PROSPECTUS

SOIL SUB TECHNOLOGIES LIMITED ACN 078 388 155

A copy of this Prospectus has been lodged with the Australian Securities and Investments Commission on 21 December 2007.
The Australian Securities and Investment Commission does not take any responsibility for the contents of this prospectus

PROSPECTUS

For the issue of ordinary shares at an issue price of up to $1.00
to raise $5,000,000

Any investor should seek professional investment advice from a licenced financial or investment advisor, stock broker, accountant or lawyer before making a decision to subscribe for Ordinary Shares in Soil Sub Technologies Limited ACN 078 388 155 in reliance on this Prospectus

SOIL SUB TECHNOLOGIES LIMITED ACN 078 388 155

www.soilsub.com

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CORPORATE DIRECTORY

Directors

Graeme Eric Scott
Chairman

James Nicholas Callianiotis
Chief Executive Officer

Alan Neil Atchison
Non-Executive

John Leslie Saunders
Non-Executive

Terence Henry Charles Timms
Non-Executive

Secretary

Oscar Giuseppe Enrico Pellizzon

Auditors

Rix Levy Fowler Audit & Corporate Pty Ltd
ACN 121 222 802
Level 1, 12 Kings Park Road
West Perth WA 6005

Share Registry

Computershare Investor Services Pty Limited
ABN 480 782 792 77
Level 2, 45 St George's Terrace
Perth WA 6000

Independent Accountants

Rix Levy Fowler Audit & Corporate Pty Ltd
ACN 121 222 802
Level 1, 12 Kings Park Road
West Perth WA 6005

Corporate Advisor

Egan Capital Pty Ltd
ACN 110 372 202
9 Nixon Place
Cherrybrook NSW 2126

Patent Attorney

Smoorenburg
Patent & Trade Mark Attorneys
Unit 1, 231 Maroondah Highway
Ringwood VIC 3134

Registered Office

C/- **Intuity Partners Pty Ltd**
ACN 009 447 974
Level 1, 26 Clive Street
West Perth WA 6005

Business Office

Suite 18, 30 Park Road
Milton QLD 4064

Lawyers to the Company

Hewlett Walker Lawyers
Level 12, 410 Queen Street
Brisbane QLD 4000

Accountants

Intuity Partners Pty Ltd
ACN 009 447 974
Level 1, 26 Clive Street
West Perth WA 6005

1. IMPORTANT INFORMATION

This Prospectus is dated 21 December 2007.

A copy of this Prospectus was lodged with the Australian Securities and Investments Commission ("ASIC") on 21 December 2007.

ASIC takes no responsibility for the contents of this Prospectus.

In accordance with Chapter 6D of the Corporations Act 2001 (Cth) (" the Act") this Prospectus is subject to an exposure period of seven (7) days from the date of lodgement with ASIC. This period may be extended by ASIC for a further period of up to seven days. The purpose of the exposure period is to enable this Prospectus to be examined by market participants prior to the raising of funds. If this Prospectus is found to be deficient, applications received during the exposure period will be dealt with in accordance with section 724 of the Act. Applications received prior to the expiration of the exposure period will not be processed until after the expiry of the exposure period. No preference will be conferred on Applications received during the exposure period and all Applications received during the exposure period will be treated as if they were simultaneously received on the Opening Date.

This Prospectus does not constitute an invitation or offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of the Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

Prospective investors should read the full text of this Prospectus as the information contained in individual sections is not intended to and does not provide a comprehensive review of the business and financial affairs of Soil Sub Technologies Limited or the Shares offered under this Prospectus.

This Prospectus will be posted on the Company's Internet site, www.soilsub.com In addition, copies of the Prospectus will be available on request by members of the public by calling Soil Sub Technologies Limited on +61 (0)7 3368 3557. Copies will be sent by paper copy or by other means as determined by the Company.

Applications for Shares in Soil Sub Technologies Limited can be made by either completing the Application Form attached to this Prospectus or, if the Prospectus is obtained from the Company's internet site, by downloading and completing the Application Form on the Company's internet site.

Any potential investor should seek advice before making a decision to invest in Soil Sub Technologies Limited Ordinary Shares from a licenced investment or financial advisor, stockbroker, accountant or lawyer.

No Ordinary Shares will be issued pursuant to this Prospectus after the expiry date. The expiry date of this Prospectus is 21 January 2009, being a date 13 months after the lodgement date of this Prospectus.

2. MESSAGE FROM THE CHAIRMAN

Soil Sub Technologies Limited ("the Company") was incorporated on 1 May 1997 in Australia, and since 2001 has developed intellectual property rights including patents enabling it to manufacture and market, a highly water retentive, nutrient efficient fully organic growing medium product under the brand name "NutriMix®".

NutriMix® is manufactured from renewable waste resources produced by the processing of other agricultural products which are available in abundance in many parts of the world.

NutriMix® looks and feels like natural soil but as distinct from natural soil, it is transportable between countries in many cases.

In view of the global warming phenomenon and water shortages currently being suffered in various regions of the world, it is anticipated that the NutriMix® products will be in significant demand in numerous international markets. The timing is right for the Company to fully exploit its product range.

An agency representation agreement has been signed with GRM International Pty Limited, a major Australian company for marketing representation in the Middle East and North Africa regions.

Initial orders of NutriMix® have been supplied to the Middle East, and further substantial orders are anticipated to follow in the near future.The Company is presently completing joint venture arrangements for the manufacture of NutriMix® in South Africa for supply to the Middle East and Europe as well as internal sales.

On 8 June 2007 the Company concluded it's next major marketing initiative by execution of an exclusive licence agreement with Hong Kong based entity, Timms Cho Group Limited, for that entity to manufacture and market the NutriMix® product throughout the Peoples' Republic of China, Hong Kong, Taiwan and Macau. In return, the Company will receive a licence fee of US$5,000,000 payable over 4 years, with ongoing minimum royalty revenue of US$6,250,000 each year for the first 4 years of the agreement, with a total term (including options) of 20 years. Total revenue to the Company from this agreement will be not less than US$30,000,000 in the first 4 years.

The first revenue from this agreement provides for a minimum payment of $9.56 million to be received in the financial year ending 30 June 2009.

The Company expects to receive additional revenue from the China agreement from other sales of product over and above the contractual arrangements in that agreement. The Company has also received, manufactured and supplied (50%) of a 3000 cubic meter order of product for use on a new golf course development in Zilzie near Rockhampton, Queensland.

Details of the key agreements, the Company's intellectual property, the features of the NutriMix® products, and the manufacturing and marketing plans for the products are set out in this Prospectus.

To assist the Company to capitalise on its exciting international business prospects, the Company is seeking to raise up to $5,000,000.00 by the issue of ordinary fully paid shares at an issue price of up to $1.00 per share. Existing Shareholders in the Company will enjoy a 0.20c discount on the issue price.

The Directors believe the Company has excellent prospects for international growth and profitability and the Company will aggressively progress the sale, delivery and/or licensing of its products in several international regions. The Directors intend to make regular dividend payments to shareholders at the earliest possible time.

I commend to you an investment in the Ordinary Shares in the Company.

Yours faithfully,

Graeme Scott

Chairman

3 THE OFFER

This Prospectus provides information on the Offer by the Company to its existing Shareholders and new investors to subscribe for shares at an issue price of $1.00 per share to raise additional capital of up to $5,000,000. The Company reserves the right to accept oversubscriptions to raise up to a further $5,000,000.

All existing Shareholders who are registered as Shareholders in the Company's share register as at 21 December 2007 (i.e. date of lodgement of Prospectus) will receive a discount to the offer price of $0.20 cents per Share, meaning a cash subscription price of $0.80 cents per Share for existing Shareholders.

There is no Minimum Subscription condition for the Offer under this Prospectus.

The Opening Date of the Offer is expected to be 28 December 2007 (i.e. 7 days after date of lodgement of the Prospectus) and the Closing Date of the Offer will be 5:00 pm EST on 9 March 2009. These dates are approximate only and may change.

The rights attaching to the Shares offered to investors under this Prospectus are summarised later in this Section.

3.1 PURPOSE OF THE OFFER

The key purposes of the Offer in this Prospectus are to provide the Company with the necessary funding required to assist to:

1. commercially exploit the sale of the NutriMix® products to the markets identified by the Company's management and outlined in detail in this Prospectus; and
2. provide on going working capital; and
3. meet any outstanding costs of listing the Company on the Australian Securities Exchange (ASX).

3.2 CAPITAL STRUCTURE

On completion of the Offer on the basis that all new Shares are taken up, the details of the Shares on issue will be as follows:

	Number of Shares	% of Total
Current Shares	83,674,002	94.36%
New Shares under the Offer (including shares issued under excluded offers - see section 3.3.1)	5,000,000	5.75%
Total	**88,674,002**	**100%**

As at 31 October 2007 details of the spread of existing shares and shareholders was as follows:

Number of shares held	Number of holders
100,001 and over	48
10,001 to 100,000	102
5,001 to 10,000	89
2,001 to 5,000	175
1 to 2,000	145
Total number of shareholders	**559**

All of the offers to existing Shareholders prior to this Prospectus have been in the nature of offers not needing disclosure under the Act in accordance with the provisions of Section 708 of the Act. These offers are referred to in this prospectus as “exempt offers”.

3.3 OFFER IN DETAIL

3.3.1 The Offer

This Prospectus provides information on the Offer by the Company to investors to subscribe for up to 5,000,000 Shares at an issue price of $1.00 per Share to raise additional capital of up to $5,000,000.

Current Shareholders registered in the Company's Share Register as at 21 December 2007 will be entitled to a discount on the Offer price of $0.20 per share, or a cash subscription price of $0.80 per share.

Intending investors should note that prior to the issue of this prospectus, the Company has raised share capital by exempt offers to investors. The Company will continue to raise funds by exempt offers. Potential investors should note that the Directors have a discretion to accept a further amount of up to $5,000,000.00 by way of oversubscriptions in addition to the amount referred to in the first paragraph.

3.3.2 Minimum subscription

There is no minimum subscription conditions attached under this Prospectus.

3.3.3 Underwriting

This Offer is neither partly nor fully underwritten.

3.3.4 Oversubscriptions

The Company reserves the right to accept oversubscriptions of a further 5,000,000 Shares to raise up to a further $5,000,000.00

3.3.5 Applications for Shares

Applications for Shares offered under the Prospectus must be made, and will only be accepted, either:

(a) on the Application Form attached to the Prospectus or;

(b) on the Application Form attached to the Prospectus available online on the internet at www.soilsub.com

Once an application for Shares is made, it constitutes an irrevocable offer by the Applicant to subscribe for the number of Shares specified in the Application Form.

The Application List will open at 9.00 am on 28 December 2007 and will remain open until not later than 5.00 pm, Eastern Standard Time, on 9 March 2008, subject to the right of the Directors to close the Application List at any time or to extend the closing date for Applications without prior notice. Applications may be lodged at any time after the Opening Date of this Prospectus until the close of the Offer.

The Company reserves the right to issue to an Applicant a lesser number of Shares than the number for which the Applicant applies for, or to reject an Application.

If the number of Shares issued is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable after the close of the Offer. The acceptance of Applications and the allocation of Shares are at the discretion of the Company.

However, in determining the basis of allotment of Shares to Applicants, the Directors will give priority to existing Shareholders of the Company, if there are more applications received from intending Investors for Shares than there are number of Shares on Offer pursuant to the Prospectus.

No Shares under this Prospectus will be issued, and subscription monies paid to the Company until the Shares have been admitted to Official Quotation on the Official List of ASX.

In the event that the Shares are not admitted to Quotation on or before 21 March 2008 (i.e. 3 months after the date of this Prospectus), all application monies will be returned to Applicants. This is a requirement of section 723(3) of the Act.

No brokerage or stamp duty is payable by Applicants in respect of the Applications for Shares under this Prospectus. The amount payable on application will not vary during the period of the Offer and no further amount is payable on issue.

All application moneys will be held in trust in a subscription account until the date of admission for Quotation on the Official List of the ASX, and the Shares are issued. The subscription account will be established and kept by the Share Registry on behalf of the Applicants.

All interest earned on all application moneys (including those which do not result in issues of Shares) will be retained by the Company. Similarly, if the issue of Shares does not proceed for any reason, all application moneys will be refunded in full without interest.

Applicants may apply for a minimum of 2,000 Shares or a higher number of Shares in multiples of 100 Shares. This represents a minimum investment of $2,000 and multiples of $100 after that.

Existing Shareholder Applicants may apply for a minimum of 2,500 Shares or a higher number of Shares in multiples of 100 Shares. This represents a minimum investment of $2,000 in multiples of $80 after that.

Applicants are encouraged to submit their Application Forms as early as possible, as the Directors reserve the right to close the Offer at any time. The Directors also reserve the right to extend the period of the Offer.

3.3.6 Tax File Numbers

While it is not obligatory for Applicants to quote their TFN, tax will be withheld at the maximum rate on unfranked or partially franked dividends if Australian resident Shareholders do not quote their TFN.

3.3.7 Share Registry

The Share Registry of the Company is maintained by Computershare Investor Services Pty Limited and, subject to the Act, will be available for inspection between the hours of 9.00 am and 5.00 pm (Western Standard Time) each business day.

3.3.8 Australian Securities Exchange Listing

The Directors will apply to the Australian Securities Exchange (ASX) to have the Company's Ordinary Shares admitted to quotation on the ASX within 7 days of lodging this prospectus with the Australian Securities and Investment Commission.

It is the aim of the Directors to achieve a listing of the Company's ordinary shares on ASX on or before 20 March 2008.

Prior to listing, the Company is undertaking further capital raisings under the exempt offer provisions of the Act at issue prices which may be negotiated at less than $1.00 per share.

Intending investors should note that any monies raised under the exempt provisions will reduce the number of shares to be offered pursuant to this Offer in the terms of this prospectus.

For example, if $2,000,000 is raised via exempt offers, this offer will be limited to a further 3,000,000 shares at an issue price of $1.00 per share (subject to oversubscriptions being accepted above that amount at the Directors' discretion).

3.3.9 Risk Factors

Shareholders should be aware that subscribing for the Shares under this Prospectus involves a number of risks. These are set out in detail throughout this document including in Section 6. Shareholders are urged to consider these risk factors carefully before deciding whether or not to subscribe for the Shares.

3.3.10 Dividend Policy

The amount, timing and payment of dividends in the future will depend on the future capital and research and development requirements and the financial position generally of the Company at the time. Consequently, the Directors cannot give any assurances concerning the payment of dividends in the future, if at all.

However, investors should note that the Directors intend, wherever commercially and reasonably viable, to distribute a high percentage of profits to the Shareholders by way of dividends.

