

Aeris Technologies Ltd
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21 June 2005

Companies Announcements Office
Australian Stock Exchange Limited

Issue of shares on exercise of options

Attached herewith is an Appendix 3B Notice, seeking quotation of the shares underlying the Company's currently outstanding 35,980,834 twenty cent exercise price options, which are due to expire at 5.00pm (Western Standard Time – Perth Time) on Friday, 1 July 2005.

Optionholders should also be aware that quotation of these options on the ASX ceases at the close of trading on Friday, 24 June 2005.

Notice Under Section 708A(5)(e)

Aeris advises that it proposes to issue 35,980,834 shares following the exercise of options with an exercise price of 20 cents and expiry date of 1 July 2005 (New Shares).

The Company gives notice that:

- (1) this notice is being given under section 708A(5)(e) of the Corporations Act 2001 (Corporations Act);*
- (2) the Company proposes to issue the New Shares without disclosure to investors under Part 6D.2 of the Corporations Act;*
- (3) as at the date of this notice, the Company has complied with:*
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and*
 - (b) section 674 of the Corporations Act; and*
- (4) except as may be set out in this notice, there is no other information that is excluded information as at the date of this notice which is required to be set out in this notice under section 708A(6)(e) of the Corporations Act.*

Yours faithfully
Aeris Technologies Ltd

Huw Jones
Director

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

**New issue announcement,
application for quotation of additional securities
and agreement**

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Aeris Technologies Ltd

ABN

ABN 19 093 977 336

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | 1. 35,980,834 fully paid ordinary shares on exercise of 35,980,834 1 July 2005, 20 cent options (Note - in the event the options are not all exercised an adjusting Appendix 3B shall be lodged)
2. 60,000 unquoted options to an adviser (a company associated with Professor Kerry Phelps) for services to the Company pursuant to an agreement dated 2 November 2004 |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Refer 1. above |

3	Principal terms of the ⁺ securities (eg, if options, exercise price and expiry date; if partly paid ⁺ securities, the amount outstanding and due dates for payment; if ⁺ convertible securities, the conversion price and dates for conversion)	1. 35,980,834 fully paid ordinary shares will rank equally with quoted shares coded AEI 2. The 60,000 options are unquoted and have the following terms: a. 30,000 exercisable at 54 cents and a term to 30 September 08 b. 30,000 exercisable at 62 cents and a term to 30 September 08						
4	Do the ⁺ securities rank equally in all respects from the date of allotment with an existing ⁺ class of quoted ⁺ securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Refer 3. above						
5	Issue price or consideration	1. The 35,980,834 shares will be issued at 20 cent per share. 2. The options have been issued as part consideration under a service contract.						
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	1. Issue of shares - exercise of options 2. Issue of options - payment for services						
7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	Progressively from the date of this Appendix 3B to 2 July 2005.						
8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>⁺Class</th></tr><tr><td>87,570,014</td><td>Fully Paid Ordinary Shares</td></tr></table> <table><tr><th>Number</th><th>⁺Class</th></tr></table>	Number	⁺ Class	87,570,014	Fully Paid Ordinary Shares	Number	⁺ Class
Number	⁺ Class							
87,570,014	Fully Paid Ordinary Shares							
Number	⁺ Class							

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	600,000	Options – ESOP expire 19 January 2010 with exercise price 79 cents
		60,000	Options – refer this Appendix 3B
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The shares rank equally with existing fully paid ordinary shares in regard to future dividends	

Part 2 - Bonus issue or pro rata issue

11 to 33	Is security holder approval required?	Questions 11 to 33 are not applicable
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Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities (tick one)
- (a) ☒ Securities described in Part 1
- (b) ☐ All other securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

*Additional securities forming a new class of securities **Not Applicable***

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
- 1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

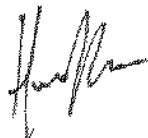
38 Number of securities for which
to +quotation is sought
42

Questions 38 to 42 are not applicable

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date:

21 June 2005

(Director/~~Company Secretary~~)

Print name:

Huw Jones