)** the Prospectus or any aspect of the Offer does not comply with the Corporations Act, the Listing Rules or any other applicable law or regulation which is material in the reasonable opinion of the Underwriter;
- (xii) **(notifications)** any of the following notifications are made:
 - (A) ASIC issues an order under section 739 of the Corporations Act;
 - (B) an application is made by ASIC for an order under Part 9.6 of the Corporations Act in relation to the Prospectus or ASIC commences and has not ceased any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Prospectus;
 - (C) any person gives a notice under section 733(3) of the Corporations Act or any person who has previously consented to the inclusion of its name in the Prospectus (or any supplementary prospectus) or to be named in the Prospectus withdraws that consent; or
 - (D) any person gives a notice under section 730 of the Corporations Act in relation to the Prospectus;
- (xiii) **(disclosures in due diligence report)** any information supplied by or on behalf of the Company to the Underwriter in relation to Clean TeQ or the Offer (as part of the due diligence program or otherwise) is misleading or deceptive or any of the due diligence results or any part of the verification material is misleading or deceptive;
- (xiv) **(new circumstance)** there occurs a new circumstance that has arisen since the Prospectus was lodged that would, in the reasonable opinion of the Underwriter, have been required to be included in the Prospectus if it had arisen before the Prospectus was lodged in relation to the Company;
- (xv) **(material contracts)** termination or a material amendment of any material contract of the Group without the prior written consent of the Underwriter, which must not be unreasonably withheld or delayed;
- (xvi) **(hostilities)** hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) or the occurrence of a major escalation in political or civil unrest involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom, any member state of the European Union, Israel, Japan or the Peoples Republic of China, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (xvii) **(change of law)** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia, or any State or Territory Parliament a new law, or the Reserve Bank of Australia, or any Commonwealth, State or Territory authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of this agreement);
- (xviii) **(change in management)** a change in the board of Directors or senior management of the Company occurs;

- (xix) **(legal proceedings and offence by Directors)** any of the following occurs:
 - (A) a Director is charged with an indictable offence;
 - (B) the commencement of legal proceedings against the Company or any Director; or
 - (C) any Director is disqualified from managing a corporation under section 206A of the Corporations Act; or
 - (D) a judgement in an amount exceeding \$25,000 is obtained against the Company and is not set aside or satisfied within 7 days;
- (xx) **(change to Constitution)** prior to the allotment of the Offer Shares, a change to the Constitution or the Company's capital structure occurs without the prior written consent of the Underwriter, which must not be unreasonably withheld or delayed;
- (xxi) **(change in shareholding)** except as a set out in the Prospectus, there is a material change in the major or controlling shareholder or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company;
- (xxii) **(certain resolutions passed)** the Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act without the prior written consent of the Underwriter which must not be unreasonably withheld or delayed;
- (xxiii) **(compliance with regulatory requirements)** a contravention by the Company of the Corporations Act, the Listing Rules, the Constitution or any other applicable law or regulation;
- (xxiv) **(breach)** a default or breach by the Company of any of its obligations or undertakings given under the Underwriting Agreement;
- (xxv) **(material contract breach)** any person commits a substantial breach of a material contract of Company;
- (xxvi) **(representations and warranties)** any representation or warranty contained in the Underwriting Agreement on the part of the Company is not true or correct;
- (xxvii) **(prescribed occurrence)** an event specified in section 652C(1) or section 652C(2) of the Corporations Act, but replacing "target" with "Company" without the prior written consent of the Underwriter, which must not be unreasonably withheld or delayed;
- (xxviii) **(Force Majeure)** a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (xxix) **(timetable)** an event specified in the timetable in the Underwriting Agreement is delayed for more than 3 business days other than as the direct result of actions taken by the Underwriter (unless those actions were requested by the Company) or the actions of the Company (where those actions were taken with the Underwriter's prior consent);
- (xxx) **(public statement)** the Company issues a public statement concerning the Offer which has not been approved by the Underwriter in accordance with the requirements of the Underwriting Agreement; or
- (xxxi) **(market conditions)** any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or the international financial markets or any change in national or international political, financial or economic conditions.

If an event referred to in clauses (xiii) to (xxxi) above occurs, the Underwriter may not terminate the Underwriting Agreement unless it believes, acting reasonably, that the event or a series of events together:

- (a) has or is likely to have a materially adverse effect on:
 - (i) the success of the Offer or the subsequent market for Shares; or
 - (ii) the condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of Clean TeQ; or

(b) has given or is likely to give rise to:

- (i) a contravention by the Underwriter, or the Underwriter being involved in a contravention of, the Corporations Act or any other applicable law; or
- (ii) a liability for the Underwriter.

The Company has given representations, warranties and indemnities to the Underwriter of the kind usually found in underwriting agreements.

Under the Underwriting Agreement, the Underwriter may at any time appoint sub-underwriters to sub-underwrite some or all of Offer Shares at its own cost and risk.

The Underwriter is entitled to be reimbursed by the Company its reasonable expenses associated with the underwriting (regardless of whether the Offer proceeds or otherwise).