3.3.11 Important Notice

Shareholders should read the full text of this Prospectus, as the information contained in individual sections is not intended to and does not provide a comprehensive review of the business and financial affairs of the Company or the Shares offered under this Prospectus.

3.3.12 Use of Funds Raised Under the Offer

The Directors have analysed the Company's application of the funds raised pursuant to the Offer (including any funds received from exempt offers).

It is the intention of the Directors to apply the funds raised as follows:

Use of funds		
	Assuming $1,500,000 subscription	Assuming $5,000,000 subscription
Use of funds:		
Repayment of payables	1,000,000	2,000,000
Repayment of interest bearing debt	-	1,950,000
Costs of marketing and sales in new territories	270,000	500,000
Product development	-	55,000
Cost of issues under the Offer	230,000	495,000
Total proceeds of the Offer	**$1,500,000**	**$5,000,000**

The Directors have reviewed the Company's working capital requirements and are satisfied that the Company has the necessary funds to carry out its stated objectives.

3.3.13 Key Dates

Event	Proposed Date
Opening date	28/12/07
Closing date	9/3/08
Expected date of dispatch of holding statements	17/3/08
Trading of Shares expected to commence on ASX	20/3/08

The above dates are approximate only. These dates may change. The Company has the right to close the Offer early without notice. Investors are encouraged to submit their applications as soon as possible after the Offer opens.

4 CORPORATE INFORMATION

4.1 HISTORY OF THE COMPANY

The Company is incorporated in Australia as an Australian public company. The purpose of the Company is the commercialisation of the soil substitute organic growing medium product known as, "NutriMix®".

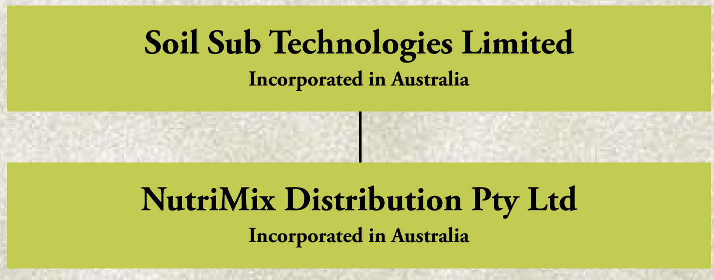
Since 2001, the Company has completed the development of NutriMix®.

The Company has commenced international commercialisation of the product with the signing of an agency representation agreement and initial sales for the Middle East and North Africa regions, a licence agreement in China and initial sales in Australia, and the finalising of negotiations for the manufacturing of NutriMix® both for export and internal use in South Africa.

4.2 GROUP STRUCTURE

The corporate structure of the group companies is represented in the illustration below.

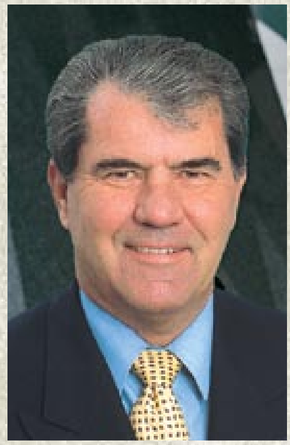
Group companies and their function are:



Company	Function	% holding in subsidiary
Soil Sub Technologies Limited	Group holding Company and patent and technology Company	N/A
NutriMix Distribution Pty Ltd	Production, Marketing and Sales	100%

4.3 DIRECTORS AND OFFICERS OF THE COMPANY

Graeme Eric Scott Executive Chairman



Mr Scott is a Fellow of the Institute of Chartered Accountants in Australia with over 45 years experience and was the founder of Graeme Scott & Co Pty Ltd, Chartered Accountants. Before establishing his own firm, Mr Scott was a partner in Ernst and Young and its predecessor firms for 17 years. He has substantial experience in managing and directing a wide range of businesses over an extended period of time.

He was previously a director of the Heytesbury Group of companies which included the Stoll Moss Theatres in London and Vasse Felix Wines and still acts in a professional capacity for the principal of that Group.

Mr Scott has extensive experience in the agribusiness sector. He was a founding director and executive in charge of plantation operations of TFS Corporation Limited, an ASX listed Company (ASX code: TFC) engaged in the growing of sandalwood products.

Mr Scott has also been a director and consultant to a number of successful agribusiness companies involved in the wine and grape industries and is a financial consultant to a range of agricultural businesses.

Mr Scott is also a director of NutriMix Distribution Pty Ltd.

Mr Scott's role within the Company includes day to day financial control of the Company.

James Nicholas Callianiotis Director and Chief Executive Officer

Mr Callianiotis has had many years experience in strategic market planning and new market penetration, particularly in the property market where he was instrumental in the development of a real estate agency group of 60 offices.

His team building ability together with his management, administrative and budgeting skills will play a large part in achieving the Company's objectives at the earliest possible time.

Mr Callianiotis, at 37 years of age, is the enthusiastic driving force that the company needs in its establishment years. Mr Callianiotis is responsible for the day to day operations of the group.

Mr Callianiotis is a director of NutriMix Distribution Pty Ltd.

John Leslie Saunders Non-Executive Director

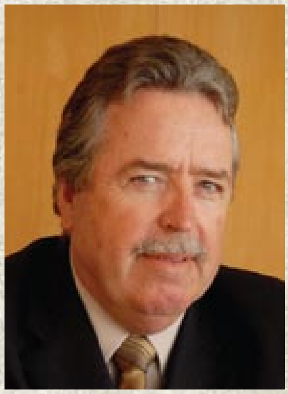
Mr Saunders is a partner of Shand Taylor Lawyers, a commercial law firm in Brisbane specialising in property law, commercial and corporate law, project development, commercial litigation and employment law.

Since his admission as a solicitor over 23 years ago, Mr Saunders has provided legal advice and assistance to a range of clients, across many business sectors.

Alan Neil Atchison Non-Executive Director

Mr Atchison is a Chartered Accountant and has been practicing in the taxation and business services fields since 1990. Mr Atchison is Managing Director of Intuity Partners Pty Ltd, a chartered accounting firm specialising in finance, taxation and general accounting services.

In addition to his role with Intuity Partners Pty Ltd, Mr Atchison has acted as Director and/or Company Secretary for a number of private and public companies.



Terence Henry Charles Timms Non-Executive Director

Mr Timms is joint CEO of New Energy Asia Limited and Chairman of Timms Cho Group Limited, a Chinese investment company based in Hong Kong.

Previously, Mr Timms was the Asia Pacific Vice President for Operations of Mincom Limited, which is Australia's largest provider of specialist services to global mining, an asset intensive industry sector. Mr Timms has had extensive executive mining experience throughout Australia, South America, South Africa, Chile and the US working with companies such as BHP Billiton, Western Mining Corporation and Rio Tinto.

Oscar Giuseppe Enrico Pellizzon Company Secretary

Mr Pellizzon is a Chartered Accountant with over 14 years experience advising small/medium business in relation to taxation, business management, capital raising and debt financing matters. He has advised clients across a broad range of industries including Information Technology, Mining, Oil and Gas, Engineering and the Agriculture and Forestry sectors.

Mr Pellizzon is currently completing his MBA at the Australian Graduate School of Management.

4.4 AUDIT COMMITTEE

The Audit Committee of the Company consists of the Directors, Mr John Saunders (Chairman), and Mr Alan Atchison.

4.5 CORPORATE ADVISOR – EGAN CAPITAL PTY LIMITED ACN 110 372 202

Egan Capital Pty Limited is a corporate and business advisor and consultant, specialising in, and assisting, companies wanting to complete IPO's on the London Stock Exchange's AIM Market and the Australian Stock Exchange.

The principal of Egan Capital is Mr Michael Egan, a finance specialist with a range of experience in the chartered accounting profession, in business and in consulting.

As a chartered accountant, Mr Egan specialised in business consultancy and taxation advice for local Australian as well as international firms. His commercial experience covers a range of successful importing, manufacturing, distribution and marketing companies in media, consumer products and biotechnology industries.

Mr Egan has held directorships in ASX listed companies dating back to 1985. He is currently the managing director of several biotech companies.

Mr Egan was a founding director of ASX and AIM listed company Network Limited. He played an important role in the dual listing of

Network Limited in both dealing with nomads, brokers and the structuring and regulatory requirements of the AIM Exchange and the Australian Securities Exchange.

4.6 DIRECTORS' INTERESTS

The interests of the Directors (either held directly or beneficially), and of the persons connected with them (within the meaning of the Act) in the issued share capital of the Company at the date of this Prospectus are as follows:

Director	Shares	% of present issued capital
Graeme Eric Scott[1]	7,370,266	8.88%
James Nicholas Callianiotis[2]	839,999	1.03%
Alan Neil Atchison[3]	1,660,382	1.98%
John Leslie Saunders[4]	720,000	.86%
Terence Henry Charles Timms[5]	16,000,000	19.12%

Footnotes

[1] The Shares are held by:

- 5,802,574 are held by Steynton Nominees Pty Limited as trustee for the GE Scott Family Trust.
- 31,400 are held by Steynton Nominees Pty Limited as trustee for the Ericon Family Trust
- 15,000 are held by Expo Document Copy Centre (WA) Pty Ltd as Trustee for the Expo Unit Trust
- 100,000 are held by Nesbitt Pastoral Co. Pty Ltd
- 650,267 are held by NutriMix International Pty Ltd, a related entity of the Company
- 522,525 are held by Valkar Holdings Pty Ltd
- 248,500 are held by Mr Scott's son, daughters and son-in-law

[2] The Shares are held by:

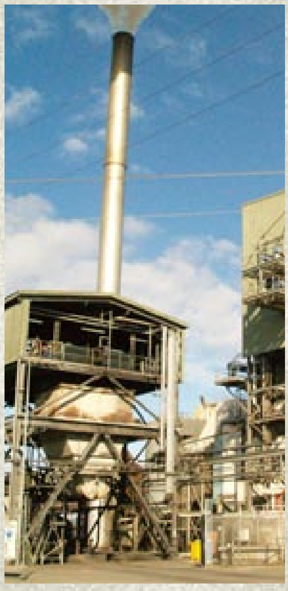
- 550,000 are held by James Callianiotis.
- 285,666 are held by the corporate trustee of the Callianiotis Family Superannuation Fund
- 1,000 are held by James Callianiotis' sister, Angela Callianiotis
- 1,000 are held by James Callianiotis' nephew, Nicholas Callianiotis
- 1,000 are held by James Callianiotis' niece Samantha-Jo Callianiotis
- 1,333 are held by James Callianiotis' fiance, Jade Johansen

[3] The Shares are held by:

- 650,267 are held by NutriMix International Pty Ltd, a related entity of the Company
- 206,809 are held by Intuity Partners Pty Ltd
- 15,000 are held by the Expo Document Copy Centre (WA) Pty Ltd as Trustee of the Expo Unit Trust
- 770,000 are held by Mr Atchison's spouse, Heidi Atchison, as trustee of The Atchison Family Trust
- 18,306 are held by Mr Atchison's spouse, Heidi Atchison as trustee of the New Order Trust

[4] The Shares are held by Que Pasa Pty Ltd as trustee for The Saunders Family Trust

[5] The Shares are held by Timms Cho Group Limited



5.1 INDUSTRY OVERVIEW

The Company is engaged in the commercialisation of the sustainable growing mediums within the agricultural, horticultural and landscaping industry internationally.

The sustainability of agricultural practices has been a topic extensively discussed by the agriculture industry, governments and the general community.

In OECD countries, agriculture accounts for 40% of the total land use and nearly 45% of water use. The application of fertilisers is estimated to account for 40% of nitrogen and 30% of phosphate emissions in surface water in some OECD countries.

The agribusiness industry in OECD countries has witnessed a steady trend in output growth, but with mixed environmental performance. The increase in output has largely been as a result of increased intensity of practices and farming on environmentally sensitive land.

It is estimated that in the next half century, output worldwide will double in order to meet the growing world demand. The demand on the limited water supplies will also expand. As demand for produce increases, horticultural practices will become more intensive, with expansion into less fertile or environmentally sensitive land, driving further use of fertilisers, pesticides and water resources. With the expansion of land under cultivation will come a further loss of biodiversity and further demand for improved horticultural practices.

However, rising prosperity and awareness of water shortage and environmental damage caused by the use of chemical fertilisers, has led to greater demand for practices that conserve or enhance the environment. The challenge is whether horticulture can efficiently meet the growing world demand without degrading natural resources and to do so in ways that are socially acceptable.

Governments around the world have implemented policies aimed to protect the environment and resources, while ensuring the supply of agricultural products to the community. These policies include market price support, output payments, input subsidies and output and input quotas. To date there has not been any policy mix that has delivered the desired outcomes. In many instances, these incentives have led to further intensification or increased development of marginal land and so greater pressure on the environment. Industry and government bodies believe that market forces may be the driver to an initial change to or expansion of environmentally responsible production.

In addition to agriculture/horticulture production, environmentally friendly products will have high market acceptance in areas where vegetation is required for other reasons such as landscaping, parks and sporting facilities.

Generally, commercial and domestic landscaping requires high levels of water usage, pesticides, and chemical and biological fertilisation.

Sporting facilities, such as golf courses, use extremely high amounts of water and fertilisers and are under government, community and media examination to use environmentally responsible practices.

Currently plants, trees and grasses transported internationally are required to be transported bare-rooted or in materials that are not conducive to the health and ongoing growing of the plants. This requires that plants are grown in one medium, transported in another medium and then planted in a third medium. Such multiple handling is not only uneconomical and labour intensive, but also results in a significant loss of product. For example, grass trees, cycads and grass losses in transport between countries have been known to be above 50%. The use of a single growing medium for plants (that is in the nursery, for transport and for planting in the final destination) will dramatically reduce such losses.

5.2 NutriMix® – THE PRODUCT

The NutriMix® product range has been progressively developed by the Company since 2001.

NutriMix® is a fully organic growing medium formula that has been patented (see later in this Section for more details) and can be used to grow any plant without any need for natural soil, and other associated landscaping products.

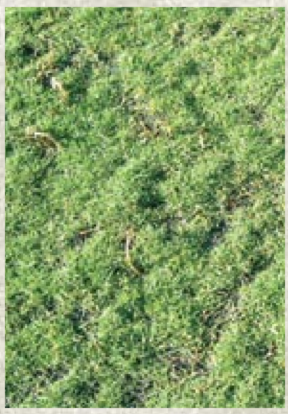
On 1 October 2007 the Company received written advice from the Biological Farmers of Australia Co-op Limited ACN 699 664 781 that the NutriMix® organic growing mix has been approved by that body for use and has been added to the current BFA Registered Product List. The growing medium is derived by mixing to a formula, organic products which include the by-products of sugar and palm oil production.

In excess of 100 million tonnes of waste product is produced annually worldwide by the sugar industry alone (source "Sugar Industry Year Book 2005").

