

Appendix 4C – Quarterly Report

Clean TeQ Holdings Limited (ASX: CLQ), an Australian technology company involved in air and water purification and resource recovery, is pleased to present its Appendix 4C for the quarter ending 31 December 2008.

During the quarter the Air and Water Divisions of the Company continued to win new contracts and fulfil existing contracts, whilst the Resource Recovery Division fulfilled existing contracts. At 31 December 2008 the Company had its largest order book on record and continues to have an active pipeline of new opportunities.

In the quarter ended 31 December 2008 the Company was successful in winning a number of significant projects in the Air Purification Division. The two largest projects awarded to the Company included the design, manufacture and installation of six biologically based odour control filters at the Beenyup Waste Water Treatment Plant in Western Australia and the construction of three activated carbon based odour control units at West MacGregor in the Australian Capital Territory. These two contracts have respective values of in excess of \$5 million and \$3.7 million.

The Water Division won a water treatment contract for work to be undertaken on behalf of Fortescue Metals during the current quarter.

During the quarter the Resource Recovery Division has successfully completed construction of a Clean-iX® Resin-In-Pulp Pilot Plant at the Langer Heinrich uranium mine in Namibia. The Company continues to experience new enquiries for the use of this technology in the mining industry, especially for Uranium projects.

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. Accordingly, it is difficult to predict with accuracy the full year profit result. The Company expects to have a better understanding of its likely full year profit position at the end of the March 2009 quarter.

At the end of the December 2008 quarter the Company had a cash balance of \$5,355,000 and no material debt.

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.

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 December 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	1,857	3,002
1.2 Payments for (a) staff costs	(368)	(1,264)
(b) advertising and marketing	(18)	(28)
(c) research and development		
(d) leased assets		
(e) other working capital	(1,138)	(1,686)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	99	210
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid / refund received		
1.7 Other (provide details if material)		
Net operating cash flows	432	233

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	432	233
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property	(17)	(33)
(d) physical non-current assets	(15)	(23)
(e) other non-current assets	(901)	(1,360)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(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)		
Net investing cash flows	(933)	(1,416)
1.14 Total operating and investing cash flows	(501)	(1,183)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings	(3)	(6)
1.19 Dividends paid		
1.20 Other		
Net financing cash flows	(3)	(6)
Net increase (decrease) in cash held	(504)	(1,189)
1.21 Cash at beginning of quarter/year to date	5,859	6,544
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	5,355	5,355

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	132
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. During the current quarter a director related entity provided consultancy services to the Company. The terms and conditions of the immaterial consultancy services were provided on an arms length basis.

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	974
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	1,355	1,859
4.2 Deposits at call	4,000	4,000
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	5,355	5,859

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: 27 January 2009

Print name: Marc Lichtenstein