(b) Sorbextro Licence Deed of Amendment (Deed)

The Deed, dated 24 November 2006, is between, Sorbextro & K, Clean TeQ Pty Ltd and Resix Pty Ltd. The Deed became effective on 24 November 2006.

The Deed has several purposes:

- (i) it clarifies the position between the parties in relation to previous licences of the Technology (see below);
- (ii) it effects a novation of the agreement between Sorbextro and Resix dated 4 January 2005 under which Sorbextro granted Resix a licence of the Technology ("Resix Agreement") in that CTL replaces Resix as a party to the Resin Agreement;
- (iii) it amends the terms of the Resix Agreement; and
- (iv) it extends the Resix Agreement such that it now has a term of 99 years (i.e. it expires on 23 November 2105).

For the purpose of the Deed, Technology means all technical, confidential and other information in relation to the ion exchange resin, ionite membranes and organic solvent extractants, including manufacturing know how, existing as at the effective date (i.e. 24 November 2006) that has been developed, acquired, conceived or reduced to practice by or on behalf of Sorbextro and that is not in the public domain.

Relevantly, the Technology is owned by the All Russian Research Institute of Chemical Technology (ARRICT). Sorbextro is the commercialisation arm of ARRICT. In each of the agreements entered into by Sorbextro with CTL (or a Clean TeQ Group entity), Sorbextro acknowledges and agrees that it has, both before and after the effective date of the agreements, all rights to license the Technology to CTL (or the applicable Clean TeQ entity) as the entity appointed by ARRICT to commercialise the Technology.

Background and previous agreements

ARRICT granted rights to RTEC Corporation (RTEC) in the Technology under an agreement dated 9 July 1999 (RTEC Agreement). Under the RTEC Agreement, ARRICT engaged RTEC as its exclusive agent worldwide (except in the territories formerly known as the USSR) for the manufacture, marketing and sale of resin using the Technology. ARRICT and RTEC formed a joint venture company for the purpose of manufacturing, marketing and selling the resin and the registration of patents over the Technology. ARRICT was to provide technical assistance for the further development of the Technology, including the provision of staff. The RTEC Agreement was to have an initial two year term and then, if it was not terminated for breach in that time, automatically continue for a further 99 years. The ownership of improvements was not dealt with under the RTEC Agreement.

CTL purchased all of the shares in RTEC. Subsequently, Sorbextro entered into a licence of the Technology with CTL dated 1 September 2000 (CTL Agreement). The CTL Agreement was similar in its terms and effect to the RTEC Agreement. Under the CTL Agreement, Sorbextro agreed not to provide any of the information about the Technology to any other party.

The CTL Agreement was replaced by the Resix Agreement. The Resix Agreement provided that it supersedes all previous agreements between Sorbextro and CTL and between Sorbextro and RTEC. Sorbextro granted to Resix an exclusive licence to manufacture, market and sell the resin and to use and exploit the Technology worldwide (except in the territories formerly known as the USSR). Resix was entitled to register and own any necessary patents arising out of the Technology. Sorbextro was to provide technical assistance for the further improvement of the Technology, including the provision of staff. Sorbextro agreed not to provide any of the information about the technology to any other party. Further, Resix was to be the owner of all intellectual property rights arising from further development of the Technology as a result of the relationship between Sorbextro and Resix. The Resix Agreement was to have an initial two year term and then, if it was not terminated for breach in that time, automatically continue for a further 99 years.

Clarification of previous agreements

This Deed provides that the CTL Agreement was terminated with effect from 4 January 2005 (the date of the Resix Agreement). The Deed further provides:

- (i) despite any term to the contrary in the RTEC Agreement, CTL Agreement or Resix Agreement, that Clean TeQ is entitled to be the sole owner of any modifications, developments or improvements to the Technology acquired, conceived or reduced to practice by or on behalf of Clean TeQ or Resix prior to 24 November 2006 under those earlier agreements; and
- (ii) an acknowledgement by Sorbextro that no payments or other obligations under the RTEC Agreement and CTL Agreement remained outstanding.

Novation of licence agreement

With effect from 24 November 2006, the Deed novated the Resix Agreement in favour of CTL (in place of Resix). Sorbextro and Resix each discharged the other from all existing and future actions or claims arising out of the Resix Agreement and CTL agrees to perform the obligations of Resix which have not been performed as of 24 November 2006.

Amendments to Resix Agreement

The Deed also operates to replace the terms of the Resix Agreement with the terms set out in the Deed.

With effect from 24 November 2006, Sorbextro granted CTL an exclusive licence to exploit the Technology in all of the world excluding Russia, Estonia, Latvia, Lithuania, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Armenia, Azerbaijan, Georgia, Belarus, Moldova and Ukraine (Territory) for the 99 year term. Sorbextro also granted CTL a non-exclusive licence to exploit the Technology for the sole purpose of exploiting the CTL Improvements outside the Territory.

