



Aeris Technologies Ltd
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Companies Announcements Office
Australian Securities Exchange

QUARTERLY REPORT – APPENDIX 4C

In accordance with Listing Rule 4.7B we attach the September 2007 Quarterly Report – Appendix 4C.

Air-Conditioning Division

The pan-Asian Trane distribution agreement, originally anticipated to commence at the end of October, is now expected to be signed by the end of November 2007. This delay in the formal execution of the agreement has not halted the expansion of the relationship throughout the region. The new Trane Product Manager with responsibility for the AerisGuard products has already made an impact on the activity in each of the target countries in the region.

In the USA, Aeris' partner Aeris Atlantic, has become an approved vendor to the global pharmaceutical corporation, Bristol-Myers Squibb (BMS). It now anticipates commencing work at a BMS facility in December 2007. Aeris Atlantic has also been requested by a Harrah's resort to submit a 3-year service contract proposal worth over USD\$500,000. There are 4 other Harrah's facilities in the Mid-Atlantic region.

As previously announced, Aeris signed a global supply agreement with a leading pharmaceutical corporation in June 2007. Site assessments at 5 facilities have now been completed (including 2 large sites in Puerto Rico) and full recommendation reports have been submitted. The predicted payback to these facilities from implementing the AerisGuard solution based on the resultant energy saving ranged from 3 to 9 months.

Water Treatment Division

In the quarter Aeris' water treatment division, Aeris Biological Solutions, continued to promote its multi-enzyme biofilm removal technology to the mining industry and successfully completed a remediation of a sub-contracted water treatment facility supplying water to a BHP Billiton mine.

Aeris continues to work with a major global water filtration company on its problem sites in Australia and, after successfully solving the severe biofilm issue at the first water treatment facility, anticipates starting work on the second site in the near term.

Aeris is working with the New Mexico Institute of Mining and Technology (NMIMT) in the USA on the removal of biofilm in oil and gas recovery facilities. The oil and gas industry in New Mexico generates more than 100 million barrels of contaminated water per year with most of it being dumped back into the same geological formations in which the fuel reserves are found. Current attempts to purify the water are seen as impractical due the severe and recurring biofouling of the membrane filters. NMIMT have been chartered by the US Government to solve the biofouling of these membrane filters so that this huge volume of water can be practically used. NMIMT plan to test the AerisGuard Multi-Enzyme to confirm its ability to environmentally remove biofilm and maintain the membrane filter efficiency. The trials are expected to commence in December 2007.

Cold Storage Division

In the quarter the Company's Australian cold storage direct service subsidiary, Aeris Hygiene Services (AHS), won a modest 2 year contract with a General Mills facility (General Mills is a \$12 billion US based food manufacturer and the owner of brands such as Haagen Dazs and Pillsbury). AHS also completed a series of successful trials with large customer groups including Domino's Pizza, Burger King and Woolworths and has agreements with Coles and the YUM group (owners of KFC and Pizza Hut) to conduct trials at a select number of their facilities. Whilst there is a reasonable lead time in closing such large sales opportunities the Company is pleased with this progress.

Aeris is in advanced discussions with a leading air-conditioning service company in New Zealand to form a new venture focussed on the cold storage market. This corporation has long term contracts with large multi-site clients in both the petrochemical and quick service restaurant markets. Successful trials of the AerisGuard Cold Storage Solution have already been completed with these key customers. This new business is expected to develop in the first quarter of calendar 2008.

The Company has had discussions with the one of the world's leading manufacturers of mobile refrigeration systems (used in refrigerated trucks, buses and trains). The USA based company has indicated an interest to initially introduce the AerisGuard Cold Storage Performance Solution to their customers via their extensive dealer network in the USA.

Finance

Cash receipts from customers in the quarter were \$198,000. Sales in the period were affected by work scheduled by Aeris Atlantic being postponed 1-2 months due to the inability of customers to shut down their air-conditioning following unseasonably high temperatures in August and September.

Staff costs increased in the quarter with the recruitment of additional sales and technical personnel in USA.

Aeris cash on hand at 30 September 2007 was \$1.38 million and the Company remains debt free.



Huw Jones
Chief Executive Officer

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Aeris Technologies Ltd

ABN

19 093 977 336

Quarter ended ("current quarter")

30 September 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	198	198
1.2 Payments for		
(a) staff costs	(616)	(616)
(b) advertising and marketing	(230)	(230)
(c) research and development	(165)	(165)
(d) leased assets	(4)	(4)
(e) other working capital	(347)	(347)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	16	16
1.5 Interest and other costs of finance paid	(5)	(5)
1.6 Income taxes refund (including R&D tax rebate)	-	-
1.7 Other - Export Market Development Grant	-	-
- Rent received	16	16
Net operating cash flows	(1,137)	(1,137)

+ See chapter 19 for defined terms.

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

	Current quarter	Year to date (12 months)
	\$A'000	\$A'000
1.8 Net operating cash flows (carried forward)	(1,137)	(1,137)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(92)	(92)
(e) other non-current assets	-	-
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	(92)	(92)
1.14 Total operating and investing cash flows	(1,229)	(1,229)
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	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(1,229)	(1,229)
1.21 Cash at beginning of quarter/year to date	2,633	2,633
1.22 Exchange rate adjustments	(20)	(20)
1.23 Cash at end of quarter	1,384	1,384

+ See chapter 19 for defined terms.

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	227
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payments for rent of \$73,129 were made to Ramlist Pty Ltd, of which B Stang is a director. Payments for contracted R&D of \$99,864 were made to Novapharm Research (Australia) Pty Ltd of which Messrs M Stang, B Stang and S Kritzler are directors. Payments for corporate overhead, distribution and administration of \$54,089 were made to Medi-Consumables Pty Ltd, of which Messrs M Stang and B Stang are directors.

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	Nil	Nil
3.2	Credit standby arrangements	250	Nil

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.