To achieve its initial sales targets the Company requires less than 1% per annum of this waste.

Depending on the formulation applied, the product can be used as a complete soil substitute, as a mulch, as a potting mix, or can be mixed with other mediums for adaptation to grow most types of vegetation.

NutriMix® has the benefit of high moisture retention resulting in substantial water savings, a significant level of slow release, organic, plant available nitrogen and has been shown to provide outstanding growth for all types of plants.



Independent tests and trials have been carried out to establish that NutriMix® is a product that can deliver substantial advantages to its users.

NutriMix® growing medium offers the only known patented complete organic growing medium/soil substitute that is transportable across international borders (subject to individual country legislation). The Company holds patents for the formulae and use of the raw materials derived from the processing of sugar cane and palm oil to form the product.

Because of the demand for environmentally sustainable horticultural and agricultural practices, there is an increasing requirement for growing mediums in defined industry sectors and geographical territories, particularly within arid territories and areas with poor soil quality and limited water resources.

Product advantages of NutriMix® include:

- high water management efficiencies (leading to substantial water savings);
- macro nutrients present in slow release form, providing continued availability to plants for up to 3 years. Additional nutrients may be required in intensive horticultural growing conditions;
- a highly acceptable nutrient profile for plant growing with good levels of all essential macro and micro nutrients (N:P:K – 1.5: 0.2: 0.3);
- transportability across some international borders;
- able to be manufactured in any country where sugar or palm oil production occurs.

For more details in regard to the above statements, see Section 5.4 overleaf.

NutriMix® is a fully organic product, produced from a sustainable resource.

NutriMix® is marketed as a ‘green’, environmentally friendly product. The product is registered internationally as an organic product.

5.3 CURRENT BUSINESS MODEL - OPERATIONS

The Directors have examined a number of typical business models for the Company’s business in regard to securing, developing and maintaining markets for NutriMix® products.

The various models considered by the Directors include:

- production of product by the Company thereafter distributing NutriMix® in the various geographical areas where it sources customers; or
- licensing and/or joint venture arrangements whereby customers may manufacture and thereafter distribute under licence to markets; or
- a combination of these models.

5.4 PRODUCT TESTS AND TRIALS

5.4.1 Soil Laboratory Tests and Trials

Trials and tests on the NutriMix® products were undertaken by an independent Soil Laboratory. Tests undertaken by the Laboratory show a highly acceptable nutrient profile for plant growth with good levels of all essential macro and micro nutrients including:

- Macro nutrients present in slow release form, providing continued availability to plants in excess of twelve months;
- Water holding capacity up to 70%, with a very fast ability to wet up;
- Little to no toxicities that would effect plant growth;
- Has a very high organic matter content up to 75% and;

These results confirm the use of the growing medium for horticulture, floriculture and agricultural applications.

The Directors regard the test results, testing methodology and test reports of Soil Laboratory to be highly sensitive and confidential for competition reasons. However, any intending investor or advisor may obtain a copy of an executive summary of the test results upon executing a confidentiality agreement with the Company.

5.4.2 Tests and Trials Undertaken by University 1

Independent tests and trials in relation to NutriMix® products have been undertaken by a recognised international university to support the Company's product claims for the purposes of assisting the marketing of the product in the Middle East and other regions.

The specific objectives of this research were:

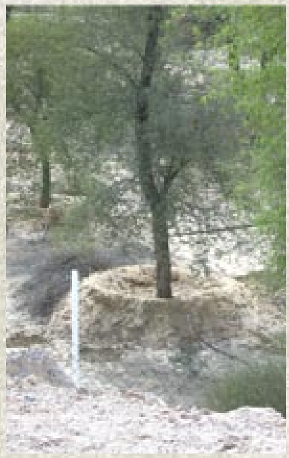
1. to study and compare the water characteristics of various NutriMix® mixtures;
2. to study and compare water use grown in various NutriMix® mixtures using different irrigation systems;
3. to study and compare the fertilizer use of grass grown in these mixtures;

4. to establish a comparison of nutrient uptake by the use of NutriMix® using no added fertilizer;

The University conducted 4 trials, one in the laboratory and 3 on the farm operated by the university. The results and findings of these trials indicate that:

- the water absorption capability of NutriMix® is very large, and generates a high water use efficiency. Water content at saturation being 149% higher than that of the control.
- NutriMix® has enhanced the water characteristics of sandy soils, and thus increased the water holding capacity and the available water to the sandy soils. Water holding capacity increased by 578% for NutriMix®.
- Addition of NutriMix® has significantly increased the fresh weight of Paspalum grass in the sandy soils with an increase in yield of 340%.
- Addition of NutriMix® has also significantly increased the Nitrogen, Phosphorus, and Potassium uptake by Paspalum grass in the sandy soils.

The Company is of the view that the results of these trials support the Company's claim of water use efficiency and nutrient use levels and show that under normal watering conditions that a traditional growing medium requires a higher volume of water on a more regular basis than NutriMix® to achieve the same result.



The trial results also confirm an average increase of 400% of yield in pasture grass. This means that conventional plants would derive the benefits of more efficient use of nutrient uptake and water availability.

The Company regards the test results, testing methodology and test reports of the University to be highly sensitive and confidential for competition reasons. However, any intending investor or advisor may obtain a copy of the executive summary of the test results upon executing a confidentiality agreement with the Company.

5.4.3 Tests and Trials Undertaken by University 2

Trials where undertaken using NutriMix® on a variety of flowers, vegetables, and turf in comparison to Australian standard premium grade potting mixes. In brief a summary of the results follows:

Flowers - Marigolds

- number of flowers per plant using NutriMix® - 93;
- number of flowers from the two premium grade mixes used as trial media – 57 and 46 respectively, which is an increase between 38% and 50% respectively; and
- the water use efficiency improved by 30% and 39% respectively.

Flowers - Salvias

- number of flowers per plant using NutriMix® - 78;
- number of flowers from the two premium grade mixes used as trial media - 58 and 41 respectively, which is an increase between 25% and 47% respectively.
- the water use efficiency improved by 37% and 31% respectively

The flowers planted in the NutriMix® product showed exceptional growth, longer fruiting and flowering times. The flowers exhibited a propensity to produce for longer periods, with far better quality.

The Company regards the test results, testing methodology and test reports of the university to be highly sensitive and confidential for competition reasons. However, any intending investor or advisor may obtain a copy of an executive summary of the test results upon executing a confidentiality agreement with the Company.

5.5 INTELLECTUAL PROPERTY RIGHTS

In regard to the NutriMix® product Intellectual Property Rights, the Company has ownership of 2 separate groups of patent families, namely:

(i) Plant and Mushroom growing medium incorporating the waste of sugar production; and

(ii) Process for treatment of oil palm waste.

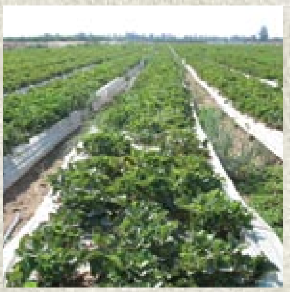
These 2 separate patent families constitute the basic intellectual property rights concerning NutriMix® products.

In regard to group 1 (i.e. plant and mushroom growing medium) the Company has obtained a standard patent in Australia, being patent number 749283.

Applications for patents for the medium have also been applied for in Canada, China, Indonesia, Japan, New Zealand and USA. In these jurisdictions the patents have been granted in:

- Indonesia
- New Zealand
- USA

In the remaining jurisdictions, the patents are currently under investigation and examination. Protection of the Company's rights are retained throughout these processes.



With the group 2 medium, applications have been filed with authorities in Egypt, the Middle East, Malaysia and parties to the Patent Corporations Treaty and have already been granted by the African Intellectual Property Organisation and Singapore.

The patent properties in group 1 relate to a growing medium for plants or mushrooms.

The patent properties in group 2 relate to a process for treating palm oil waste.

5.6 MARKET IDENTIFICATION

The Company has formulated a sales and marketing plan for NutriMix® products by identifying those markets which will offer the Company optimum opportunities for growth.

The sales and marketing plan has a two fold intent:

- To evaluate various international markets (both geographic and industry – specific); and
- The creation of the most effective strategic system to ensure the Company will achieve its goal as a result of pre-emptive moves in the sales and marketing of this organic growing medium.

5.7 POTENTIAL GEOGRAPHIC MARKET AREAS

The Company has resolved that the best opportunities for the NutriMix® product range are to focus for market penetration and growth initially in China, the Middle East region, the United Kingdom and other EU countries, South Africa, and the USA. Other regions that indicate substantial potential for the Company include Sri Lanka, Japan, Philippines, Singapore, Indonesia, and Australia.

The above countries have been selected because of substantial enquiry and discussions with parties in those countries who are looking to enter into arrangements to be involved in the manufacture and/or marketing of NutriMix®.

The method of operating in each country may include arrangements such as licence agreements, joint ventures, sole operations or any other type of suitable commercial arrangement.

5.8 POTENTIAL INDUSTRY MARKET AREAS

The Company believes that the major industry opportunities include the following:

- Commercial and domestic landscaping.
- Government sector landscaping.
- Sporting facilities such as golf courses, sporting fields, etc.
- Horticulture, including intensive vegetable and flower growing.
- Agriculture, including intensive farming.
- Retail domestic markets in some countries.

5.9 PRESENT MARKETS

5.9.1 China

The Company has entered into a licence agreement with Hong Kong based company Timms Cho Group Limited for the China region. Details of this agreement are included in Section 10.4.2 of this prospectus.

Timms Cho Group Limited has, under the licence agreement, agreed to supply New Energy Asia (Jiangxi) Limited (another China based entity) controlled by the Timms Cho Group Limited, NutriMix® for the exclusive use of the product for the propagation of the planting of an initial 400,000 hectares of Jatropha and/or other oil fruit bearing trees in Southern China. These trees are grown to produce a nut that is then used to make biodiesel. The initial planting is to commence immediately, and will create a plantation of some 1,000 million trees.

Under the terms of the licence agreement, Timms Cho Group Limited is required to ensure the planting of a minimum of 400,000 hectares over first 4 years of the agreement. Based on this minimum performance criteria, the revenue to the Company will be US$30,000,000.

New Energy Asia (Jiangxi) Limited's contract in China allows for it to complete up to 1,000,000 hectares. Should this occur, the Company's minimum revenue under the licence agreement would be in the vicinity of US$67,000,000.

New Energy Asia (Jiangxi) Limited has already completed the signing of relevant agreements with authorities in China and is ready to commence planting.

The Timms Cho Group Limited have identified additional markets for the NutriMix® product and expect a substantial increase in volume over and above the initial plantings.

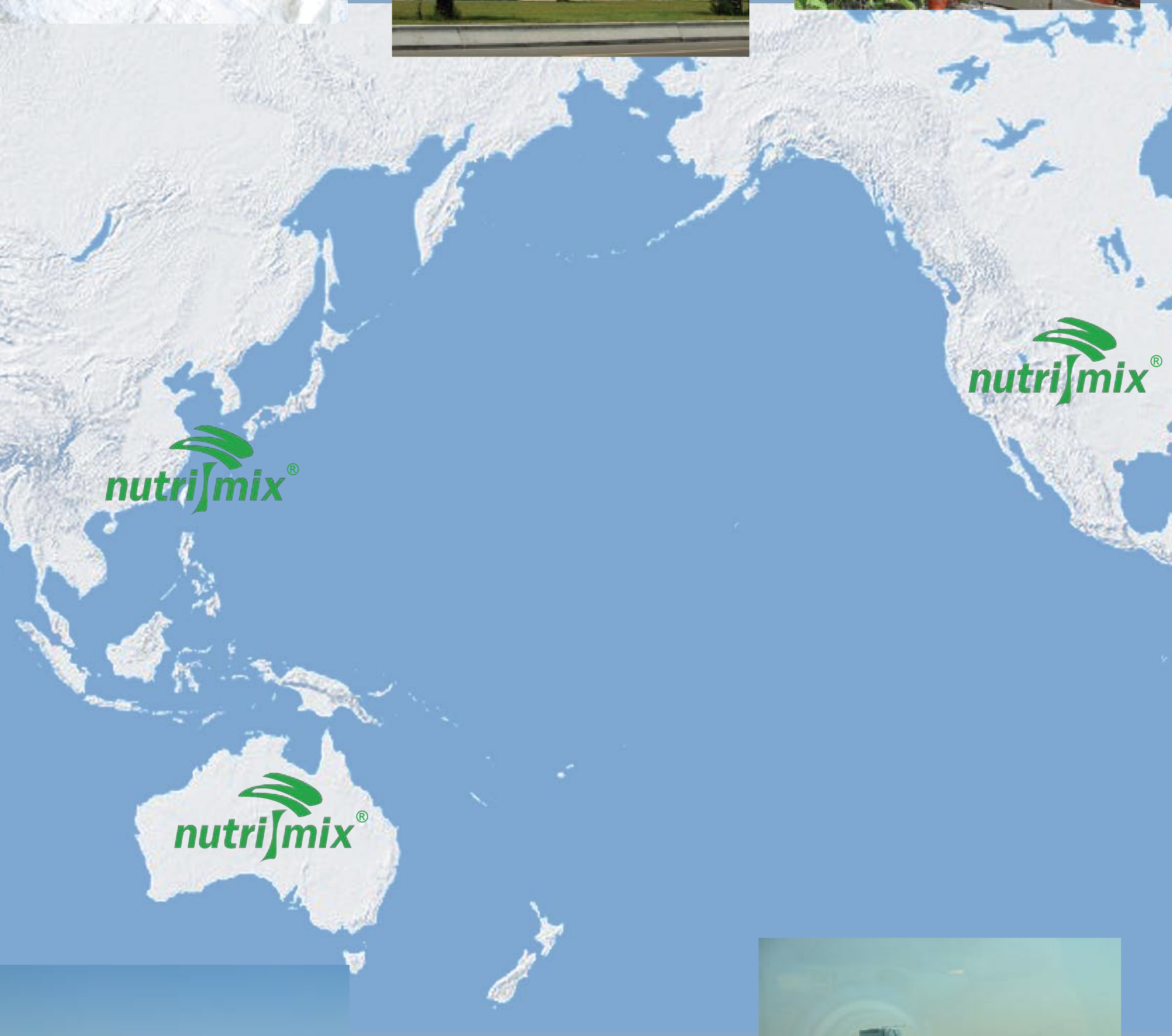
The licence Agreement between the Company and Timms Cho Group Limited commenced on 8 August 2007.

5.9.2 The Middle East and North Africa Regions

The Company has appointed GRM International Pty Ltd to be its marketing agent/representative for this region.

GRM is an international agriculture consultancy and management Company, established in 1968 to provide planning and management services to agricultural industry. GRM is part of the Consolidated Press Holdings Group and has successfully completed over 300 projects in 60 countries in Africa, the Middle East, Asia, and the Pacific.