During the term, Sorbextro must ensure that the Technology, all information relating to the Technology and any improvements in the Technology are not disclosed to any party in the Territory other than CTL. Sorbextro must not manufacture or sell resin (incorporating the Technology) in the Territory or license anyone else to do so. Sorbextro must take all steps necessary to ensure that parties who have access to the Technology outside the Territory comply with these obligations.

CTL will use reasonable endeavours to maximise the sale of resin (incorporating the Technology).

Sorbextro warrants that it is entitled to grant the licence of the Technology on the terms of this deed.

Each party agrees to take reasonable steps to keep the confidential information in relation to the Technology out of the public domain. The parties also have obligations in respect of each other's confidential information. However, CTL is not prevented from disclosing confidential information in relation to its improvements to the Technology, or confidential information of Sorbextro, to a sub licensee or any party authorised by CTL to manufacture resin.

Sorbextro must provide technical assistance and consultation services with respect to ongoing improvements to the Technology. CTL will bear the costs of the provision of these services, provided that the costs are approved in advance. Sorbextro assigns to CTL all rights in any improvements to the Technology developed as a result of Sorbextro providing this technical assistance and the consultation services.

CTL is the sole owner of any improvements to the Technology acquired, conceived or reduced to practice by or on behalf of CTL or its sub licensees during the term.

Sorbextro is the owner of any improvements to the Technology acquired, conceived or reduced to practice by or on behalf of Sorbextro during the term, excluding those it develops in the course of providing the services to CTL under this deed. Sorbextro must provide details of such improvements to CTL. With effect from the date of creation, any such improvements are deemed to be included in the licence to CTL.

CTL must pay to Sorbextro a royalty on the sales value of the resin (incorporating the Technology) sold by CTL (the sales value being the value as shown on sales invoices, excluding all local taxes and duties). In addition, if CTL lists as a public company during the term of the Deed, CTL must pay to Sorbextro a licence fee of A\$100,000.

Either party may terminate the Deed immediately if the other party:

- (i) breaches the Deed and fails to remedy the breach within 30 days after receiving a notice requiring it to do so; or
- (ii) breaches a material provision of the Deed where the breach is not capable of remedy.

In addition, Sorbextro may terminate the Deed immediately if CTL becomes insolvent.

On termination of the Deed, all improvements developed by CTL continue to be owned by CTL. The licence of the Technology and the obligation on Sorbextro to provide services will continue to the extent required by CTL to fulfil any obligations and requirements in existence as at the date of termination. CTL's obligations to pay royalties continues for as long as it continues to manufacture and sell resin (incorporating the Technology) until 23 November 2105.

CTL may assign its rights under the Deed and its rights under the licence of Technology to a third party. There is no change of control clause.

(c) Technology Licence – BHP Billiton/CVRD

The Technology Licence Agreement (TLA) (and related Resin Supply and Technical Services Agreements) were entered into by CTL with BHP Billiton SSM Development Pty Ltd (BHP Billiton) and CVRD International SA (CVRD) (collectively the Licensees) on 21 February 2007.

Under the TLA, CTL granted to each of the Licensees a worldwide, sub-licensable, transferable licence to use the Subject Technology in the Field, including by producing, using, marketing and selling products using or incorporating the Subject Technology in any way. The licences granted to each of the Licensees are separate and independent. The licence continues until terminated in accordance with the terms of the TLA.

For the purpose of the TLA:

‘Subject Technology’ is defined to include various patent applications and any other intellectual property rights of CTL which are related to or connected with applying or exploiting the subject matter of the patents in the Field. The rights licensed under the TLA include the recipes for the Resin licensed by CTL from Sorbextro; and

‘Field’ means the recovery of nickel, cobalt and associated elements from nickel-bearing ores and products resulting from their processing.

The TLA grants the Licensees an exclusive licence in that CTL is not permitted to use, or grant any rights in, the Subject Technology in the Field or license any third parties to use the Subject Technology in the Field.

Under the TLA, neither Licensee is obliged to exploit the Subject Technology. If a Licensee does elect to use the Subject Technology, it may sub-licence its rights under the TLA.

CTL is required to pursue the grant of the relevant patent applications and protect any relevant patents which have been granted in certain specified jurisdictions.

To secure the rights of the Licensees under the TLA, the Resin recipes have been placed in escrow. Either Licensee may request the Resin recipes be released from escrow at any time after the third anniversary of the commencement date of the TLA or earlier if CTL is unwilling or unable to supply Resin to meet the requirements of the Licensees.

If the Resin formulations are released from escrow, the licensees may only use them to manufacture Resin for use in the Field or develop or modify a Resin solely intended for use in the Field.

In return for the grant of the licence under the TLA, the Licensees have agreed to pay CTL certain lump sum payments (on the achievement of agreed milestones) and a royalty on the Resin incorporating the Subject Technology that are used by them. The royalty is payable whether the Resin is manufactured by or on behalf of a Licensee.

The TLA may be terminated by the Licensees on 30 days notice. Otherwise, the TLA may be terminated in the event of an unremedied breach or insolvency only. If a Licensee terminates the TLA for breach by, or insolvency of, CTL, its rights to use the Subject Technology continue in perpetuity. However, CTL loses all rights to use certain improvements in the Subject Technology and to require the payment by the Licensee of the Resin royalty.

