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Companies Announcements Office
Australian Stock Exchange Limited

Major Commercial Update

Second Commercial OEM Customer

In July 2005 Aeris Technologies announced the receipt of its first commercial order for its unique AerisCoat Corrosion Protection OEM (original equipment manufacturer) product. The order was received from SKM in the United Arab Emirates.

The Company is pleased to advise that it has now received a second commercial order for its AerisCoat product from the Voltas Corporation.

Voltas is a leading diversified Indian company with total annual revenues equivalent to A\$500 million and is the largest manufacturer of commercial and residential air-conditioning equipment in the region.

The initial order of 2,000 litres is for application in the commercial air-conditioning plant. As Voltas expands the use of the AerisCoat product throughout its commercial and residential production plants it is expected to generate in excess of the up to \$750,000 announced with the SKM order in annual revenue to Aeris Technologies.

This second commercial order strongly validates the efforts of the Aeris Team to develop a long term global business in the OEM manufacturing sector.

OEM Opportunities in USA

In July 2005 Aeris had initial meetings with eight large HVAC (heating, ventilation and air-conditioning) manufacturers in the USA including a number of the world's leading commercial branded HVAC companies to introduce the AerisCoat Corrosion Protection product.

Arising from these discussions and strong positive customer feedback, Aeris Technologies is now working with a number of these manufacturers to validate the product for use in the production plants, including application trials.



Whilst there is a lead time in securing the commitment and commercial implementation associated with OEM customers, it is estimated that each one of the larger individual production plants could generate in excess of A\$10 million recurring revenue for Aeris Technologies.

Global Distribution Partners

The Company is pleased to advise the market that it is in significant discussions with a number of leading multinational companies to underpin its international growth. These discussions have included a number of face to face meetings which have generated substantial recognition of the attractiveness of Aeris' proprietary environmental technologies. Aeris believes that a positive conclusion of these discussions may have a material impact on the Company's revenues during the course of 2006 and beyond.

Research and Development Update

In August 2005 the Company announced that in conjunction with the University of New South Wales, it had been awarded a \$540,000 Australian Research Council ARC Linkage Grant.

Aeris is now able to advise that this research project has already delivered an early successful outcome by extending the range of operating temperatures at which one of its key enzymes maintains full biological activity. This result will further expand the market opportunities arising from the Company's enzyme technologies into a broader arena of water treatment applications.

OnSite Commercial Success

Aeris Technologies has recently completed the first major commercial trial of its new OnSite Corrosion Protection product.

This product compliments the Company's OEM range and is designed for application in HVAC systems post installation and addresses a global inherent corrosion problem which currently significantly reduces equipment life.

This success was achieved by Aeris' Indochina distributor, Trane, in Thailand at a major petroleum company. The results were outstanding both in terms of ease of application and the characteristics of the finished protective coating. It is estimated that there are 1 million HVAC coils in Thailand alone that require corrosion protection. Following this trial preparations are being made to launch the product in a number of key global markets

The OnSite Corrosion Protection technology materially expands the Company's commercial opportunities in the vast worldwide installed HVAC market.

Industrial Water Treatment Technology

In September Aeris Technologies completed a paid commercial trial of its unique multi-enzyme technology. The product was used to successfully remove biofilm in an extensive water-pipe network at a large mining operation in New South Wales. This trial has highlighted significant opportunities in the mining industry which expand the Company's water treatment activities outside of the current focus on HVAC systems.

Aeris has identified biofilm removal as a massive global opportunity and is in the process of establishing a dedicated water treatment division. This division will have discreet product management and technical resources and is aimed at accelerating the earliest possible commercialisation in both the commercial and industrial markets.

Yours sincerely

A handwritten signature in black ink, appearing to be 'M. Stang', with a large, stylized flourish extending to the right.

Maurie Stang
Chairman