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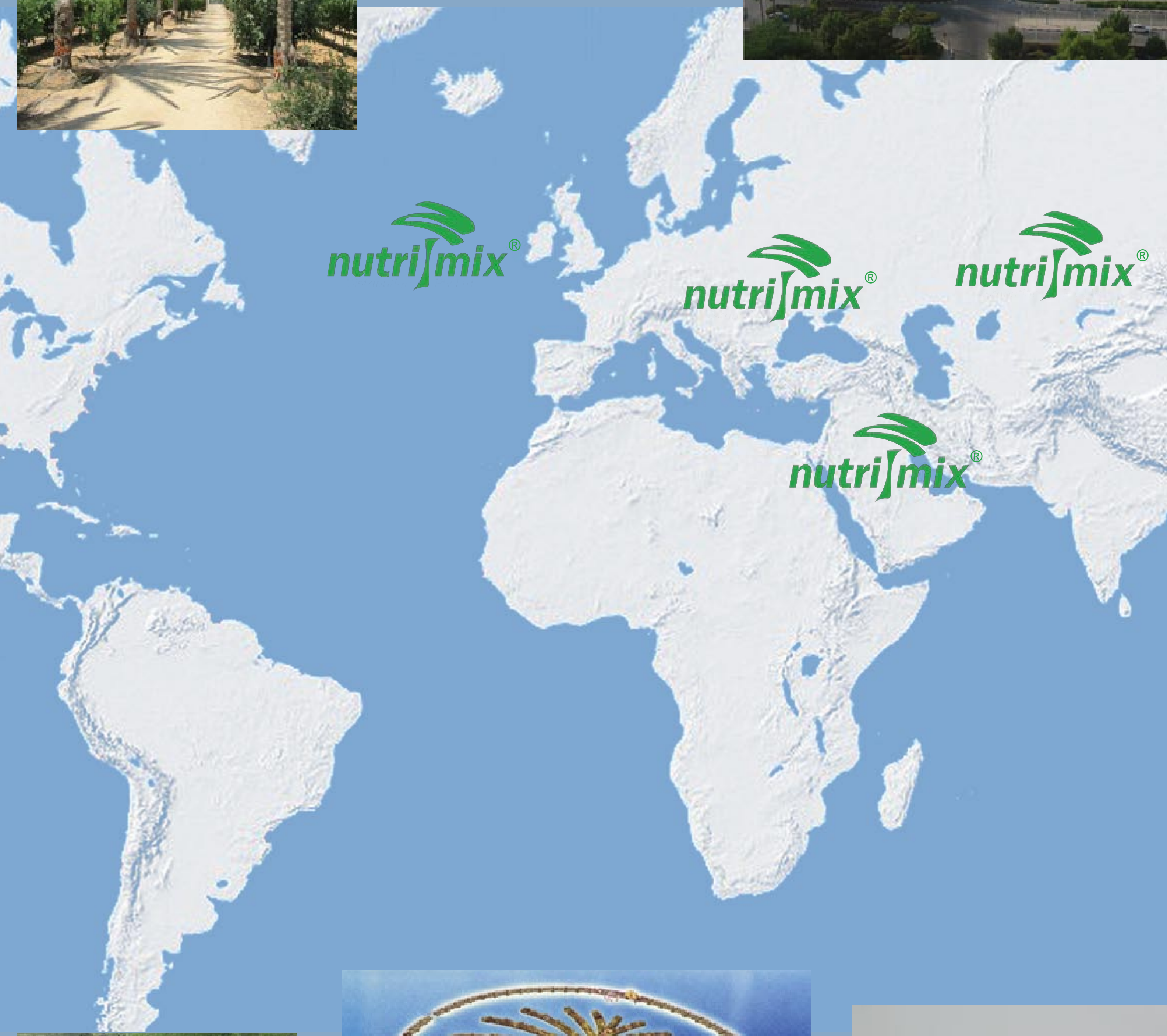
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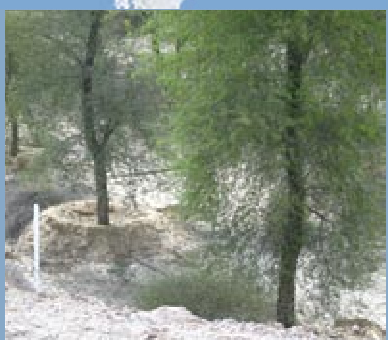

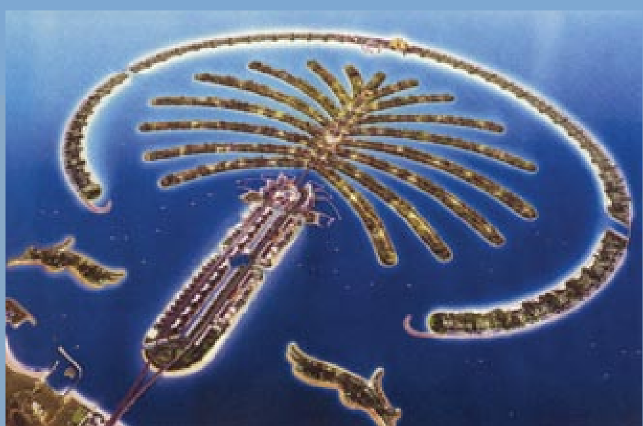

GRM operates in the Middle East Region through a regional office in Dubai (United Arab Emirates) and accordingly, it will provide front line support to NutriMix® customers throughout the Persian Gulf area and nearby African States, using long established connections with Government and business to facilitate NutriMix® operations though these areas.

The Company has supplied some initial product to clients in the Middle East and North Africa to enable the commencement of marketing in those areas. This will be greatly enhanced on completion of the Company's arrangements in South Africa wherein product will be manufactured for the Middle East, North African and European markets.

The price being achieved by the Company for these supplies meets the Company's profit and financial requirements.

5.9.3 Australia

There are a significant number of opportunities in the Australian market particularly in the commercial landscaping sector.

To this extent, the Company has received an order for a Golf Course in North Queensland for some 3,000 cubic metres, of which 50% has already been manufactured and supplied. The balance is to be delivered early 2008.

The Company expects that there will be continued growth in the Australian market albeit that this market is not as significant as the many international opportunities available.

6 RISK FACTORS

The Directors of the Company recognise that there are major risks involved with an investment in Ordinary Shares in the Company.

Intending Shareholders should be aware that an investment in the Company's Shares is regarded as speculative and involves many risks which may be more significant than risks associated with an investment in other businesses.

Applicants for Shares issued under this Prospectus should read the whole of the Prospectus to fully appreciate the risks involved.

The Directors have highlighted the following risks as the major risks to be encountered.

6.1 GENERAL BUSINESS RISKS

The Company's business is subject to risk factors both specific to its business, and that of a general nature.

Individually, or in any combination, these risks may affect the future operating performance of the Company and therefore the value of an investment in the Company.

Many of these general and business risks can be ameliorated by appropriate commercial actions, but many are outside of the control of the Company and cannot be avoided or mitigated.

For example, there can be no guarantee that the Company will achieve its stated objectives, which may have a substantial negative impact on the value of an investment in the Company. The failure to achieve stated objectives may be beyond specific business expertise of the Company, and be the result of a general business downturn or catastrophe.

6.2 STOCK MARKET INVESTMENT

As discussed in Section 3.3.8, the Ordinary Shares issued under this Prospectus, together with all other Ordinary Shares already on issue, or to be issued in the future, are subject of an application to be listed for trading on the ASX.

Intending Shareholders should be aware that there are risks associated with stock market investment.

Intending investors should note that share prices may fall as well as rise. The Shares issued under this Prospectus may trade on the stock exchange below or above the price at which they were issued.

There are numerous factors affecting the market price of Company Shares – these could include market announcements, variations in general market conditions or the market conditions which may be general or specific to a particular industry.

Historically, share prices for many companies have been subject to wide fluctuations, which in many cases are unrelated to the operating performance of the specific Company. Such events and fluctuations may adversely affect the market prices of the share.

Example of such events would include:

- variation in interest rates in the domestic and/or international economy or economies;
- changes in relevant taxation law
- investors deserting the stock market to invest in other mediums, such as property;
- a significant international event;
- terrorism;
- oil production or distribution problems internationally;
- global warming; and
- other general and political events.

6.3 RELIANCE ON PERSONNEL

The Company will rely heavily on its key personnel. Where appropriate, the Company has and will put in place employment contracts and restrictive covenants on competition with selected executives, employees and research and scientific staff.

The Directors may put in place an Employee Option Plan to provide incentives to employees and Directors and to provide attractive employment conditions to assist in attracting and retaining key personnel.

However, difficulties in retaining key management staff, and recruiting suitable replacements, may negatively affect the future development of the Company, especially in its formative years.

6.4 MANAGEMENT

As the Company's business is unique, the Company's management presently does not have the experience of operating a business of manufacturing and marketing the Company's product on an ongoing basis. Whilst management has been successful in developing the Company's products, and in the initial appraisal of marketing opportunities, this is no guarantee that in an ongoing business of manufacturing products for sale, that management can necessarily develop special marketing opportunities.

If management fail in maintaining an appropriate manufacturing process, and fail to achieve market penetration and growing to sufficient economic levels, the Company may well fall short in achieving a financial return to benefit the Shareholders.

6.5 COMPETITION

As at the date of this Prospectus, the Directors are not aware of any other product with similar qualities and outcomes as the NutriMix® product.

However, other players may enter the market in the future with competing or superior products to NutriMix®.

As there is no known competitor, the marketing plans and aspirations of the Directors are based on the fact that there is no competition.
In the event that competitors appear in the market the commercial objectives in relation to the sales of product may not be achieved, with the consequence of loss of value in the business.

6.6 ADDITIONAL CAPITAL REQUIREMENTS

The Directors are confident that the working capital raised as a result of this Prospectus, together with the Company's present funds, are sufficient to meet the short term capital requirements of the Company.

However, unforseen factors and events may occur (including those factors and events referred to in this section of the Prospectus) which means that the Company has to seek additional capital. The Company may encounter difficulties in raising all or any of such further capital requirements.

If the additional capital required cannot be raised in part or in full, the Company may incur losses as a result, with a fall of value in the Company's Shares.

6.7 CURRENCY

It is expected that a significant part of the Company's future revenue will be derived from markets outside Australia. Therefore, currency fluctuations between the Australian dollar and currencies of those countries in which the Company may operate may adversely affect the Company's budget and financial performance.

6.8 REGULATORY APPROVAL

Complex government and importing regulations throughout the world, which are subject to change, add uncertainty to obtaining the necessary approvals to import and market products in a variety of countries.

The Company may experience delay, or may not obtain, regulatory approval which in turn may add to the Company's costs and delay products from entering the market place. Such events may adversely affect the Company's competitive position, and its financial performance.

6.9 MANUFACTURE AND MARKETING AGREEMENTS

The Company may be required to enter into additional commercial agreements with others to market products. There can be no guarantee that the Company will be able to enter into any such additional commercial agreements on acceptable terms, if at all.

If the Company is not able to enter into additional commercial agreements, it could encounter delays in introducing its products into certain markets or find that the manufacture of sale of its products in these markets be adversely affected.

6.10 MARKET ACCEPTANCE

Notwithstanding the marketing efforts undertaken by the Company there is no certainty that the market will accept the NutriMix® products, or that sales volumes will be achieved.

These uncertainties may be caused by:

- Difficulties in marketing any of the Company's products, including any problems with market acceptance associated with price, or the claims that can be made about the product; and
- The advancement of new competitive products.

6.11 INTELLECTUAL PROPERTY RIGHTS

The ownership of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop technology to avoid patented technology in respect of which the Company has rights. The patents expire at the end of their terms, after which the Company has no longer exclusive protection.

The Company's business success will depend, in part, on its ability to rely on the patent in respect of which it has rights, maintain trade secrets protection and operate without infringing on the privacy rights of third parties. As the patent position is highly uncertain and frequently involves complex legal and factual questions, neither the breadth of claims allowed in patents nor their enforceability can be predicted. There can be no guarantee that any patents in respect of which the Company has rights, to afford the Company commercially significant protection of its technology, of its products or have commercial applications.

6.12 PRODUCT LIABILITY

The business exposes the Company to potential product liability risks, particularly with respect to product files, manufacturing products, marketing and use of the products.

Where possible, the Company will seek to obtain adequate product liability insurance, but there can be no assurance that adequate or necessary insurance coverage will be available at an acceptable cost or in sufficient amounts if at all, or that a product liability claim would not adversely affect the business or financial position of the Company or its reputation in such a way that it would directly impact on the Company's proposed operation.

6.13 ABSENCE OF DIVIDENDS

The ability of the Company to pay (and the amount of) any dividend in the future is dependant on many factors including future capital requirements and the financial position generally of the Company at the time.

Many of the factors that affect the ability of the Company to pay dividends and the timing of those dividends will be outside the control of the Company and its Directors. Therefore, the Directors cannot give any assurance of payment of dividends in the future.

6.14 CONCLUSION

The above list of risk factors is not to be taken as exhaustive of the risks faced by the Company or by investors in the Company's Ordinary Shares.

The above factors, and others not specifically referred to above, may in the future adversely affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to the Prospectus carry no guarantee with respect to the payment of dividends, returns of capital and the market value of those Ordinary Shares.

Intending investors should recognise that an investment in the Company should be regarded as speculative and neither the Company nor any of its Directors or any other party associated with the preparation of the Prospectus guarantees that any specific objectives of the Company will be achieved or that any particular performance of the Company or the Ordinary Shares, including those offered by this Prospectus, will be achieved.

7 FINANCIAL INFORMATION AND FINANCIAL REPORT

7.1 INTRODUCTION

This section of the Prospectus contains historical financial information on the Company.

In view of the fact that the Company has been engaged exclusively in research and development, product trials and marketing research, it has not had any independent significant revenue.

To date, the financial commitments of the Company and its subsidiary have been funded by private equity Shareholder Funds and Shareholder/Directors' loans.

7.2 BASIS OF PREPARATION

The historical financial information comprises:

- historical audited Income Statements for the years ended 30 June 2007, 2006 and 2005;
- historical audited Statements of Cash Flows for the years ended 30 June 2007, 2006 and 2005;
- historical Balance Sheet at 30 June 2007 which has been audited; and
- pro-forma Balance Sheet as at 30 June 2007 prepared based on the historical Balance Sheet adjusted as if an Initial Public Offering and certain other transactions occurred on 30 June 2007. These pro-forma transactions include:
  - the raising expected by the Directors under the Offer;
  - performance of the licence agreement by Timms Cho Group Limited;
  - share issues totalling 5,000,000 shares as remuneration to parties for successful execution of the Timms Cho Group Limited licence agreement;
  - repayment of accounts payable and short term debt totalling $2,878,046 on the assumption of a raising of $5,000,000 or $998,180 on the assumption of a raising of $1,500,000; and
  - the expected costs associated with the Offer.