If CTL terminates the agreement, it is important to note that, despite termination, the Licensees’ rights to use the Subject Technology will generally continue in perpetuity.

The TLA also contains assignment, change of control, indemnity and limitation of liability clauses.

The Licensees retain a first and last right of refusal in respect of the assignment of the Subject Technology in the event that CTL decides to dispose of its interest in the same.

Under the related Technical Services Agreement (TSA), CTL must provide the Licensees with certain technical services during the term of the TSA including, if required by the Licensees, in relation to pilot plant construction and operation, parallel process development, and/or parallel process engineering. The TSA has a term of two years.

Under the related Resin Supply Agreement, if BHP Billiton constructs a pilot plant, CTL has agreed to supply the Resin (using or incorporating the Subject Technology) necessary to operate that plant. The Resin Supply Agreement continues for three years or until the date on which BHP Billiton notifies CTL that the pilot plant meets agreed benchmark performance criteria established for that plant, whichever is earlier.

(d) Distribution arrangement with Adwest Technologies, Inc

From 1 May 2006, Adwest has engaged CTL to make and distribute products incorporating Adwest's RETOX Regenerative Thermal Oxidiser Technology on an exclusive basis in Australia, certain other parts of Asia Pacific, India and Pakistan. Adwest provides CTL with technical and other information relating to its technology.

CTL pays Adwest a royalty of the sale price of each regenerative thermal oxidiser unit sold by CTL, excluding all costs relating to additional equipment, transport, installation, commissioning and taxes.

CTL is responsible for liabilities arising from its use of the Adwest technology, and provides a corresponding indemnity to Adwest for loss Adwest suffers as a result of such use.

The arrangement continues for an initial term of five years, and will roll over for successive five year periods unless terminated by Adwest or CTL by giving 6 month's notice before the end of the current term. After the arrangement ends, CTL must stop using the Adwest technology.

(e) Consulting Services Agreements

CTL has entered into a consulting agreement with SLM Corporate for independent financial corporate advisory services. SLM Corporate is entitled to a retainer fee of \$25,000 per month, capped after 5 months. Under the terms of the agreement, SLM is further entitled to an IPO management fee of 0.85% of the market capitalisation of the Company upon listing, with a minimum fee of \$250,000 payable upon listing. CTL agrees to indemnify and hold harmless SLM and its directors, officers and employees from loss in connection with the carrying out of the engagement, with exclusions for SLM's wilful misconduct, dishonesty, fraud or gross negligence.

9.8 Interests of Directors and Promoters

Other than as set out below or elsewhere in this Prospectus:

- (A) no Director, proposed Director or promoter of the Company holds or has held in the two years before the date of this Prospectus, any interest:
- (i) in the formation or promotion of the Company;
 - (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
 - (iii) the Offer; and
- (B) no amount has been paid or agreed to be paid and no value or any benefit has been given or agreed to be given to any Director, proposed Director or promoter of the Company:
- (i) to induce them to become, or to qualify them as, a director of the Company; or
 - (ii) for services that he or she has provided in connection with the formation or promotion of the Company or the Offer.

Shareholding qualifications

The Directors are not required to hold any Shares in the Company as a prerequisite to appointment as a Director.

Remuneration of Directors – Non-Executive

The Constitution provides that the non-executive Directors may be paid or provided remuneration for their services the total amount or value of which must not exceed an aggregate maximum of \$500,000 per annum or such other maximum amount determined from time to time by the Company in general meeting. The aggregate maximum sum will be apportioned among them in such manner as the Directors in their absolute discretion determine.

A non-executive Director may be paid fees or other amounts as the Directors determine where a non-executive Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director.

A non-executive Director is entitled to be paid traveling and other expenses properly incurred by them in attending Directors' or general meetings of the Company or otherwise in connection with the business of the Company.

No retirement benefits are to be paid to non-executive Directors.

Remuneration of Directors – Executive

Under the Constitution, the remuneration of executive Directors may from time to time be fixed by the Directors. The remuneration may be by way of salary or commission or participation in profits, including by way of a commission on, or a percentage of, operating revenue of the practices overseen by the relevant executive Director.

A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Each of Greg Toll and Peter Voigt is an employee of the Company and currently receive a salary and/or other benefits as an employee of the Company as follows.

Director	Salary & Fees \$	Superannuation Benefits \$	Options \$	Total \$
Peter Voigt	252,294	22,706	10,389	285,389
Greg Toll	252,294	22,706	10,389	285,389
Total	504,588	45,412	20,778	570,778

Investors should note that the respective agreements include contractual entitlements that provide for the executive Directors to participate in the Clean TeQ Option Plan and to be paid performance bonuses (as determined by the Board). The Executive Directors may terminate their employment on three months' notice, with the Company required to give six months' notice. The agreements also include restraints on outside activities, restrictive covenants and rights that permit the agreements to be terminated in certain circumstances.

Executive Directors may be paid termination benefits in lieu of the relevant notice periods under their contracts.

