

## Appendix 4C – Quarterly Report

**Clean TeQ Holdings Limited (ASX; CLQ)** is pleased to present its Appendix 4C for the quarter ending 31 December 2009.

In the quarter ended 31 December 2009 the Company won a number of new projects in the Air Purification Division and is on track to significantly exceed its 2009 revenues in this Division for the year ending 30 June 2010. For example, during the current quarter the Air Division was advised that it had been appointed as a sub-contractor for the supply, installation and dry commissioning of an Air Treatment Facility at Melbourne Water's Northern Sewerage Project Stage 1. The contracts for the delivery of the Air Treatment Facility project will generate in excess of \$1.5 million in revenues.

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 various uranium and gold projects. This Division was awarded uranium, gold and base metals preliminary design studies during the quarter by major mining clients, which may lead to significant projects in this financial year. For example, following a gold design study undertaken during the quarter, this Division has been awarded a contract by Barrick Gold, a world leading gold mining group, for the design and supply of a Clean-iX® Resin-in-Leach Demonstration Plant. The award of the contract is expected to generate revenue in the current financial year of approximately \$2 million.

During the previous quarter the Company acquired all of the shares of UV-Guard Australia Pty Ltd ("UV-Guard"), which now forms part of the Water Division. UV-Guard is an 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 performance of UV-Guard during the current quarter has been profitable and ahead of budget.

Currently, each of Clean TeQ Holdings Limited Divisions' (Air, Water and Resource Recovery) are at different stages of their development and growth phases. Timing of receipts from customers impacts on net operating cash flows as payments are made when contract milestones are achieved. Accordingly, some quarters may generate negative returns from operations whilst other quarters will produce strong returns. At the end of the December 2009 quarter the Company had a cash balance of \$2,890,158 and no material debt.

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

### For more information:

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Marc Lichtenstein, Company Secretary	+613 9797 6767

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

Clean TeQ is an Australian resource recovery 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 December 2009

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	4,561	6,806
1.2 Payments for		
(a) staff costs	(749)	(1,508)
(b) advertising and marketing	(42)	(103)
(c) research and development		
(d) leased assets		
(e) other working capital	(2,823)	(5,818)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	25	59
1.5 Interest and other costs of finance paid	(2)	(5)
1.6 Income taxes paid / refund received		
1.7 Other (provide details if material)		
<b>Net operating cash flows</b>	<b>970</b>	<b>(569)</b>

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	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	970	(569)
<b>1.9 Cash flows related to investing activities</b>		
Payment for acquisition of:		
(a) businesses (item 5)	(2)	(255)
(b) equity investments		
(c) intellectual property	(13)	(52)
(d) physical non-current assets	(11)	(94)
(e) other non-current assets	(818)	(1,397)
<b>1.10 Proceeds from disposal of:</b>		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	2	15
(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>	(842)	(1,783)
<b>1.14 Total operating and investing cash flows</b>	128	(2,352)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	-	51
1.18 Repayment of borrowings	(5)	(5)
1.19 Dividends paid		
1.20 Other		
<b>Net financing cash flows</b>	(5)	46
<b>Net increase/(decrease) in cash held</b>	123	(2,306)
1.21 Cash at beginning of quarter/year to date	2,767	5,196
1.22 Exchange rate adjustments to item 1.20		
<b>1.23 Cash at end of quarter</b>	2,890	2,890

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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	\$202
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	
	<p>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.</p>	

**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	Not Applicable
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	\$1,334
3.2	Credit standby arrangements	Nil	Nil

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**Reconciliation of cash**

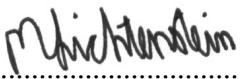
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	1,214	91
4.2 Deposits at call	1,676	2,676
4.3 Bank overdraft		
4.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.23)</b>	<b>2,890</b>	<b>2,767</b>

**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 2010

Print name: Marc Lichtenstein