For the purpose of the Pro-forma Balance Sheet, the Directors expect the proceeds of the Offer should be between $1,500,000 and $5,000,000.

7.3 HISTORICAL FINANCIAL PERFORMANCE

The table below summarises the historical financial performance of the Company (consolidated) for the 3 years to 30 June 2007.

Income Statements	**Note**	**Full year June 2007 $**	**Full year June 2006 $**	**Full year June 2005 $**
Sales		6,540	–	–
Other income	1	90,259	34,374	2,804
Employee expenses		(156,934)	(374,334)	(59,967)
Amortisation expense		(98,228)	(98,816)	(48,309)
Impairment expense		2,000	–	–
Debts forgiven from related party		–	–	(1,000,000)
Accounting and administration costs		(203,208)	(259,760)	(75,574)
Consulting and contracting costs		(419,235)	(374,561)	(98,843)
Financing costs		(380,838)	(151,314)	(28,605)
Travel costs		(277,058)	(351,888)	(138,155)
Other expenses from ordinary activities		(609,673)	(409,300)	(130,024)
Profit / (loss) from ordinary activities before income tax expense		**(2,046,375)**	**(1,985,599)**	**(1,576,673)**
Income tax (expense) / credit relating to ordinary activities	2	659,766	236,541	209,151
Profit / (loss) after income tax expense		**(1,386,609)**	**(1,749,058)**	**(1,367,522)**
Profit / (loss) attributable to members of the parent company		**(1,386,609)**	**(1,749,058)**	**(1,367,522)**

Cash Flow Statements		June 2007 $	June 2006 $	June 2005 $
Cash Flows from operating activities				
Cash receipts from operations		190,355	204,755	–
Payments to suppliers and employees		(1,321,388)	(1,011,102)	(421,703)
Interest received		66	95	2,804
Borrowing costs paid		(50,678)	(23,738)	
Net cash (used in) / provided by operating activities		**(1,181,645)**	**(829,990)**	**(418,899)**
Cash flows from investing activities				
Payment for investments		–	(9,828)	
Payment for property, plant & equipment		(20,328)	–	–
Payment for intangible assets		(6,366)	(31,421)	(179,068)
Repayment of loans to related entity		2,000	–	–
Net Cash (used in) / provided by investing activities		**(24,694)**	**(41,249)**	**(179,068)**
Cash flows from financing activities				
Proceeds from issue of shares		797,201	298,993	66,005
Proceeds from issue of options			–	725,000
Proceeds from borrowings		300,000	400,000	(82,020)
Repayment of borrowings		(51,401)		
Cost attributed to capital raising		–	(69,211)	(64,413)
Net cash (used in) / provided by financing activities		**1,045,800**	**629,782**	**644,572**
Net increase/(decrease) in cash held		**(160,539)**	**(241,457)**	**46,605**
Cash at the beginning of the financial year		(194,852)	46,605	–
Cash at the end of the financial year		**(355,391)**	**(194,852)**	**46,605**

Balance Sheets	Note	Actual Consolidated 30 June 2007 $	Pro forma Consolidated assuming $1,500,000 subscription $	Pro forma Consolidated assuming $5,000,000 subscription $
Current assets				
Cash and cash equivalents	5	3,323	275,143	1,630,277
Receivables	6	104,838	104,838	104,838
Total current assets		**108,161**	**379,981**	**1,735,115**
Non-current assets				
Plant and equipment	7	22,488	22,488	22,488
Intangible assets	8	1,679,995	22,679,995	22,679,995
Other non current assets		9,200	9,200	9,200
Deferred tax assets		1,296,770	1,296,770	1,296,770
Total non-current assets		**3,008,453**	**24,008,453**	**24,008,453**
Total assets		**3,116,614**	**24,388,434**	**25,743,568**
Current liabilities				
Payables	9	998,180	–	–
Interest bearing liabilities		1,879,866	1,879,866	–
Short term provisions	10	58,217	58,217	58,217
Total current liabilities		**2,936,263**	**1,938,083**	**58,217**
Total liabilities		**2,936,263**	**1,938,083**	**58,217**
Net assets		**180,351**	**22,450,351**	**25,685,351**
Equity				
Contributed equity	11	4,706,647	26,976,647	30,211,647
Reserves		91,824	91,824	91,824
Accumulated losses		(4,618,120)	(4,618,120)	(4,618,120)
Total equity		**180,351**	**22,450,351**	**25,685,351**

Notes to Financial Statements

1. Revenue and expenses

	June 2007 $	June 2006 $	June 2005 $
(a) Other Income:			
Interest revenue from other persons	65	95	2,804
Foreign exchange gain	47	1,331	–
Grants	57,531	32,935	
Research fee	32,616	–	–
Other income	–	13	–
	90,259	**34,374**	**2,804**
(b) Expenses:			
Finance cost:			
- external	380,838	151,314	28,605
Rental expenses on operating leases	26,516	13,721	10,000
Transaction costs	84,201	–	–

2. Taxation

Major components of income tax expense for the periods are:			
Income statement			
Current income tax charge	–	–	–
Deferred tax expense relating to the origination and reversal of temporary differences	(659,766)	(236,541)	(209,151)
Income tax expense reported in income statement	(659,766)	(236,541)	(209,151)

	June 2007 $	June 2006 $	June 2005 $
A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the years ended 30 June 2007, 2006 and 2005 (30%) is as follows:			
Accounting profit / (loss) before tax	(2,046,375)	(1,985,599)	(1,576,673)
Tax at the applicable tax rate of 30% for the years 2006 and 2005	(613,913)	(595,680)	(473,003)
Tax effect of expenses that are not deductible in determining taxable profit	(31,641)	218,584	267,716
Tax effect of income that is assessable in determining taxable profit but excluded from accounting profit	–	150,000	–
Tax effect of expenses that are deductible in determining taxable profit but excluded from accounting profit	(14,212)	(9,445)	(3,864)
Income tax reported in the current income tax	(659,766)	(236,541)	(209,151)
Deferred income tax			
Deferred income tax liabilities			
Rollover of gains attributable to licence sale	–	–	150,000
Gross deferred income tax liabilities	–	–	150,000
Deferred income tax assets			
Accrued expenses	49,694	39,950	355,111
Provisions	–	–	6,990
Losses available for offset against future taxable income	1,296,770	626,439	177,797
Gross deferred income tax assets	1,296,770	626,439	539,898

	June 2007 $	June 2006 $	June 2005 $
Reconciliations			
Gross movements			
The overall movement in the deferred tax account is as follows:			
Opening balance	626,439	389,898	180,747
(Charged)/credit to income statement	659,766	236,541	209,151
Under provision for income tax in prior year	10,565	–	–
Closing balance	1,296,770	626,439	389,898
Deferred tax assets			
The overall movement in the deferred asset tax account is as follows:			
Accruals and provisions			
Opening balance	626,439	539,898	330,746
(Charged)/credit to income statement	659,766	86,541	209,152
Under provision for income tax in prior year	10,564	–	–
Closing balance	1,296,770	626,439	539,898
Deferred tax liabilities			
The overall movement in the deferred liability tax account is as follows:			
Fair value gain adjustments			
Opening Balance	–	150,000	150,000
(Credit to income statement)/charged	–	(150,000)	–
Closing balance	–	–	150,000

3. Segment reporting

The economic entity operates predominantly in one business and geographical segment being the manufacture of soil substitutes throughout Australia.

4. Dividends paid or proposed

No dividends were paid or proposed for payment during the reporting periods.

There are no franking credits available for future reporting periods.

5. Cash and cash equivalents

	Actual Consolidated 30 June 2007	**Pro forma Consolidated assuming $1,500,000 subscription $**	**Pro forma Consolidated assuming $5,000,000 subscription $**
Cash on deposit	3,323	275,143	1,630,277
Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates	–	–	–

6. Trade and other receivables

current			
Trade debtors	–	–	–
Other debtors	103,698	103,698	103,698
Director related entities	34,352	34,352	34,352
Accumulated impairment	(33,212)	(33,212)	(33,212)
	104,838	104,838	104,838
Trade and other receivables are non-interest bearing			

7. Property, plant & equipment

	Actual Consolidated 30 June 2007	Pro forma Consolidated assuming $1,500,000 subscription $	Pro forma Consolidated assuming $5,000,000 subscription $
Plant & equipment	30,157	30,157	30,157
Accumulated depreciation	(7,669)	(7,669)	(7,669)
	22,488	22,488	22,488

8. Intangible assets

Patents and licences			
At cost	1,951,849	1,951,849	1,951,849
Accumulated amortisation	(275,645)	(275,645)	(275,645)
	1,676,204	1,676,204	1,676,204
Exclusive Supply Contract	–	21,000,000	21,000,000
Web site development costs			
At cost	9,330	9,330	9,330
Accumulated amortisation	(5,539)	(5,539)	(5,539)
	3,791	3,791	3,791
Total intangibles	1,679,995	22,679,995	22,679,995

The Exclusive Supply Contract represents the cost to the company to secure the recent license and royalty agreements with a Hong Kong based company, Timms Cho Group Limited, to manufacture and distribute the company's NutriMix® product in China, Hong Kong, Taiwan and Macau. The terms of this agreement state that the company will be paid a US$5 million license fee payable by 6 monthly instalments of $US833,333 in arrears plus an ongoing royalty of US$62.50 per hectare upon planting certain oil fruit bearing trees with a minimum planting of 100,000 hectares in each of the first four years of the agreement. As the agreement provides for this payment to be made by the later of 12 months from agreement or 6 months from the first planting no payments have yet been received. The carrying value of this asset is dependant upon the receipt of these license and royalty payments.

9. Trade and other payables: current

	Actual Consolidated 30 June 2007 $	Pro forma Consolidated assuming $1,500,000 subscription $	Pro forma Consolidated assuming $5,000,000 subscription $
Unsecured liabilities			
Sundry creditors and accrued expenses	998,180	–	–

Trade payables are non-interest bearing and are normally settled on 30-day terms. Other payables are non-interest bearing.

The net of GST payable and GST receivable is remitted to the appropriate tax body on a quarterly basis.

10. Provisions: current

Employee entitlements	58,217	58,217	58,217

11. Contributed equity

Fully paid ordinary shares	4,706,647	27,206,647	30,706,647
Cost of share issues	–	(230,000)	(495,000)
	4,706,647	26,976,647	30,211,647

12. Related party disclosure

The consolidated financial statements include the financial statements of Soil Sub Technologies Limited and the Company's subsidiary, details of which are set out below:

	Country of Incorporation	% Equity interest	Investment ($)
NutriMix Distribution Pty Limited	Australia	100%	1

Soil Sub Technologies Limited is the ultimate Australian parent company.

The following table provides the total amount of transactions which have been entered into with related parties for the relevant financial year.

		Sales to related parties $	Purchases from related parties $	Amounts owed by related parties $	Amounts owed to related parties $
Director related entities	June 2007	–	208,603	–	1,016,304
	June 2006	–	395,956	–	188,724
	June 2005	–	1,639,507	25,000	1,282,809

13. Key Management Personnel Compensation

Directors

Graeme Eric Scott, Alan Neil Atchison, John Leslie Saunders and James Nicholas Callianiotis

Other key management personnel

Greg Bell (General Manager) – NutriMix International Pty Ltd.

	June 2007 $	June 2006 $	June 2005 $
Salary & Fees	134,386	194,167	33,333
Superannuation	11,500	28,250	3,333
Bonus	–	5,825	–
Short term employment benefits	–	–	–
Termination	–	–	–
Other long term benefits	–	–	–
Share based payment	60,750	–	–
Total	206,636	228,242	36,666

Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian equivalents to International Financial Reporting Standards (AIFRS), other authorative pronouncements of the Accounting Standards Board and the Corporations Act 2001.

The financial report covers Soil Sub Technologies Limited and controlled entity as an economic entity. Soil Sub Technologies Limited is a company limited by shares, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report is presented in Australian dollars.

(a) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standard ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements Soil Sub Technologies Limited and its subsidiary as at 30 June each year ('the Group'). Details of the subsidiary are set out in note 12.

A controlled entity is any entity Soil Sub Technologies Limited has the power to control the financial and operating policies of, so as to obtain benefits from its activities.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which Soil Sub Technologies Limited has control.

Outside interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

(c) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(d) Intangible assets

Acquired both separately and from a business combination

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets. The useful lives of these intangible assets are assessed to be either finite or indefinite.

Where amortisation is charged on assets with finite lives, this expense is taken to the income statement through the 'amortisation' line item.

Intangible assets are tested for impairment where an indicator of impairment exists and in the case of indefinite lived intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

A summary of the policies applied to the Group's intangible assets is as follows:

	Patents and Trademarks	**Licences**	**Exclusive Supply Contract**
Useful lives	*Finite*	*Infinite*	*Finite*
Method used	*Amortised over the term of the patent and revalued to fair value where deemed appropriate*	*Impairment tested every accounting period and written down as appropriate*	*Amortised over the 20 year term of contract and revalued to fair value where deemed appropriate*
Internally generated / Acquired	*Acquired*	*Acquired*	*Acquired*
Impairment test / Recoverable amount testing	*Annually and where an indicator of impairment exists*	*Period end and where an indicator of impairment exists*	*Period end and where an indicator of impairment exists*

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

(e) Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(f) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the income statement.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Group commits to purchase the asset.

(g) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts, shown in short-term borrowings in current liabilities on the balance sheet.

(h) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the income statement when the liabilities are derecognised and as well as through the amortisation process.

(i) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(j) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Licence fees and royalties

Licence fees and royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement, usually on a straight-line basis over the life of the agreement.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(k) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

– except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
– in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

(1) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(m) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) Going concern

The financial statements have been prepared on a going concern basis. The ability of the company to continue operations as a going concern and pay its debts as and when they fall due is dependent on the continued support of the company's guarantor, cashflows from the licence agreements currently being negotiated and/or the capital raising initiatives undertaken by the directors.

(o) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Plant and equipment 15% - 100%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(p) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the economic entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(q) Financial instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139. Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(r) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(s) Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(t) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the income statement.

(u) Critical accounting estimates and judgements

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Impairment of intangible assets

No impairment has been recognised in respect of intangible assets for the year ended 30 June 2007. The directors believe that the carrying value is appropriate given initial inquiries and potential markets for the company's products.

