



Aeris Technologies Ltd
ABN: 19 093 977 336
Level 1, 5/26-34 Dunning Ave
Rosebery NSW 2018

Tel: 1300 557 481
Tel: +61 2 8344 1315
Fax: +61 2 9697 0944
Web: www.aeris.com.au

28 May 2007

Companies Announcements Office
Australian Stock Exchange Limited

Acquisition of Environmental Services Business in USA

Aeris Technologies (Aeris) today announced that its USA operating subsidiary, Aeris Technologies LLC, has acquired a 60% majority stake in Aeris Atlantic LLC giving the Company an important foothold and immediate commercial revenue in the USA environmental services market.

The acquisition of Aeris Atlantic from Advanced Air Filtration LLC is in line with the Company's previously announced intention to move to a more direct model in the USA and gives Aeris access to the Mid-Atlantic region which includes the key States of Pennsylvania, New York State, New Jersey and Washington D.C. Importantly, it is also the first stage of a planned roll-out of the AerisGuard Environmental Services solution business across USA which will provide major corporations with significant reduction in energy consumption, system efficiency improvements, and healthier indoor air.

Aeris Atlantic LLC is experiencing strong revenue growth and pre-acquisition had targeted revenues of \$11 million in calendar year 2009. The Mid-Atlantic region represents approximately 17% of the USA market opportunity. Aeris is actively identifying further opportunities to build on this acquisition and to expand its direct sales presence in the USA and the roll-out of the AerisGuard Environmental Services business to the other States.



The acquisition of Aeris Atlantic will be satisfied with the issue of Aeris Technologies Ltd fully paid shares on achievement of financial targets over the next 2 years and the provision of a loan to fund the organisation's working capital requirements.

Huw Jones, CEO of Aeris Technologies, comments *"I believe the combination of the Aeris' patented technology and Aeris Atlantic's contacts and operational experience makes a very powerful team. We have been strongly supporting Aeris Atlantic for over 12 months on the successful launch of the AerisGuard solution on the USA eastern seaboard and this has resulted in a number of high-profile clients choosing the AerisGuard solution. I am therefore very excited by this acquisition as it gives Aeris the ability to work directly with the customer and importantly allows the Company to capture the true value of its intellectual property."*

Aeris Atlantic brings management with a depth of experience and contacts in the USA environmental remediation and protection market. The company will be managed day-to-day by Mr. Terry Bray (who is the past-President of the USA peak air-conditioning remediation trade body, NADCA) and will be strongly supported by Ron Bacskai, Aeris Technologies (USA) Executive Vice President.

Commercial roll-out of the AerisGuard system in the USA commenced in March 2006 after Aeris Technologies Ltd received regulatory approval for its patented environmental services products from the USA Environmental Protection Agency (EPA).

Over the last 12 months Aeris Atlantic has applied the AerisGuard Environmental Solution to a number of key accounts including:

- Harrah's Hotel & Casino
- Wyeth
- Morgan Stanley
- Chase Manhattan
- Thomas Jefferson University Hospital
- Trump Taj Mahal
- Princeton University.

As part of the Company's broader environmental services strategy Aeris Technologies is also actively identifying opportunities for the launch of its Aeris Hygiene Services Cold Storage business in USA based on the success of the Australian direct model

The USA is the globe's largest consumer of energy and producer of greenhouse gases and Aeris is now strongly positioned in the region to scale its environmental services growth.

Huw Jones
Chief Executive Officer

Contact Details:

Geoff Harrison, Radar Investor Relations

Tel: 02 8256 3308; Email: GeoffreyH@radar-ir.com.au

About Aeris Technologies

Aeris Technologies Ltd is an industrial technology company focusing on the international environmental service market. The Company has three core technologies centered on multi-enzyme biofilm removal solutions, residual anti-microbial coatings and corrosion protection coatings. Aeris has developed products for application in the air-conditioning and cold storage service and manufacturing industries together with the large water treatment market. The Company has a number of distribution partnerships around the world including 3M in Japan and Trane in Indochina and a direct service subsidiary in Australia, Aeris Hygiene Services, focused on the cold storage environment.