Consulting Agreement with Jeremy's Haven Pty Ltd

The Company has entered into a consulting agreement with Jeremy's Haven Pty Ltd ("JHPL"), which is an entity controlled by Jeremy Carter. Under the agreement, JHPL agrees to provide business development services generally for a minimum of 2 days per week, as well as specific activities as agreed with the Chairman from time to time. Jeremy Carter is engaged to act as a director of the Company or any related body corporate of the Company if requested by the Senior Executives from time to time. Fees of \$110,000 per annum (GST exclusive) are payable by the Company to JHPL. The agreement may be terminated on six months' notice by the Company or three months notice by JHPL.

Consulting Services Agreement with SLM Corporate Ltd

Barry Lewin is the founder and Managing Director and holds a majority beneficial interest in SLM Corporate Ltd, which is providing independent financial corporate advisory services to the Group. See Section 9.7(e) for details of this agreement.

Directors' Share and option holdings

Set out below are details of the interests of the Directors in the securities of the Company immediately prior to lodgement of the Prospectus with the ASIC for registration. Interests include those held directly and indirectly.

Director	Shares [#]	Options [*]
Ralph Pliner	Nil	195,000
Greg Toll	7,596,162	585,000
Peter Voigt	19,527,801	585,000
Jeremy Carter	5,690,310	234,000
Barry Lewin	Nil	97,500

[#]Investors should note that the Directors reserve the right to participate in the Offer.

^{*}Options issued under the Clean TeQ Option Plan.

Deeds of Indemnity, Insurance and Access

The Company will enter into a deed with each of the Directors under which the Company agrees to maintain an insurance policy for each Director for at least 7 years after the Director ceases to hold office and to indemnify (to the extent permitted by the Corporations Act and the law generally) each Director for any liability and loss (including legal costs) incurred by the Director as an officer of the Company. The Company agrees to provide each Director with access to Board documents circulated during the Director's term of office.

9.9 Interest of Professionals, Experts, Advisers and Promoters

Other than as set out below or elsewhere in this Prospectus:

- (A) no persons named in the Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus or as a promoter of the Company has, or during the last two years before the date of this Prospectus has had, any interest in:
- (i) in the formation or promotion of the Company;
 - (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
 - (iii) the Offer; and
- (B) no amount, whether in cash or shares or otherwise, has been paid or agreed to be paid and no value or benefit has been given or agreed to be given to any person named in the Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus for services provided in connection with the formation or promotion of the Company or the Offer.

Pitcher Partners Corporate Pty Ltd has acted as Investigating Accountant to the Offer and has prepared the 'Investigating Accountant's Report' ('IA Report') contained in Section 6.5 of this Prospectus and performed work in relation to due diligence enquiries concerning the historical and forecast financial information included in the Prospectus. The Company has paid or agreed to pay estimated fees of approximately \$50,000 (plus out of pocket expenses) in respect of services performed in relation to the Prospectus. Further amounts may be paid to Pitcher Partners Corporate Pty Ltd in accordance with its usual time based charge out rates.

Haihong Li, Robert Eldridge and Peter Scales, Department of Chemical and Biomolecular Engineering, The University of Melbourne have prepared the 'Technical Expert Report' contained in Section 7 of this Prospectus. The Company has paid or agreed to pay the fees of approximately \$11,500 (plus out of pocket expenses) in respect of the provision of the Technical Report for inclusion in the Prospectus.

Minter Ellison has acted as legal adviser for the Company generally and, in particular, as its legal adviser in respect of the Offer. The Company has paid or agreed to pay Minter Ellison estimated fees of approximately \$140,000 in respect of services performed in relation to the Offer and the Prospectus. Further amounts may be paid to Minter Ellison for other legal services provided to the Company in accordance with its usual time based charge out rates.

ABN AMRO Morgans Corporate Ltd has acted as underwriter to the offer. The Company has agreed to pay its fees as detailed in the Underwriting Agreement. The fees are detailed in Section 9.7(a).

SLM Corporate Ltd has acted as corporate adviser to the Company in relation to the Offer. The Company has agreed to pay its fees as detailed in the Consulting Services Agreement. The fees are detailed in Section 9.7(e).

Computershare Investor Services Pty Limited (Computershare) has been engaged by the Company to maintain its share register, both in relation to the Offer and generally. The Company will pay Computershare fees in accordance with Computershare's standard commercial terms. Computershare has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registry of the Company. Computershare has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

BDO Kendalls Audit & Assurance (VIC) Pty Ltd acted as the auditor of CTL and audited the historical financial statements for the year ended 30 June 2007 from which the information included in or referred to in Section 6 of the Prospectus has been extracted. The Company has paid or agreed to pay BDO Kendalls Audit & Assurance (VIC) Pty Ltd fees of approximately \$28,000 in respect of services performed in relation to the audit.

9.10 Consents to the inclusion of information

Each of the parties referred to in this section:

- (i) does not make, or purport to make, any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by any of those parties, other than as specified in this section; and
- (ii) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Pitcher Partners Corporate Pty Ltd has given and, at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in the Prospectus as the Investigating Accountant in connection with the Offer in the form and context in which it is named and to the inclusion of, and references to, the IA Report in Section 6.5 of the Prospectus, in the form and context in which those references are made and the IA Report is included, in the form and context in which it is named.

