

## Appendix 4C – Quarterly Report

**Clean TeQ Holdings Limited (ASX; CLQ)** is pleased to present its Appendix 4C for the quarter ending 31 March 2008.

The business remains on track to meet its prospectus forecasts. During the quarter the Resource Recovery and Water Divisions of the Company have continued to fulfil existing contracts.

During the current quarter the Company was successful in winning a number of new projects in the Air Purification division. The largest Air projects awarded to the Company during the quarter included the Pimpama Odour Control Contract awarded by WaterCycle Alliance for Gold Coast Water and the AnaeCo Odour Control Contract in Perth.

In order to facilitate the continued growth in the business 5 new employees joined the Company during the third quarter. At the end of the quarter Clean TeQ employed 29 people.

Due to the project based nature of the Clean TeQ Holdings Limited business, receipts from customers and net operating cash flows will continue to be received as milestones are achieved across the major contracts.

Clean TeQ Holdings Limited was incorporated on 10 September 2007 and on 24 September 2007 acquired 100% of the share holdings in Clean TeQ Limited via a scrip for scrip transfer of shares. Whilst Clean TeQ Holdings Limited is the legal parent entity and Clean TeQ Limited the legal subsidiary, this transaction was accounted for in accordance with AASB 3; Business Combinations, using "reverse acquisition" accounting principles. Accordingly, the basis of preparation of the Appendix 4C cash flow has been presented as if the legal subsidiary, Clean TeQ Limited was the acquirer on 24 September 2007.

The current quarter cash flow for the period ending 31 March 2008 includes the operations of Clean TeQ Holdings Limited, the economic entity. The comparative for the nine months ended 31 March 2008 includes the operations of Clean TeQ Limited even though it wasn't part of the economic entity for the whole of this period.

### For more information:

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### About Clean TeQ Holdings Limited (ASX: CLQ)

Clean TeQ is an Australian mining and environmental services group focused on developing, commercialising and selling air purification, resource recovery and water purification technologies. The Company Listed on the Australian Stock Exchange in November 2007. For more information about Clean TeQ please visit the Company's website at [www.cleanteq.com](http://www.cleanteq.com).

## Appendix 4C

### Quarterly report for entities admitted on the basis of commitments

Name of entity

Clean TeQ Holdings Limited

ABN

34 127 457 916

Quarter ended ("current quarter")

31 March 2008

#### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	3,577	12,075
1.2 Payments for (a) staff costs	(788)	(2,016)
(b) advertising and marketing	(22)	(110)
(c) research and development		
(d) leased assets		
(e) other working capital	(1,708)	(6,666)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	34	134
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid / refund received		2
1.7 Other (provide details if material)		
<b>Net operating cash flows</b>	<b>1,092</b>	<b>3,417</b>

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	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	1,092	3,417
<b>1.9 Cash flows related to investing activities</b>		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(46)	(111)
(e) other non-current assets	(355)	(1,103)
<b>1.10 Proceeds from disposal of:</b>		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	5	5
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
<b>Net investing cash flows</b>	(396)	(1,209)
<b>1.14 Total operating and investing cash flows</b>	696	2,208
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.		5,068
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings	(4)	(10)
1.19 Dividends paid		(1,200)
1.20 Other – Repayment of loan to related party		(658)
<b>Net financing cash flows</b>	(4)	3,200
<b>Net increase (decrease) in cash held</b>	692	5,408
1.21 Cash at beginning of quarter/year to date	5,835	1,119
1.22 Exchange rate adjustments to item 1.20		
1.23 <b>Cash at end of quarter</b>	6,527	6,527

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**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	204
1.25	Aggregate amount of loans to the parties included in item 1.11	Nil

1.26 Explanation necessary for an understanding of the transactions

Cash payments to directors comprise executive director salaries plus non-executive director fees for the quarter.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Not Applicable

**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	\$1,000	Nil
3.2	Credit standby arrangements	Nil	Nil

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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	2,451	1,761
4.2 Deposits at call	4,076	4,074
4.3 Bank overdraft		
4.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.23)	6,527	5,835

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration	N/A	N/A
5.3 Consideration for acquisition or disposal	N/A	N/A
5.4 Total net assets	N/A	N/A
5.5 Nature of business	N/A	N/A

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: .....  
 (Company Secretary)



Date: 18 April 2008

Print name: Marc Lichtenstein