RIXLEVYFOWLER
AUDIT & CORPORATE PTY LTD

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3 December 2007

The Directors
Soil Sub Technologies Limited
Level 1
26 Clive Street
WEST PERTH WA 6005

Dear Sirs

Independent Accountant's Report – Soil Sub Technologies Limited

INTRODUCTION

This report has been prepared at the request of the Directors of Soil Sub Technologies Limited ("Soil Sub" or "the Company"), for inclusion in a prospectus to be lodged with the Australian Securities and Investment Commission ("ASIC") on or around 3 December 2007 ("Prospectus"), relating to the proposed issue of up to 5,000,000 ordinary shares at an issue price of $1.00 each to rise up to $5,000,000 ("the offer").

The company reserves the right to accept over subscriptions of a further 5,000,000 shares to raise up to a further $5,000,000.

All existing shareholders will receive a discount to the offer price of $0.20 cents per share meaning a cash subscription price of $0.80 cents per share. Any shares taken up by existing shareholders will reduce the number of shares on offer under this prospectus.

The share issue has not been underwritten.

BASIS OF PREPARATION

This report has been prepared to provide investors with information on historical results and the financial position of Soil Sub, and to provide investors with a pro forma Australian equivalents to International Financial Reporting Standards balance sheet of Soil Sub as at 30th June 2007 adjusted to include funds raised by this Prospectus and other transactions as referred to in Section 7 of the Prospectus.

This report does not address the rights attaching to the Shares to be issued in accordance with this Prospectus, the risks associated with the investment, nor form the basis of an Expert's opinion with respect to a valuation of the Company or a valuation of the Share issue price of $1.00 per share (or 80 cents per share for existing shareholders).

Rix Levy Fowler Audit & Corporate Pty Ltd ("RLF") has not been requested to consider the prospects for Soil Sub nor the merits and risks associated with becoming a shareholder and accordingly, have not done so, nor purport to do so. RLF accordingly takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report.

BACKGROUND

The company was first incorporated as a proprietary company on 1 May 1997 as Southmoon Pty Ltd. On 4 May 1999 the company changed its name to Marlin Technologies Pty Ltd. On 13 January 2001 the company then finally changed to its current name of Soil Sub Technologies Pty Ltd.

During this time the company was developing a unique 'soil substitute' marketed under the name 'Nutimix'. Initial tests had shown that the product could significantly improve the growth rates of plants. Also, being a soil substitute meant that the product could be exported without normal cross country quarantine restrictions. The company subsequently sort to secure this intellectual property and has either been granted or has world wide patents pending. These are more fully set out in Section 9: Patent Report.

In April 2003 the company entered into a Licence Agreement with Nutimix International Pty Ltd giving it the sole right to use the patents and trade secrets. This company then subsequently entered into a supply and distribution agreement with AustraHort Pty Ltd and an Agency Agreement with GRM International Pty Ltd. For its part Soil Sub was to receive $1 million payable by 31 March 2005 for entering into this Licence Agreement.

Since the date agreement was first reached till February 2005 it was estimated that Nutrimix International Pty Ltd had spent approximately $1.5 million further developing and commercialising the Nutrimix product.

To further assist the company to commercialise the Nutrimix product Soil Sub had intentions to undertake a capital raising on the Alternative Investment Market ('AIM') of the London Stock Exchange. However, it was felt by the directors that this could best be achieved if the intellectual property was retained. As such, the company decided to terminate the Licence Agreement.

On 2 February 2005 agreement was reached with Nutrimix International Pty Ltd to terminate the Licence and Agency agreements and assign these to Soil Sub's recently established subsidiary, Nutrimix Distribution Pty Ltd - an unrelated company to Nutrimix International Pty Ltd. The terms of this Termination Agreement provided for Soil Sub to pay $1.5 million should it list on AIM by 31 December 2005. In addition, the unpaid amounts due to Soil Sub as part of the previously entered into Licence Agreement (the $1 million) would not be payable. Should Soil Sub not list on AIM by this date then the amount payable to Nutrimix International Pty Ltd for terminating the agreement will be reduced to $1.00.

On 17 February 2005 shareholders resolved to convert from a proprietary limited company to a public company which is a necessary requirement whenever a company wishes to raise capital from the public.

The company did not list on AIM by the due date and as such the amount payable for terminating the agreements was reduced to $1.00.

To date the company has continued to fund the commercialisation of the Nutrimix product from loans and personal guarantees from directors, fully secured high interest bearing loans as well as small additional capital raisings.

The Company has one class of share on issue being Ordinary Shares. Ordinary shares have the right to receive dividends as declared and in the event of the winding up of the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares are entitled to one vote, either in person or by proxy, at a meeting of the company.

From the date of incorporation to 30 November 2007 the company now has 83,674,002 shares on issue the details of which have been summarised in Section 3 of the Prospectus.

SCOPE OF REPORT

RLF has been requested to:

(a) report whether anything has come to our attention which would cause us to believe that the historical financial information disclosed in Section 7 of the Prospectus is not fairly presented in accordance with generally accepted accounting principles as applied in Australia for reporting on financial information in a public offer document; and

(b) report whether anything has come to our attention which would cause us to believe that the pro forma financial information disclosed in the Section 7 of the Prospectus is not properly drawn up in accordance with the basis of preparation and assumptions set out therein and with generally accepted practice as applied in Australia for presenting pro forma financial information in a public offer document.

Soil Sub has prepared, and is responsible for, the historical and pro forma financial information included in Section 7 of the Prospectus.

SCOPE OF REVIEW

RLF has audited the financial statements of Soil Sub as at 30th June 2007 and provided an audit opinion on those financial statements. We have conducted our review of the audited historical financial information and pro forma financial information in accordance with Australian Auditing Standard ASRE 2410 "Review of an Interim Financial Report Performed by the Independent Auditor of the Entity". We made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances, including:

(i) enquiry of directors, management and others;
(ii) review of contractual arrangements;
(iii) review of minutes of meetings of directors and shareholders; and
(iii) a review of work papers, accounting records and other documents of Soil Sub.

The review procedures were substantially less in scope than an audit examination conducted in accordance with generally accepted auditing standards.

Having regard to the nature of the review, which provides less assurance than an audit and to the nature of the historical and pro forma financial information, this report does not express an audit opinion on the historical and pro forma financial information included in Section 7 of the Prospectus.

OPINIONS

(a) Historical Financial Information:

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the historical financial information, as set out in Section 7 of the Prospectus is not presented fairly in accordance with generally accepted accounting principles as applied in Australia for reporting on financial information in a public offer document. However, readers should refer to the inherent uncertainties in our review referred to in paragraph (c) below.

(b) Pro Forma Financial Information:

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the pro forma financial information, as set out in Section 7 of the Prospectus is not properly drawn up in accordance with the basis of preparation and assumptions set out in Section 7 of the Prospectus and with generally accepted practice as applied in Australia for presenting pro forma financial information in a public offer document. Again, readers should refer to the inherent uncertainties in our review as referred to in paragraph (c) below.

(c) Inherent Uncertainty Regarding the Carrying Value of Intangible Assets and Deferred Tax Assets:

Without further qualification to our opinions expressed above, Note 8 in Section 7.3 indicates that the Group has recorded Licences and Patents with a carrying value of $1,676,204 as well as capitalised costs in the pro forma statement associated with securing an exclusive supply agreement with Timms Cho Limited for $21,000,000. In addition, Note 2 refers to Deferred Tax Assets totalling $1,296,770. This later asset primarily relates to the tax benefit expected to be received in the future from carried forward income tax losses.

These items represent the major assets recorded by the Group and for which at this stage we have not been able to obtain sufficient information to determine the reasonableness of their carrying values. Although the company has recently entered into an exclusive sub-licence and royalty agreement, the terms of this arrangement provide that the first instalment is not required to be paid until either 12 months from execution of the agreement - or 6 months after completing the first planting of 100,000 hectares of oil fruit bearing trees in China - which ever is the later. At the date of my report the amounts are not yet due and receivable.

Should the Company receive the licence and royalty fees as set out in the current agreements with Timms Cho Limited then this would provide reasonable assurance that it is able to successfully commercialise its Licences and Patents which inturn would support the carrying value of these assets. However, at the date of my report the eventual outcome of these events still remains uncertain until such time as the payments are received.

SUBSEQUENT EVENTS

To the best of RLF's knowledge and belief, there have been no material items, transactions or events subsequent to 30 June 2007 not otherwise disclosed in this report, that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

INDEPENDENCE

RLF does not have any interest in the outcome of the listing of the shares, other than in connection with the preparation of this report for which normal professional fees will be received.

RLF were not involved in the preparation of any part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus

RLF consents to the inclusion of this report in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully

Rix Levy Fowler

RIX LEVY FOWLER
Audit & Corporate Pty Ltd

Phil .A. Rix

PHILLIP RIX FCA, F.Fin
Director

Richard Smoorenburg
Principal
Patent & Trade Mark Attorney
BE (Electronic) FIPTA

Adam Law
Patent & Trade Mark Attorney
BSc (Hons) BE (Hons) FIPTA

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PATENT & TRADE MARK ATTORNEYS

28 November 2007

The Directors
Soil Sub Technologies Limited
Level 1, 26 Clive Street
West Perth WA 6005
AUSTRALIA

Dear Sirs

Re: Intellectual Property Report – Soil Sub Technologies Limited

We have been requested by the Directors of Soil Sub Technologies Limited to provide the following report on selected patents and applications.

This report relates to two separate groups of patent families:

1. Plant and Mushroom Growth Medium Incorporating Sugar Cane Mill Mud, and
2. Process for Treatment of Palm Waste.

The status summary provided herein is correct to the best of our knowledge as at 3 October 2007. This report supersedes previous reports we have provided in relation to these matters.

Background

Smoorenburg Patent & Trade Mark Attorneys is a firm of Patent and Trademark Attorneys based in Australia, which has an established reputation for providing Intellectual Property Rights relevant to client's business activities, bearing in mind cost, marketing strategy and other business considerations. The practitioners of Smoorenburg Attorneys have created a number of commercially successful IP portfolios for various clients and continue to create IP on a worldwide basis using their experience and associates.

Intellectual property may be regarded as an overall term covering a group of rights that provide various degrees of protection in relation to areas such as products, processes, names, designs and drawings in industry, science or commerce. The grant of patents for inventions, in particular, represents an important area of intellectual property.

...2/

Patents are a jurisdictional right that gives the owner of the patent the exclusive right to exercise or licence the invention to the exclusion of others, if desired, throughout the relevant jurisdictions. Patents have a finite term that in most countries of the world runs for 20 years from the date a complete application is filed, subject to the payment of regular maintenance or renewal fees. However the actual statutory term of a patent depends on the laws in each jurisdiction and the actual expiry date of corresponding patents in the same family can be the same or different.

The process of obtaining patent rights is initiated by filing a patent application, which includes a patent specification describing and claiming the invention as considered by the Applicant at the time of filing. In Australia, a provisional application may be filed which establishes the "priority date" in respect of the invention disclosed in the provisional application. However, it is not possible to obtain a patent merely on the basis of filing a provisional patent application, and an associated complete application must be filed in each country in which a patent grant is to be sought within 12 months of the date of the earliest filing of an associated provisional application. This complete application is subject to various procedures, requirements and regulations, including under going examination by the Patent Office in each country in which the complete application is filed, before it can proceed to grant.

A system exists whereby the filing of overseas patent rights may be initiated by filing a single international patent application under the provisions of the Patent cooperation Treaty (PCT) and designating in that application countries of interest in which the applicant may subsequently wish to proceed. One or more provisional patent applications may be used as the first step in obtaining patent rights prior to the PCT filing, in which case the PCT and overseas applications may be entitled to claim priority from the initial Australian provisional patent application(s). Generally, at the end of a time period being 30 months from the earliest priority date, the applicant may file patent applications in those PCT designated countries of interest. Alternatively, or additionally, patent applications may be filed directly to those countries of interest within 12 months from the earliest priority date. Generally, and subject to the Laws of the particular country, overseas applications filed in this manner are entitled to a priority date for the overseas application that corresponds to the priority date of the provisional application.

In most Countries, Patent applications are examined or reviewed by the Patent Office of the particular country in which the application is being pursued. Subject to the results of the examination, a patent may be granted. Common requirements for obtaining a patent around the world include that the invention be new, industrially applicable and that an inventive step be involved. Such requirements are generally judged having regard to knowledge at the date of filing the application. Newness, in the patent sense, is judged in relation to what was known or used at the date of the application. Inventiveness is often expressed in different ways in different legal systems, but generally requires a distinct advance over what was previously known. As a consequence, valid patent protection cannot be obtained for trivial or obvious developments. Patents may be granted in different countries with markedly different claims as a result of patent laws and examination procedures unique to each country.

Patents and patent applications represent assets, in the sense that they are property rights that are capable of sale, license, recordal of legal interest and the like. Patents and patent applications may be in the name of one or more entities. Joint owners generally hold, absent specific agreement to the contrary, equal interests.

...3/

The scope of the claims in each country where a patent right is sought will depend on the claims granted after examination. The wording of the claims of each granted Patent may vary, generally as a result of differing examination standards. The claims, if valid, of a granted Patent represent what can be considered as the enforceable scope of the granted Patent. The enforceable scope of a granted Patent in each country may also vary due to different rules as to validity of the granted Patent claims as well as the various rules adopted by the Courts for interpreting the scope of the claims.

The role of Smoorenburg Attorneys to-date has been to review the current patents and patent applications and to devise strategies going forward for pursuing the possible Patent rights available. This includes possibly revising some of the existing patent applications and/or to seek to file fresh patent applications with a view to extend the scope of protection, based on the original patent disclosure.

As a general outline of the scope of the claims, we provide the following summary together with a summary of the status of each application, according to our records at the time of this letter. The titles for each family are useful as a guide only as to the subject matter to which the patents and patent applications relate. More specific details of the inventions are provided in the patent specification for each patent or patent application, as the case may be.

Group 1: Plant and Mushroom Growth Medium Incorporating Sugar Cane Mill Mud

Country	Appln / Pat No.	Status
Australia	749283	Registered
Canada	2,342,879	Pending
China	99811772.2	Pending
China (Divisional of 99811771.2)	TBA	Pending
Indonesia	ID 0 014 929	Registered
Japan	568791/2000	Pending
New Zealand	510895	Registered
USA	6,609,331	Registered
USA	11/741,279	Pending

Broadly, the claims of the first international application are directed towards a growth medium for plants or mushrooms by the use of sugar cane mill mud as a component of a growth medium for plants. The sugar cane mill mud is combined with another material to provide a composition of comparable qualities to sphagnum peat. As disclosed in the patent specification, the growth medium is composed of a sugar can mill mud and a non-sphagnum peat material. The non-sphagnum peat material is said to include, by way of example, coconut fibre and non-sphagnum peat such a sedge peat. Various proportions of the components are drained, particularly with reference to the application of the growth medium, for example as a potting mix, a top dressing material or as a causing soil composition.