Pitcher Partners has given and, at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in the Prospectus as the auditor of the Company.

Haihong Li, Robert Eldridge and Peter Scales, Department of Chemical and Biomolecular Engineering, The University of Melbourne have given and, at the time of lodgement of this Prospectus, have not withdrawn their consent to be named in the Prospectus as the Technical Expert in connection with the Offer in the form and context in which they are named.

Minter Ellison has given and, at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in the Prospectus as the Legal Advisers to the Company in relation to the Offer, in the form and context in which it is named.

Computershare Investor Services Pty Limited has given and, at the date of this Prospectus, has not withdrawn its consent to be named in this Prospectus as the Share Registry of the Company in the form and context in which it is named.

ABN AMRO Morgans Corporate Ltd has given and, at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in the Prospectus as Underwriter to the Offer, in the form and context in which it is named.

SLM Corporate Ltd has given and, at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in this Prospectus as a Corporate Adviser to the Company in the form and context in which it is named.

BDO Kendalls Audit & Assurance (VIC) Pty Ltd has given and, at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in the Prospectus as the auditor of CTL for the year ended 30 June 2007 in the form and context in which it is named.

9.11 Costs of the Issue

The total estimated expenses of the Offer payable by the Company, including underwriting commissions and fees, accounting fees, legal fees, lodgement fees, listing fees, fees for other advisers, prospectus design, printing, advertising and other miscellaneous expenses (including taxes and other government charges), will be approximately \$1,125,000. These fees and expenses are payable out of the proceeds of the Offer.

9.12 Authorisation

This Prospectus is issued by Clean TeQ Holdings Limited (ACN 127 457 916). Each Director has consented, and has not withdrawn his consent as at the date of this Prospectus, to the lodgement of this Prospectus with ASIC and the issue of this Prospectus in accordance with section 720 of the Corporations Act.



section

10

glossary

section 10 glossary

“**Admission**” means admission to the Official List of ASX.

“**AIFRS**” means the Australian equivalent International Financial Reporting Standards.

“**Applicant**” means a person or entity who submits an Application Form.

“**Application Form**” means the application form attached to, or accompanying, this Prospectus.

“**Application Monies**” means the money received by the Company from Applicants for Shares under the Offer, being the Offer Price multiplied by the number of Shares for which applications are made.

“**ASIC**” means the Australian Securities and Investments Commission.

“**ASTC**” means ASX Settlement & Transfer Corporation Pty Limited (ACN 008 504 532).

“**ASTC Settlement Rules**” means the settlement rules of the ASTC.

“**ASX**” means the ASX Limited (ACN 008 624 691).

“**AUD**” “A\$ or \$” means Australian Dollars.

“**Base Technology**” means the technology developed by the All Russian Research Institute of Chemical Technology, the subject of the licence agreement between CTL and Sorbextro.

“**BHP Billiton**” means BHP Billiton SSM Development Pty Ltd (ACN 082 760 549).

“**Board**” means the Board of Directors.

“**CHESS**” means the Clearing House Electronic Sub-register System, operated by ASTC.

“**Clean TeQ**” means Clean TeQ Holdings Ltd and its controlled entities, CTL, Resix and Clean TeQ Resin Development Pty Ltd.

“**Clean TeQ Holdings Ltd**” means Clean TeQ Holdings Ltd (ACN 127 457 916).

“**Clean-iX® Technology**” means the ion exchange technology for the separation and purification of materials as used by Clean TeQ.

“**Closing Date**” means the date on which the Offer closes, being 5:00pm AEDT on 31 October 2007, subject to alteration as set out in this Prospectus.

“**Company**” means Clean TeQ Holdings Ltd.

“**Constitution**” means the constitution of the Company.

“**Corporations Act**” means Corporations Act 2001 (Cth).

“**Corporate Advisor**” means SLM Corporate Ltd (ACN 088 664 680) holder of Australian Financial Services Licence Number 224034.

“**CTL**” means Clean TeQ Limited (formerly Clean TeQ Pty Ltd) (ACN 089 076 022).

“**CVRD**” means CVRD International SA of Chemin du Glapin, 1162 Saint Prex, Switzerland.

“**Director**” means a director of the Company.

“**EBIT**” means earnings before interest and tax.

“**EBITDA**” means earnings before interest, tax, depreciation and amortisation.

“**Exposure Period**” means the period of seven days after the Prospectus Date which may be extended by the ASIC by not more than seven days pursuant to section 727(3) of the Corporations Act.

“**Financial Information**” means the information set out in Section 6 of this Prospectus.

“**FY07**” means the financial year ending on 30 June 2007.

“**FY08**” means the financial year ending on 30 June 2008.

“**Group**” means Clean TeQ.

“Historical Financial Information” means the Audited Historical Statement of Financial Position as at 30 June 2007, and Income Statements and Statements of Cashflows for the years ending 30 June 2006 and 30 June 2007, as set out in Section 6 of this Prospectus.

