



ASX:SOI

16 March 2012

Submit by fax or electronically

Company Announcements Office
ASX Limited
Exchange Plaza
2 The Esplanade
Perth, WA. 6000

Dear Shareholder,

UPDATE ON COMPANY ACTIVITIES

The Directors of Sub Soil Technologies Limited ("SOI" or the "Company") are pleased to provide an update to shareholders regarding the Company's recent activities with respect to current trials.

Nutrimix and Soil Technology

Trials are currently being conducted on a 4 hectare crop of forage sorghum consisting of:

- A control area where no fertiliser has been added;
- An area where conventional chemical fertiliser has been applied; and
- An area where Nutrimix Organic Mix was applied.

The application rates for both treatments were established using soil analysis and taking into account the crops requirements. Throughout the growing period, leaf samples were systematically taken from all blocks in 3 growth stages. This enabled comparisons to be made on nutrient uptake. When the crop matured yield data was taken. A second series of soil samples were taken after harvest to analyse nutrient removal from each treatment.

A second series of yield testing is to be completed however as an indication of progress please refer to the diagrams below.



Figure 1: Control block – no fertiliser applied



Diagram 2: To the left, chemical fertiliser used and to the right, Nutrimix fertiliser used.



Diagram 3: To the background, chemical fertiliser used and to the foreground, Nutrimix fertiliser used.

Yields from this trial are currently being analysed and a full set of results will be released at the end of the trial. However the initial signs for the Nutrimix Organic product are encouraging.

As an indication of activities to date and future work planned:

NutriMix Activity Timeline

Activity	Date
1st Soil Analysis	6/09/2011
Fertiliser Applied	4/10/2011
Forage Sorghum Planted	7/10/2011
1st Leaf Analysis	2/12/2011
2nd Leaf Analysis	16/12/2011
3rd Leaf Analysis	4/01/2012
1st Harvest	4/01/2012
2nd Soil Analysis	27/01/2012
Proposed side dressing application	13/02/2012
Proposed 4th leaf analysis	13/02/2012
Possible 5th leaf analysis	Mid March
Possible harvest & 6th leaf analysis	End of March



Depending on results and the prevailing weather at the time, there is a possibility of collecting data from a 3rd phase.

A pelletiser has been purchased and used to provide potential customers spreading options and also to improve the distribution of fertiliser nutrients.

In addition to the improved yields, the use of organic fertiliser has the added benefit of increasing and maintaining the soil's organic carbon content to allow for future production increases by farmers. In this trial some 920kgs per hectare of organic matter was used theoretically adding over 0.5 tonne per hectare of organic carbon.

This trial is ongoing and the Company looks forward to reviewing the analysis as it comes to hand.

In light of the results from the trials above, the range of Nutrimix products that may be developed has been extended to include the following:

- Organic Nitrogen
- Organic Phosphorus
- Soluble Organic Nitrogen

These products have higher levels of nutrients due to higher presence of organic matter of up to 95%.

Organic Nitrogen

With access to the organic nitrogen, a quantity can be applied to the forage sorghum trial. With the material that is left over, the Company's consultants will be looking to apply it as a nitrogen supplement to a young lettuce crop. Lettuce will be planted in the Lockyer Valley in mid-March and will take approximately 6 - 7 weeks to crop.

Samples are intended to be taken in Week 1 and Week 3 post initial planting and another pre harvest. Comparisons would be made with the conventional treatments. At harvest quality of both treatments would be compared.

Organic Soluble Nitrogen

The sourcing of a soluble Organic Nitrogen has taken some time and many tests have been undertaken in various forms to achieve this. These tests have led to a product that is soluble and an understanding that the drying process used to make this product is critical. In the soluble form Organic Nitrogen can be dissolved, injected into the irrigation system and can be stored and supplied in a solid state and dissolved as required. Trials will be conducted at a time to be announced.

With the issues of solubility now resolved and supplies of the material now sourced, a tomato trial has been organised. Crops in the region are now being planted until early March 2012 and it is



intended to apply the organic soluble nitrogen as per the grower's normal side dressing program. This material will be dissolved and manually injected into the trickle irrigation.

Assessment will be via leaf analysis results comparing conventional treatments with that of the Organic Soluble Nitrogen and an indicative timetable of activities is provided below:

Activity	Date
Application of material	<i>Already Performed</i>
1st Sample	<i>Mid March</i>
2nd Sample	<i>Early April</i>
3rd Sample	<i>Mid May</i>

The Company will provide updates on these activities as they become available.

IEM Technology

The Company's IEM consultants, PT. Teguh Perkasa Utama ("PT Teguh") have also been analysing the effect of the IEM technology on the breakdown process of the proprietary Nutrimix raw materials to facilitate a faster rate of production.

The input data received on the raw materials, mix ratios and trial protocol treatments were received from the Company's consultants in Queensland and were analysed by PT Teguh.

The raw materials used in the IEM accelerated trials were Paunch and other wastes of similar characteristics and nutrient profile, as this would give a broader availability of this material at a reduced cost.

24 separate treatments were provided to PT Teguh with various mixes and ratios. All ratios were based on the raw materials mentioned in item 2 above, these were in the following ratios, 1:1, 1:2, 1:2:1, and 1:1:1. The most economical cost was used, 1:1:1, for the accelerated IEM trial over the course of 10 days which resulted in suitable base material for the second phase of trials and also a concentrated liquid by-product (please refer to Figures 4 – 6).

An important factor taken into account during trialling is the input cost for this type of material including transport and processing, to make the product acceptable for an accelerated program (removal of pathogens and compliance with EPA legislation in respect to controlled waste transportation and handling).



Figure 4 – Raw materials excluding Paunch.



Figure 5 – Addition of Paunch and IEM microbes. Note resulting breakdown over 10 days



Figure 6 - The fore ground shows input c after processing with IEM proprietary additives with the background the resulting product after reactor processes and prior to efficacy trial.

Preliminary analysis of the product post reactor process provided the following results:

Element	%
N	3.9%
P	1.3%
K	2.7%
Ca	2.2%
Mg	0.6%
S	2.2%
Fe	0.4%

Minor elements were also found in B, Cu, Mn, Mo, and Zn, ranging from 34ppm to 310ppm.

The Company’s consultants are pleased with these initial results which allows for the addition of the post reactor product to form a small trial on an existing crop and, should this be successful, a larger trial using controlled and uncontrolled sample areas as performed in Queensland and outlined above.

The Company will provide further updates as this second phase of the IEM trials progress as well as updates relating to the progress of Nutrimix trials in Queensland.



For any further information please contact the Company on (08) 9321 3277.

Yours Sincerely

A handwritten signature in black ink that reads "Guy T. Le Page". The signature is written in a cursive, flowing style.

Guy T. Le Page, MAusIMM, FFIN
Chairman