...4/

Post PO Box 515 Ringwood Victoria 3134 Australia

Group 2: Process for Treatment of Palm Waste

Country	Appln / Pat No.	Status
African Intellectual Property Organisation	13009	Registered
African Regional Intellectual Property Organisation	AP/P/2005/003299	Pending
Canada	2,504,227	Pending
China	200380102576.9	Pending
Egypt	1015/2003	Pending
India	1015/KOLNP/05	Pending
India	3401/KOLNP/2007 (Divisional of 1015/KOLNP/05	Pending
Indonesia	W00200501103	Pending
Israel	168318	Pending
Japan	2005-501786	Pending
Malaysia	PI20034159	Pending
Philippines	1-2005-500836	Pending
Republic of Korea	2005-7007624	Pending
Singapore	112299	Registered
Sri Lanka	13675	Pending
USA	10/533497	Pending

Broadly, the claims of the second international application are directed towards a process for treating palm waste by the combined use of palm fibrous waste material and plant mill effluent. The process involves the shredding of fibrous palm waste and blending the shredded fibrous waste with a dried plant mill effluent and peat. The fibrous palm waste can be derived from a variety of sources including fronds empty bunches from oil and date palms, trunks and fibre and shell from palm fruit. The dried plant mill effluent can be, for example, dried oil palm mill effluent, dried date palm mill effluent or, in some combinations, dried sugar cane mill mud. The peat is described as including Indonesian and Malaysian peat, cocoa peat and peat derived from sedges or trees. Various proportions of the components are described. The processing of substantially all of the palm plant is also described in the patent specification and further patent applications and/or claims may be able to be filed or directed to this subject matter in the future.

...5/

Patent Status

The status of each patent and patent application listed herein is based on reference to any one or more of database records of the Australian Patent Office, database records of the New Zealand Patent Offie and our firm's own records.

Only those patents and patent applications that appear as being current and of which we are aware have been in included in this report. Patents and patent applications that have ceased, lapsed, expired or have been abandoned or withdrawn or those patents and patent applications that we have been advised are in the process of being abandoned are, in general, not included in this report. It is therefore possible that there may exist patent rights in some jurisdictions in respect of some of the families that have been, or are in the process of being abandoned and which might still be alive or still able to be restored. There may also exist patent rights in some jurisdiction in respect of some of the families or in one or more new families of which we have not been advised. Further, it is also possible that some patents or patent applications listed herein might have been or are in the process of being abandoned but which our firm has not been advised.

Patent Validity

It should be noted that some of the applications which have been included in the above summary remain pending and there can be no assurance that any or all will result in the grant of a patent after examination takes place (for novelty, inventive step or otherwise) in the particular country.

Although we have not conducted independent prior art searching nor are we aware of prior art searching conducted by the Applicant, we know that the Applicant has become aware of publications, in a number of the patent applications, including citations that have been raised during the PCT process and/or by the various patent offices in which patent protection is being sought. It is not unusual for citations to be raised in the course of obtaining a patent grant. Based on our review of the patent specifications, our understanding of the various patent requirements of various countries and our review of prior art to-date, we are not aware of prior art which fully anticipates the subject matter described in the patent specifications. It is to be noted, however, that fresh prior art and the manner in which the prior art is to be interpreted in a particular country may yet be or may not be revealed and there can be no assurance that any patent, or patent which is granted on any of the applications listed above, will be valid and enforceable in a particular country, or that the scope of the protection which is provided by any granted patent will be identical to the scope of the application as filed, or to that of another family member. The ultimate test of the validity of a patent is usually determined by the Courts of the country in which the patent has been granted.

Independence

Smoorenburg Patent & Trade Mark Attorneys currently act as Patent Attorneys for Soil Sub Technologies Limited and are responsible for the patents and patent applications in this report.

We have given our written consent to the inclusion of this report in the Australian Securities Exchange prospectus for Soil Sub Technologies Limited.

Yours faithfully
SMOORENBURG PATENT & TRADE MARK ATTORNEYS

Richard Smoorenburg

Post PO Box 515 Ringwood Victoria 3134 Australia

10 ADDITIONAL INFORMATION

10.1 INCORPORATION

The Company was registered in Queensland as a proprietary company on 1 May 1997. The Company is limited by Shares.

On 17 February 2005 the Company converted to an unlisted public Company.

10.2 COMPANY TAX STATUS

The Company is taxed in Australia as a public Company.

10.3 LEGAL PROCEEDINGS

To the knowledge of the Directors there is no litigation of a material nature pending or threatened which may significantly affect the financial or trading position of the Company.

10.4 MATERIAL CONTRACTS

The material contracts relevant to the matters discussed in this Prospectus; are:

- The agency representation agreement between NutriMix Distribution Pty Ltd and GRM International Pty Ltd;
- Licence agreement with Timms Cho Group Limited
- Executive Employment agreement with James Callianiotis;
- Services agreement with Steynton Nominees Pty Ltd ACN 008 998 525;

The relevant details of these contracts are summarised below.

10.4.1 Agency Representation Agreement with GRM International Pty Ltd

On 7 April 2004 GRM International Pty Ltd A.C.N. 010 020 201 entered into the above agreement with NutriMix International Pty Ltd A.C.N. 104 129 277.

NutriMix International Pty Ltd is a Company controlled by a number of the founding Shareholders of the Company, but is currently inactive.

On 2 February 2005 NutriMix International Pty Ltd assigned all of its interests in the agreement to NutriMix Distribution Pty Ltd.

The assignment was effected by way of a Deed of Assignment dated 2 February 2005 with notice being given to GRM International Pty Ltd.

The agreement provides as follows:

1. Term – the agreement may be terminated by GRM at any time immediately without any penalty. NutriMix® may terminate the agreement without penalty by giving 90 days prior written notice.
2. Agents' obligations – GRM is the appointed agent for NutriMix® as its exclusive agent to provide marketing services, initially in the Middle East and North Africa.
3. Commission and Fees – NutriMix® will pay GRM in amounts equal to 3% of the gross invoice value of the product sold FOB Australian port, or as otherwise agreed by the parties. In addition, where GRM provides support services which are independent of sale, a schedule of fees will be established to affect the services provided.
4. Territory – the agreement relates only to marketing and sales promotions in the Middle East and North African regions.
5. The Indemnity – NutriMix® will indemnify GRM in regard to any loss (including any indirect costs, legal costs and expenses) or liability incurred by GRM as a result of GRM properly performing the services under this agreement.
6. Governing Law – the agreement is governed by the laws of New South Wales.

10.4.2 Licence agreement between the Company, NutriMix Distribution Pty Ltd and Timms Cho Group Limited

The Company, through its wholly subsidiary NutriMix Distribution Pty Ltd, has entered into a licence agreement dated 8 June 2007 with Hong Kong based company Timms Cho Group Limited to distribute NutriMix® in China.

China is defined in the license agreement as the Peoples Republic of China, Hong Kong, Taiwan and Macau ("the Territory").

The key commercial terms of the licence agreement with Timms Cho Group Limited are:

1. a licence fee of US$5,000,000 payable by 6 equal instalments of US$833,333 on a six monthly basis in arrears, with the first payment due the later of six months from the date of completion of the first planting, or 12 months from the date of the licence agreement is ratified by the respective boards of the Company and Timms Cho Group Limited;
2. ongoing royalty fees of US$62.50 per hectare of planting of Jatropha and/or other oil fruit bearing trees with a minimum of 100,000 hectares for each of the first 4 years of the licence, payable upon completion of planting of every 100,000 hectares;
3. ongoing royalties for all other sales are to be negotiated for each market segment prior to commence of supply into that particular market segment;

4. an initial licence term of 10 years, automatically renewable for two further periods of 5 years each, subject to meeting the minimum performance criteria, which includes the planting of a minimum of 100,000 hectares of Jatropha and/or other oil fruit bearing trees in each of the first 4 years of the agreement;
5. the commencement date of the terms of the agreement between the parties is 8 August 2007, the date upon which the boards of both Timms Cho Group and the Company ratified the agreement;
6. the agreement is governed by the laws of the State of Queensland, Australia.

In consideration of the issue of an initial 16 million ordinary shares in the Company which will be subject to trading restrictions, and subject to restrictions imposed on the issue of the shares so that the “creep” provisions and restrictions in the Act are not breached, the Timms Cho Group has agreed to exclusively use the NutriMix® product in the Territory.

10.4.3 Executive Employment agreement between the Company and James Callianiotis

On 11 August 2005 the Company entered into an Executive Employment agreement with James Callianiotis (the Executive) in regard to the executive’s appointment and employment as Chief Executive Officer of the Company.

The key elements of the agreement are as follows:

1. Term – 5 years from 6 June 2005, with provision to extend the agreement for periods of 5 years upon agreement between the parties;
2. Duties and Accountability – Executive shall report and be accountable to the Directors. The Executive is responsible for managing the Company’s operations on a worldwide basis with authority to manage all such operations within the scope of budgets and duties.
3. Remuneration – the Executive is to be paid $186,000 in accordance with the remuneration and benefits package.

10.4.4 Services agreement between the Company and Steynton Nominees Pty Ltd

Steynton Nominees Pty Ltd is the trustee of the Graeme Scott Family Trust. Mr. Graeme Scott is the Chairman of the Company.

On 30 March 2005 the Company and Steynton Nominees Pty Ltd (“Steynton”) entered into the services agreement.

Pursuant to the terms of that agreement, Steynton is to carry on consulting services in the various fields consisting of marketing, management and promotion of the Company’s products with its clients.

In consideration of Steynton providing Mr. Scott to perform the nominated services, the Company pays Steynton the charges calculated as a minimum fixed fee of $10,000 per calendar month (plus GST) and payment of all expenses incurred on behalf of the Company.

10.5 INTEREST OF EXPERTS

No expert has any shareholding in the Company or any right (whether legally enforceable or not) to subscribe or to nominate persons to subscribe to securities in the Company.

Neither an expert or any firm in which an expert is a partner has an interest in the promotion of the Company, except that fees have been paid or agreed to be paid as set out below for services rendered in connection with the preparation of this Prospectus.

Hewlett Walker Lawyers has acted as Lawyers to the Company in relation to the Offer. It has prepared on the Directors' instructions documentation in relation to this Prospectus. The Company has agreed to pay Hewlett Walker Lawyers for this work on the basis of its usual charge out rate. These fees are expected to total approximately $50,000.

Egan Capital Pty Ltd has provided corporate advice to the Directors in regard to the fund raising, accounting and listing activities. The Company has agreed to pay Egan Capital Pty Ltd for this work on the basis of its usual charge out rates.

10.6 CONSENT TO BE NAMED

10.6.1

The following persons have given their written consent to the inclusion of their name in this Prospectus before the issue of this Prospectus, and have not withdrawn their consent to be named in this Prospectus in the form and context in which they are named:

- Hewlett Walker Lawyers, Lawyers for the Offer;
- Intuity Partners Pty Ltd;
- Rix Levy Fowler Audit & Corporate Pty Ltd;
- Egan Capital Pty Ltd;
- Smoorenburg Patent & Trademark Attorneys.

10.6.2 Computershare Investor Services Pty Limited

Computershare Investor Services Pty Limited has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named.

Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

10.7 GLOSSARY

The following definitions apply throughout this document unless the context requires otherwise:

"Applicant" means the persons who submit valid application forms under this Prospectus

"Application form" means the forms so described in and attached to this Prospectus

"ASIC" means the Australian Securities and Investments Commission

"ASX' means the Australian Securities Exchange Limited

"Board of Directors" means the board of Directors of the Company

"the Company" means Soil Sub Technologies Limited A.C.N. 078 288 155

"Directors" mean the Directors of the Company

"Listing Rules" means the Listing Rules of ASX

"Offer" means the Offer made under this Prospectus to investors to subscribe for shares at an issue price of $1.00 per share to new investors, and an issue price of $0.80 per share for existing Shareholders

"Official List" means the Official List of entities that the ASX has admitted and not removed for trading purposes on the ASX Board

"Official Quotation" means Official Quotation of the ASX of the securities of an entity which has been admitted to and not removed from the Official List of the ASX Board

"Share" means a fully paid Ordinary Share in the capital of the Company

"Shareholder" means the registered holder of Shares

11 APPENDIX A

FREQUENTLY ASKED QUESTIONS

What is NutriMix® ?

NutriMix®, a soil substitute produced by Soil Sub Technologies Limited ACN 078 388 155, is a patented organic growing medium which looks like natural soil, but is derived by mixing to a formula, organic products which include the by-products of sugar or palm oil production.

What are Soil Substitutes ?

Soil substitutes are defined as a product that has the attributes of natural soil, while being able to be used as a replacement for natural soil.

The nutrient profile of the sugar and palm oil waste products, when mixed to the patented NutriMix® formula achieves far better growth over longer periods, than that obtained in normal soils or in commercial mixes.

How do you use NutriMix® ?

The product can be used to grow any plant without the need for natural soil, chemical fertilisers and other landscape products. It can be used as a complete soil substitute, as mulch, or as potting mix and is suitable for growing any type of plant.

What can NutriMix® be used for ?

NutriMix® can benefit all horticultural sectors, including growing turf, flowers, vegetables, trees and shrubs – both outdoors and in greenhouses. The product can also be used for the construction and maintenance of golf courses, which use extremely high amounts of water and fertilisers.

What are some of the Market Segments for NutriMix® ?

- Commercial landscaping
- Golf Courses
- Vegetable production
- Wholesale nurseries
- Retail outlets
- Rooftop gardens
- International transport of plants
- Tree plantings

What are the Advantages of NutriMix® ?

- Water holding capacity levels are very high
- Nutrients such as nitrogen, potash, sulphur and phosphorus are present in slow release form, providing the continual availability of nourishment to plants over periods exceeding 12 months

- There is a highly acceptable nutrient profile for plant growth, with good levels of all essential macro and micro nutrients
- Trace elements are present which promote energetic plant growth without the need for additional chemical fertilisers
- Heavy metal and pesticide residues are well inside international acceptance levels
- There are no parasitic nematodes
- It is less labour intensive than other soil treatment regimes
- Ability to be transported between countries (natural soil cannot be transported between countries)
- Economic and cost savings through only one application of the product
- It has global relevance – it is an organic, environmentally friendly product
- It is a single product which delivers advantages that could otherwise be obtained only from using multiple products

Are there any other Products on the Market Similar to NutriMix® ?

Currently, NutriMix® is the only known product that the Company is aware of that is a completely organic patented soil substitute. NutriMix® offers the only known patented transportable complete organic growing substitute on international markets today.

Similar products on the market are generally additives to existing soil, which try to enhance water retention and/or nutrition of the existing soil. These products do not have the range of advantages that NutriMix® can offer its customers.

Therefore, the NutriMix® product range has the potential to be a unique product servicing a growing market need.

What are the Initial Target Markets for NutriMix® ?

