

Appendix 4C – Quarterly Report

Clean TeQ Holdings Limited (ASX; CLQ) is pleased to present its Appendix 4C for the quarter ending 30 September 2009. Air, Resource Recovery and Water Divisions of the Company continued to win new contracts and fulfil existing contracts during the quarter. The Company continues to have a strong pipeline of new opportunities.

In the quarter ended 30 September 2009 the Company was successful in winning a number of projects in the Air Purification Division and the Company is on track to significantly exceed its 2009 revenues in this Division.

During the quarter the Resource Recovery Division has continued to experience a significant number of new enquiries for the use of its Clean-iX® Resin technology in the mining industry for uranium and gold projects. This Division was awarded uranium and base metals preliminary design studies during the period with major mining businesses.

The Water Division was awarded a major project to design, supply and install technology for a new water teaching facility in Victoria during the period.

Furthermore, during the quarter the Company acquired all of the shares of UV-Guard Australia Pty Ltd (“UV-Guard”). UV-Guard is a profitable Sydney based Australian company that specialises in the design, sale and distribution of ultra violet disinfection products that are used in the water and wastewater industries. The acquisition has had an impact on the cash balance at the end of the quarter. The Company funded the acquisition price and working capital requirements of the business in an amount of approximately \$500,000.

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, some quarters may generate negative returns from operations. At the end of the September 2009 quarter the Company had a cash balance of \$2,767,448 and no material debt. This balance also reflects the increased working capital needs of the business as it experiences growth. In addition, a significant Air contract continues to be delayed part way through procurement, which has impacted cash flows.

The Company provides cash on deposit as security for its financing facilities.

For more information:

Greg Toll, Chief Executive Officer	+613 9797 6700
Marc Lichtenstein, Company Secretary	+613 9797 6767

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")

30 September 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from customers	2,245	2,245
1.2 Payments for		
(a) staff costs	(759)	(759)
(b) advertising and marketing	(61)	(61)
(c) research and development		
(d) leased assets		
(e) other working capital	(2,996)	(2,996)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	34	34
1.5 Interest and other costs of finance paid	(2)	(2)
1.6 Income taxes paid / refund received		
1.7 Other (provide details if material)		
Net operating cash flows	(1,539)	(1,539)

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

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,539)	(1,539)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)	(253)	(253)
(b) equity investments		
(c) intellectual property	(39)	(39)
(d) physical non-current assets	(83)	(83)
(e) other non-current assets	(579)	(579)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	13	13
(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	(941)	(941)
1.14 Total operating and investing cash flows	(2,480)	(2,480)
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	52	52
1.18 Repayment of borrowings	(1)	(1)
1.19 Dividends paid		
1.20 Other		
Net financing cash flows	51	51
Net increase/(decrease) in cash held	(2,429)	(2,429)
1.21 Cash at beginning of quarter/year to date	5,196	5,196
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	2,767	2,767

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

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	198
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	Part of the UV-Guard Australia Pty Ltd acquisition was settled during the quarter by way of the issue of 333,890 Clean TeQ Holdings Limited ordinary shares at an issue price of \$0.2995 per share.
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 – bank guarantees	\$1,676	1,373
3.2	Credit standby arrangements	Nil	Nil

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

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	91	1,496
4.2 Deposits at call	2,676	3,700
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	2,767	5,196

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	UV Guard Australia Pty Ltd	N/A
5.2 Place of incorporation or registration	Sydney - Australia	N/A
5.3 Consideration for acquisition or disposal	\$450,000	N/A
5.4 Total net assets	\$258,728	N/A
5.5 Nature of business	Design, sale and distribution of ultra violet water disinfection products.	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: 28 October 2009

Print name: Marc Lichtenstein