“IAS” means the International Accounting Standards.

“IFRS” means the International Financial Reporting Standards.

“Independent Expert Report” means the report contained in Section 7 of this Prospectus.

“Listing Rules” means the ASX Listing Rules from time to time.

“Management” means the executive management of Clean TeQ.

“NPAT” means net profit after tax.

“Offer” means the offer pursuant to this Prospectus of 12,500,000 Shares at the Offer Price.

“Offer Period” means the period commencing on the Opening Date and ending on the Closing Date.

“Offer Price” means \$0.50 per Share.

“Official List” means the Official List of ASX.

“Opening Date” means 10 October 2007, which is the date on which the Offer opens subject to alteration as set out in this Prospectus.

“Original Prospectus” means the prospectus dated 25 September 2007 and the replacement Prospectus dated 26 September 2007 in relation to the Offer which is replaced by this Prospectus.

“PCT” means Patent Cooperation Treaty.

“ppm” means parts per million.

“Prospectus” means this replacement Prospectus, lodged with ASIC on 9 October 2007 which replaces the Original Prospectus, and any supplementary or replacement Prospectus in relation to this Prospectus.

“Prospectus Date” means 25 September 2007.

“Pro Forma Financial Information” means the Pro Forma Statement of Financial Position as at 30 June 2007 as set out in Section 6 of this Prospectus.

“Pro Forma Capital Structure” means the capital structure of the Company upon the completion of this Offer, as set out in Section 6 of this Prospectus.

“Resin” means an organic polymer in the form of small beads used in separation processes.

“Shareholders” means holders of Shares.

“Share” means one fully paid ordinary share in the Company.

“Share Registry” means Computershare Investor Services Pty Limited, who have been engaged by the Company to provide share registry services.

“Sorbextro” means Sorbextro & K of 33, Kashirskoe Shosse, 115230, Moscow, Russia.

“Underwriter” means ABN AMRO Morgans Corporate Limited (ACN 010 539 607).

“VOC” means Volatile Organic Compound.

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Clean TeQ Holdings Ltd

ACN 127 457 916

Registry Use Only

Application Form

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional adviser without delay. You should read the entire replacement prospectus of Clean TeQ Holdings Ltd dated 9 October 2007 (Prospectus) carefully before completing this form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus.

Broker Code

| | | | |

Adviser Code

| | | | |

A I/we apply for

| | | | |

Number of Shares in Clean TeQ Holdings Ltd at \$0.50 per Share or such lesser number of Shares which may be allocated to me/us

B I/we lodge full Application Money

A\$ | | | | | . |

C Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)

Title or Company Name	Given Name(s)	Surname

Joint Applicant 2 or Account Designation	

Joint Applicant 3 or Account Designation	

D Enter your postal address - Include State and Postcode

Unit	Street Number	Street Name or PO Box /Other Information

City / Suburb / Town	State	Postcode

E Enter your contact details

Contact Name

Telephone Number - Business Hours / After Hours
()

F CHESS Participant

Holder Identification Number (HIN)
X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any securities issued as a result of the IPO will be held on the Issuer Sponsored subregister.

Cheque details - Make your cheque or bank draft payable to Clean TeQ Holdings Ltd - Share Offer Account

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A\$

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A\$

By submitting this Application Form, I/we declare that this application is completed and lodged according to the Prospectus and the declarations/statements on the reverse of this Application Form and I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate. I/we agree to be bound by the Constitution of Clean TeQ Holdings Ltd.

See back of form for completion guidelines



How to complete this form

A Shares Applied for

Enter the number of Shares you wish to apply for. The application must be for a minimum of 4,000 Shares. Applications for greater than 4,000 Shares must be in multiples of 1,000 Shares.

B Application Monies

Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares applied for by \$0.50.

C Applicant Name(s)

Enter the full name you wish to appear on the statement of share holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHES) participants should complete their name identically to that presently registered in the CHES system.

D Postal Address

Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E Contact Details

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

F CHES

Clean TeQ Holdings Ltd (the Company) will apply to the ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of ASX. In CHES, the Company will operate an electronic CHES Subregister of security holdings and an electronic Issuer Sponsored Subregister of security holdings. Together the two Subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of Shares allotted. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold Shares allotted to you under this Application on the CHES Subregister, enter your CHES HIN. Otherwise, leave this section blank and on allotment, you will be issuer sponsored and allocated a Securityholder Reference Number (SRN).

G Payment

Make your cheque or bank draft payable to 'Clean TeQ Holdings Ltd - Share Offer Account' in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank.