The greatest market potential is in arid countries and in areas where horticulture is highly intense. China and the Middle-East and North Africa markets are the initial focus.

North America, Southern Africa, European Economic Community all have considerable potential for commercial and domestic applications.

When is NutriMix® available during the year ?

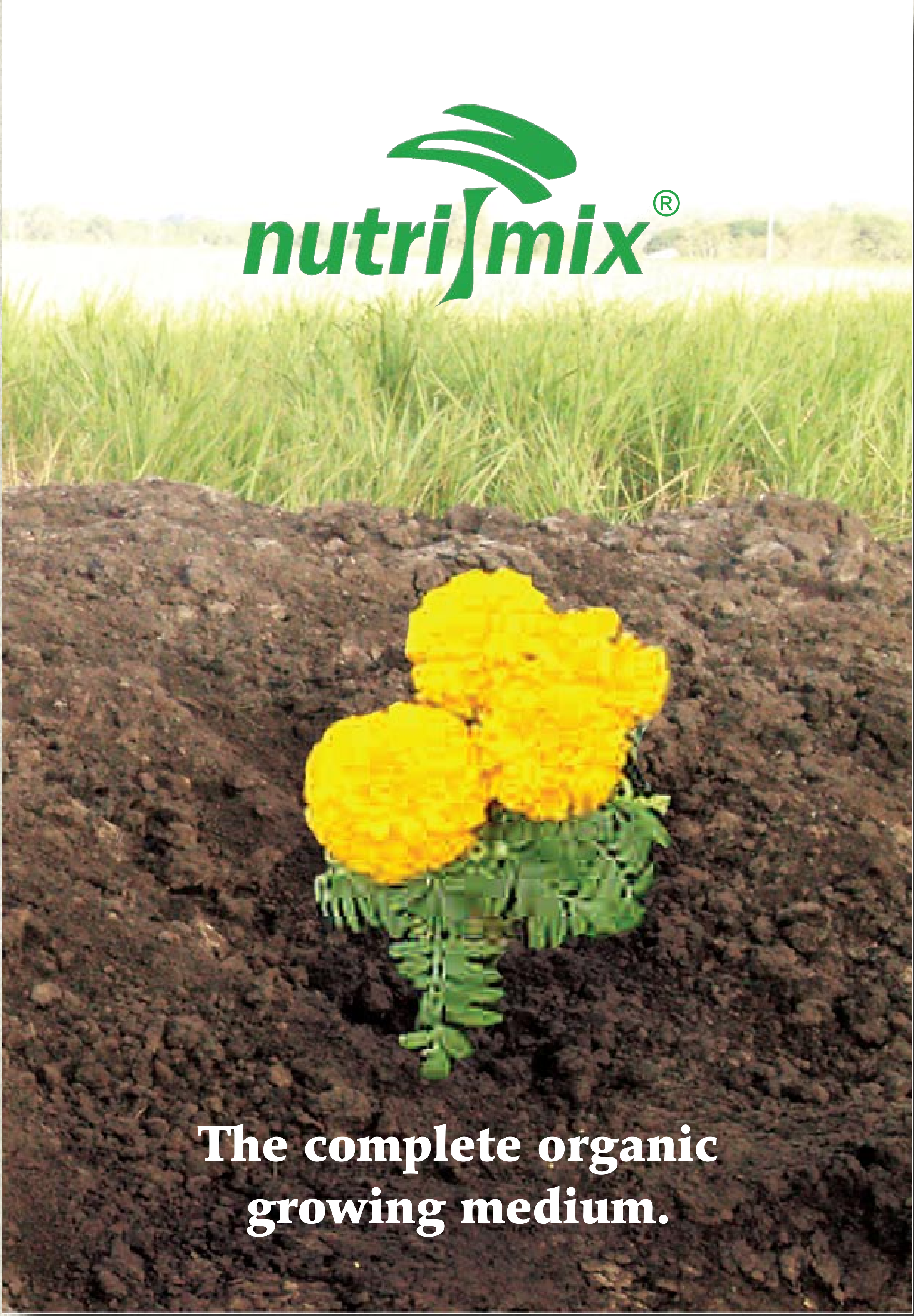
The product can be supplied all year round, with deliveries tailored to suit local usage needs.

What evaluations have been done ?

Evaluations undertaken by several independent testing authorities confirmed the above key product benefits, such as good nutrient profiles, slow release nutrients and high water retention. Thus, this research substantiates the suitability and useability of NutriMix® for horticultural and agricultural applications.

Soil Sub®
Technologies Limited

12 APPENDIX B – PRODUCT INFORMATION

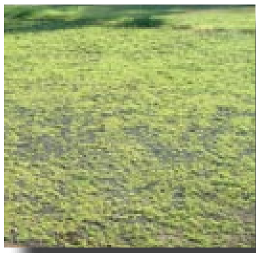



The secret is in
the mix.
nutrimix®
The approved organic
growing medium.

- The complete organic growing medium that looks and feels like natural soil.
- Approved organic with diverse applications.
- An environmentally friendly growing medium.
- Manufactured from agricultural waste products, a renewable resource.
- Proven and tested growth with high water management capabilities.
- Readily available worldwide.
- Conveniently packaged for personal or bulk orders.

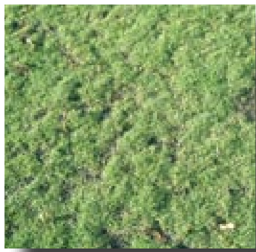
Root growth after 6 weeks.

Week 2



Week 4

Week 6



Week 8

NutriMix® – The revolutionary solution to your environmental needs. NutriMix® has been developed to benefit all areas of horticulture and agriculture, and has proven to be of significant value in the production of turf, flowers, vegetables, pastures, tree and shrub crops, outdoors and in greenhouses, as well as in highway and corniche beautification.

Flowers and Vegetables Growing in NutriMix®

100% NutriMix

100% NutriMix

Flowers grown in NutriMix® have shown a marked increase in flower budding.

On average we have exceeded 40% increase in actual flower production.

Vegetables grown in NutriMix® have shown a marked increase in fruiting.

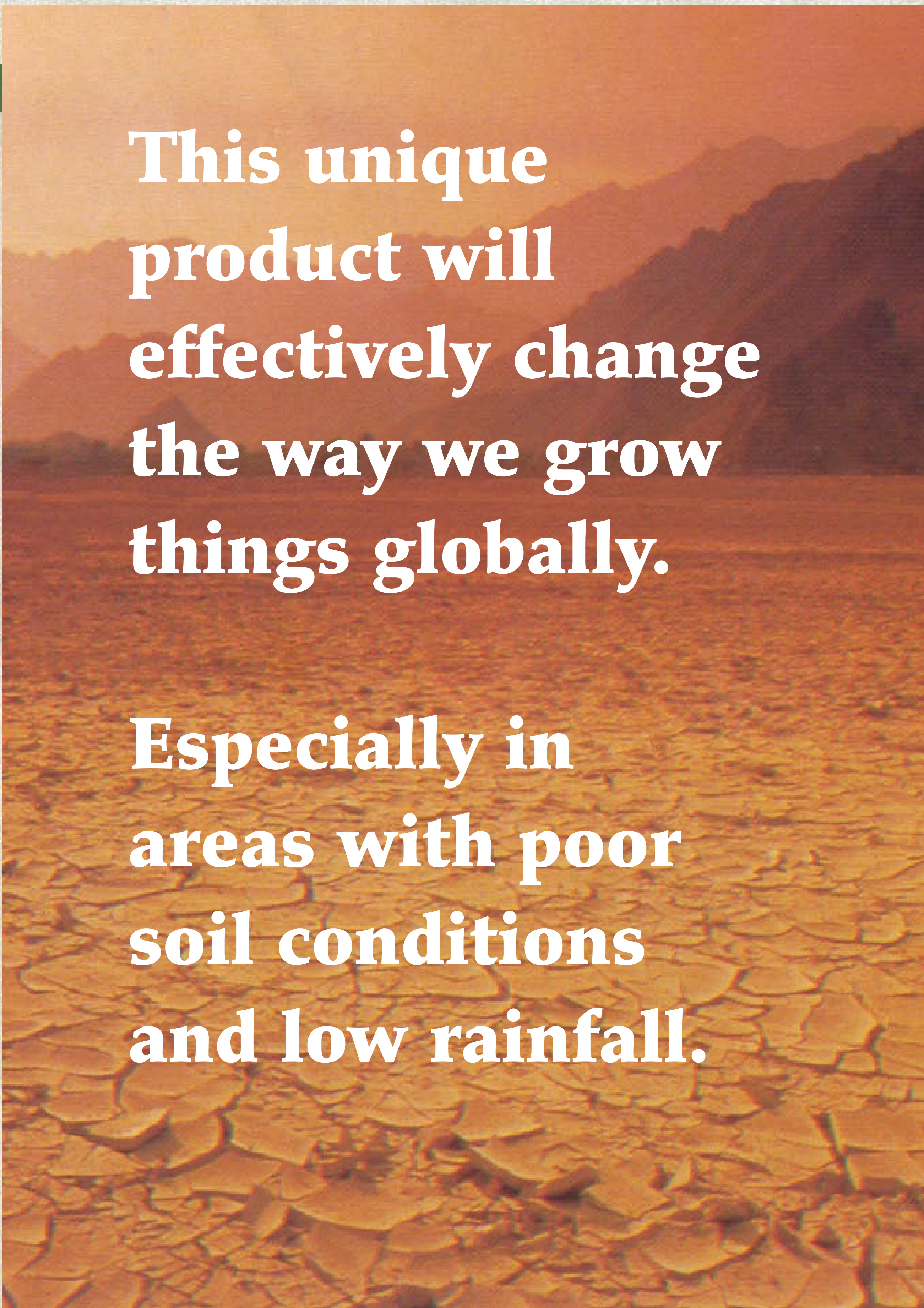
On average we have exceeded 40% increase in actual fruit production and up to 2 weeks extention in productivity.

The plants have also shown an increased plant longevity which will increase the production levels even further.

Due to the excellent water management capabilities and due to its high water holding capacity, plant growth is considerably greater.

Average Australian Premium Grade Potting Mix.

Average Australian Premium Grade Potting Mix.


This unique product will effectively change the way we grow things globally.
Especially in areas with poor soil conditions and low rainfall.

"Our executive chairman Graeme Scott pictured with Nick O'Hern, professional golfer and longtime shareholder, proudly sponsored by NutriMix® on the international circuit."

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Milton QLD 4064

Phone: 07 3368 3557

nutrimix®

A Soil Sub Technologies Limited company.

www.soilsub.com

13 STATEMENT BY DIRECTORS

Statement by Directors of Soil Sub Technologies Limited

The Directors report that, after due unquiry, they have not become aware of any circumstances which in their opinion materially affect Soil Sub Technologies Limited other than disclosed in this Prospectus.

Each Director to the Company has given and has not, at the date of this Prospectus, withdrawn their written consent to the lodgement with ASIC of this Prospectus pursuant to which the Company is offering its shares for issue.

This Prospectus is issued by the Company. Its issue is authorised by a resolution by the Directors and signed by Graeme Eric Scott, Chairman, on behalf of all Directors.

Signed G. E. Scott

Dated: 21 December 2007

TEAR OFF ALONG HERE

Soil Sub Technologies Limited ® ABN 39 078 388 155

Registry Use Only

Broker Code

Adviser Code

Application Form

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional adviser without delay. You should read the entire prospectus carefully before completing this form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the prospectus.

A **I/we apply for**

Number of Shares in Soil Sub Technologies Limited at A$1.00 per Share or such lesser number of Shares which may be allocated to me/us

B **I/we lodge full Application Money**

A$.

C **Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)**

Title or Company Name | Given Name(s) | Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

D **Enter your postal address - Include State and Postcode**

Unit | Street Number | Street Name or PO Box /Other Information

City / Suburb / Town | State | Postcode

E **Enter your contact details**

Contact Name

Telephone Number - Business Hours / After Hours

( )

F **CHESS Participant**

Holder Identification Number (HIN)

X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any securities issued as a result of the IPO will be held on the Issuer Sponsored subregister.

Cheque details - Make your cheque or bank draft payable to Soil Sub Technologies Limited - IPO Account

G

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A$
				A$

By submitting this Application Form, I/we declare that this application is completed and lodged according to the Prospectus and the declarations/statements on the reverse of this Application form and I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate. I/we agree to be bound by the Constitution of the Company.

See back of form for completion guidelines

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How to complete this form

A **Shares Applied for**

Enter the number of Ordinary Shares you wish to apply for. The application must be for a minimum of 2,000 Ordinary Shares. Applications for greater than 2,000 Ordinary Shares must be in multiples of 100 Ordinary Shares.

B **Application Monies**

Enter the amount of Application Monies. To calculate the amount, multiply the number of Ordinary Shares by the price per Ordinary Share.

C **Applicant Name(s)**

Enter the full name you wish to appear on the statement of share holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHESS) participants should complete their name identically to that presently registered in the CHESS system.

D **Postal Address**

Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E **Contact Details**

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

F **CHESS**

Soil Sub Technologies Limited (the Company) will apply to the ASX to participate in CHESS, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited. In CHESS, the company will operate an electronic CHESS Subregister of security holdings and an electronic Issuer Sponsored Subregister of security holdings. Together the two Subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of Ordinary Shares allotted. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold Ordinary Shares allotted to you under this Application on the CHESS Subregister, enter your CHESS HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

G **Payment**

Make your cheque or bank draft payable to Soil Sub Technologies Limited - IPO Account in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank.

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Pin (do not staple) your cheque(s) to the Application Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

Before completing the Application Form the applicant(s) should read this prospectus to which this application relates. By lodging the Application Form, the applicant agrees that this application for Ordinary Shares in Soil Sub Technologies Limited is upon and subject to the terms of the prospectus and the Constitution of Soil Sub Technologies Limited, agrees to take any number of Ordinary Shares that may be allotted to the Applicant(s) pursuant to the prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

Application Forms must be received at the Perth office of Computershare Investor Services Pty Limited by no later than 5pm WST on 14 March 2008. You should allow sufficient time for this to occur. Return the Application Form with cheque(s) attached to:

Computershare Investor Services Pty Limited
GPO Box D182
PERTH WA 6840

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS"), as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or E-mail privacy@computershare.com.au

If you have any enquiries concerning your application, please contact the Computershare Investor Services Pty Limited on 1300 557 010.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold Shares. Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and the surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable title(s) below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual - Use given name(s) in full, not initials	Mr John Alfred Smith	J.A Smith
Joint - Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company - Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s) - Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates - Use executor(s) personal name(s) - Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) - Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships - Use partners personal name(s) - Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names - Use office bearer(s) personal name(s) - Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds - Use the name of trustee of the fund - Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

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