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Companies Announcement Office
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SIGNIFICANT COMMERCIAL DEVELOPMENTS

In our recent Quarterly Report we foreshadowed an announcement to update the market concerning significant recent commercial developments.

Breakthrough with the US Environmental Protection Agency (EPA)

Aeris has previously advised that market entry in the USA was subject to a significant regulatory hurdle. We are pleased to announce that, after extensive discussions, the US EPA has agreed to a revised set of product claims that allows Aeris immediate entry into the US market.

This milestone development enables the Company to sell and market the entire Aeris Guard range of products in the US with a modified set of claims. In parallel, Aeris is continuing to work with the EPA towards registration of a comprehensive set of biocidal claims. We are confident of gaining full EPA approval for these claims in the medium term.

Aeris Partners with Leading IAQ Company for US Launch

Aeris has awarded preliminary distribution rights for the US to Mr Bill Lundquist. Mr Lundquist is the owner of MonsterVac Inc., one of the largest duct cleaning companies in the US. He is also a Director of NADCA (The National Air Duct Cleaners Association), the peak industry body, and is Chairman of the NADCA Education Committee. Mr Lundquist enjoys a very high profile in the US duct cleaning industry and has been at the forefront of "best practice" in the sector for some 20 years.

After conducting a series of trials of the Aeris products, Mr Lundquist commented:

"I am most impressed with the performance of the Aeris Guard products. In recent years the demand for Indoor Air Quality solutions has exploded in the USA. With very few products available to address this demand, I am confident that we will establish a very strong business for Aeris in North America."

Mr Lundquist is ideally placed to introduce the products to key customers throughout the US and to spearhead the Company's planned US distribution efforts. The first batch of product, with specific US labelling, will be shipped to the US in September 2003.

Landmark “Duty of Care” Campaign

Aeris has been joined by leading companies in the Australian Indoor Air Quality market in the launch of its “Duty of Care” campaign. The campaign aims to raise public awareness of the health problems resulting from poor air quality and of the consequent duties on employers and property managers to adequately address the issue.

Underpinning the campaign is a comprehensive reference booklet titled “Indoor Air Quality – A Duty of Care”. Australia's peak air conditioning industry body, AIRAH, is supporting the initiative and will be including a copy of the booklet in its September issue of Ecolibrium. Promotion through Ecolibrium, Australia's principal monthly industry journal, provides Aeris direct access to some 5,000 leading industry participants. The distribution of the booklet will be followed by a mainstream media program over coming months.

We are very pleased that Dr Kerry Phelps, the past president of the Australian Medical Association, has provided a foreword to the booklet, reflecting the increased community concern regarding this important health issue. In her introduction, Dr Phelps writes:

“Indoor Air Quality and the health problems created by contaminated air are issues of very significant community health concern.... This booklet is both timely and commendable in its promotion of a greater level of community awareness and response to the issue.”

A copy of the booklet is available in “pdf” format on the Aeris website at www.aeris.com.au

Keynote Address at AIRAH Conference

Mr Steve Kritzler, Aeris Technical Director, will be providing one of the keynote addresses at the AIRAH Indoor Air Quality Conference, to be held in Sydney on 21 August 2003. AIRAH, Australia's peak air conditioning industry body, has recognised Indoor Air Quality as a significant industry issue and has lent material support to the Aeris “Duty of Care” Campaign.

In his address, Mr Kritzler will highlight the Occupational Health and Safety implications of contaminated indoor air and the consequent Duty of Care obligations on building owners, building managers, company directors and employers.

The “Duty of Care” booklet will be officially released at the AIRAH conference.

Outstanding Customer Response in Key Asian Markets

Following abatement of the SARS threat in Asia, Aeris was invited to Malaysia, the Philippines and Hong Kong to conduct training and to assist with product launches and marketing. Aeris distributors in these markets are achieving excellent results.

Malaysian Distributor Secures First Stage Commitment from Health Ministry

In a meeting in July with the Malaysian Minister of Health, Aeris' Malaysian distributor secured a commitment for the commercial rollout of the Aeris process through the Malaysian public hospital sector. The Ministry has allocated a hospital in each of the three primary health zones (north, south and central) for immediate treatment. These initial sites are being used to provide training and operational scale-up to facilitate a rollout throughout the network of 127 hospitals.

Official Launch in the Philippines

During July, several reference sites were treated by the Aeris team in the Philippines. Landmark buildings to undergo treatment included sections of the Manila Casino, the Manila International Airport, the Bank Philippino headquarters and St Lukes Hospital. Based on the outstanding results achieved in these sites, the Aeris Distributor expects a rapid commercial rollout throughout the Philippines.

Hong Kong Distributor Scales up to Meet Demand

Once again, during July several reference sites were treated by the Aeris team in Hong Kong, including Citicorp Bank and the Hong Kong China Ferry Terminal. As a direct result of the recent crisis, environmental hygiene has become a priority at both the Corporate and the Government level. The Aeris distributor in Hong Kong is now poised to scale up both in Hong Kong and in the vast associated market in China.

“Total Air Care Pack” to Launch in September 2003

Due to overwhelming demand by its distributors, Aeris has over the past three months accelerated the development of its “Residential Pack”. Release of the Pack opens up the vast global opportunity for all residential and small scale commercial air conditioning units to undergo an Aeris treatment as a component of regular scheduled maintenance. The Pack includes four key Aeris Guard Products specifically formulated for application in small scale installations and packaged in an attractive “consumer friendly” kit.

The Residential Pack will be offered exclusively through Kirby, Australia's largest wholesale equipment supplier to the air conditioning industry. Kirby has already placed an impressive opening order and this demand has been mirrored across the Aeris overseas distributor network.

According to Terry Kobler, Aeris Business Development Manager,

“The Contractor Pack will help to further entrench Aeris as the leading provider of Indoor Air Quality solutions to both the commercial and residential markets. The Pack will provide significant opportunity for growth into 2004...”

Summary

Aeris Technologies has taken its products from the laboratory to the global market in less than twelve months. With an early entry into the US market, and distributors scaling up operations in Malaysia, Hong Kong, the Philippines, Korea, Taiwan, France and Canada, the Company is now ideally placed for dramatic growth through 2004 and beyond.