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application Form being rejected. Paperclip (do not staple) your cheque(s) to the Application Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

Before completing the Application Form you should read the Prospectus to which this application relates. By lodging the Application Form, you agree that this application for Shares in Clean TeQ Holdings Ltd is upon and subject to the terms of the Prospectus and the Constitution of Clean TeQ Holdings Ltd, agree to take any number of Shares that may be allotted to you pursuant to the Prospectus and declare that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

Application Forms must be received by Computershare Investor Services Pty Limited, Melbourne by no later than 5pm AEDT on 31 October 2007. Return the Application Form with cheque(s) or bank draft attached to:

Computershare Investor Services Pty Limited OR Computershare Investor Services Pty Limited
GPO Box 52 Yarra Falls
MELBOURNE VIC 8060 452 Johnston Street
 ABBOTSFORD VIC 3067

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS"), as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or E-mail privacy@computershare.com.au

If you have any enquiries concerning your application, please contact ABN AMRO Morgans Corporate Limited on 134 226.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold Shares. Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and the surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable title(s) below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual - Use given name(s) in full, not initials	Mr John Alfred Smith	J.A Smith
Joint - Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company - Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s) - Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates - Use executor(s) personal name(s) - Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) - Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships - Use partners personal name(s) - Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names - Use office bearer(s) personal name(s) - Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds - Use the name of trustee of the fund - Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund



Clean TeQ Holdings Ltd

ACN 127 457 916

Registry Use Only

Application Form

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Broker Code

| | | | |

Adviser Code

| | | | |

A I/we apply for

| | | | |

Number of Shares in Clean TeQ Holdings Ltd at \$0.50 per Share or such lesser number of Shares which may be allocated to me/us

B I/we lodge full Application Money

A\$ | | | | | . |

C Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)

Title or Company Name	Given Name(s)	Surname

Joint Applicant 2 or Account Designation	

Joint Applicant 3 or Account Designation	

D Enter your postal address - Include State and Postcode

Unit	Street Number	Street Name or PO Box /Other Information

City / Suburb / Town	State	Postcode

E Enter your contact details

Contact Name

Telephone Number - Business Hours / After Hours
()

F CHESS Participant

Holder Identification Number (HIN)
X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any securities issued as a result of the IPO will be held on the Issuer Sponsored subregister.

Cheque details - Make your cheque or bank draft payable to Clean TeQ Holdings Ltd - Share Offer Account

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A\$

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A\$

By submitting this Application Form, I/we declare that this application is completed and lodged according to the Prospectus and the declarations/statements on the reverse of this Application Form and I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate. I/we agree to be bound by the Constitution of Clean TeQ Holdings Ltd.

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E Contact Details

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

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Before completing the Application Form you should read the Prospectus to which this application relates. By lodging the Application Form, you agree that this application for Shares in Clean TeQ Holdings Ltd is upon and subject to the terms of the Prospectus and the Constitution of Clean TeQ Holdings Ltd, agree to take any number of Shares that may be allotted to you pursuant to the Prospectus and declare that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

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MELBOURNE VIC 8060 452 Johnston Street
 ABBOTSFORD VIC 3067

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Joint - Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company - Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s) - Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates - Use executor(s) personal name(s) - Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) - Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships - Use partners personal name(s) - Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names - Use office bearer(s) personal name(s) - Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds - Use the name of trustee of the fund - Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

Company

Clean TeQ Holdings Ltd

ACN 127 457 916
270 Hammond Road
Dandenong South, Victoria, 3175
Ph: +61 (03) 9706 8244
Fax: +61 (03) 9706 8344
www.cleanteq.com

Directors

Ralph Pliner – Independent Chairman
Greg Toll – Chief Executive Officer
Peter Voigt – Executive Director
Jeremy Carter – Executive Director
Barry Lewin – Non Executive Director

Company Secretary

Marc Lichtenstein

Lawyers to the Company

Minter Ellison

Level 23 South, Rialto Towers
525 Collins Street
Melbourne, Victoria, 3000
Ph: +61 (03) 8608 2000
Fax: +61 (03) 8608 1000
www.minterellison.com

Share Registry

Computershare Investor Services Pty Limited

452 Johnston Street
Abbotsford Victoria 3067
Ph: +61 1300 850 505
Fax: +61 (03) 9473 2500
www.computershare.com.au

Corporate Advisor

SLM Corporate Ltd

Level 15
330 Collins Street
Melbourne, Victoria, 3000
Ph: +61 (03) 9244 9644
Fax: +61 (03) 9600 1644
www.slmcorporate.com.au

Underwriter

ABN AMRO Morgans Corporate Limited

Level 27,
367 Collins Street
Melbourne, Victoria, 3000
Ph: +61 (03) 9947 4111
Fax: +61 (03) 9038 1971

Level 29,
123 Eagle Street
Brisbane, Queensland, 4000
Ph: +61 (07) 3334 4888
Fax: +61 (07) 3831 0593
www.abnamromorgans.com.au

Auditor

Pitcher Partners

Level 19, 15 William Street
Melbourne, Victoria, 3000
Ph: +61 (03) 8610 5000
Fax: +61 (03) 8610 5999
www.pitcher.com.au

Investigating Accountants

Pitcher Partners Corporate Pty Ltd

Level 19, 15 William Street
Melbourne, Victoria, 3000
Ph: +61 (03) 8610 5000
Fax: +61 (03) 8610 5999
www.pitcher.com.au

Technical Expert

Haihong Li, Robert Eldridge and Professor Peter Scales Department of Chemical and Biomolecular Engineering

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