

aeris technologies newsletter

aeris
TECHNOLOGIES

CEO's address

It has been a very busy and productive quarter for the Aeris Team.

It started with the exciting news that we had received EPA regulatory approval in the USA for our unique and patented AerisGuard™ Bioactive Coil Treatment.

We then followed this up in April with a second EPA approval for the AerisGuard Bioactive Filter Treatment.

In May we received the first commercial order for the AerisGuard OEM Corrosion Protection product from Trane, one of the

world's leading manufacturers of air-conditioning and refrigeration systems.

And in June we announced the acquisition of the assets of SteriAir Cool-room Cleaning Services and the formation of Aeris Hygiene Services Pty Ltd. This is an exciting strategic development for Aeris Technologies as it heralds the launch of the Company's first direct service business and also gives us entry into the very attractive and growing refrigerated food storage market in Australia.

On the back of these great achievements my team is now focussing on generating sales in the USA, continuing to support the

strong progress by 3M in Japan and Trane in Indochina, and ensuring Aeris Hygiene Services has a blistering start to the new financial year.

As a result, Aeris Technologies is looking forward to a very successful and lucrative 12 months across all our business units and in key target markets.

Please enjoy this edition of the Aeris Technologies newsletter which highlights some of our most recent key initiatives and successes around the world and provides a Fact Sheet on the newly formed Aeris Hygiene Services business.

Huw Jones, CEO

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FORMATION OF AERIS HYGIENE SYSTEMS COMPLETED

(see page 5 for more details)



Aeris in action

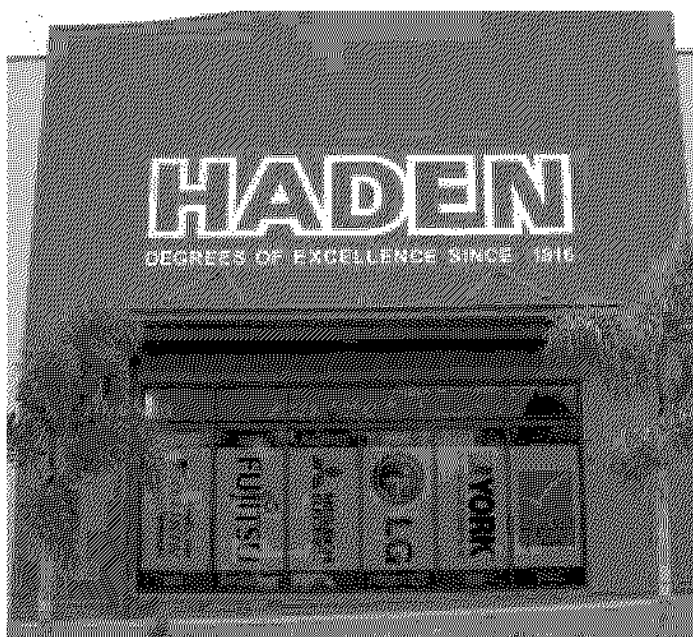
Haden Air-conditioning

Aeris has been working closely with Haden Air Conditioning, one of Australia's and New Zealand's largest Heating, Ventilation and Air Conditioning (HVAC) Company's in formulating a strategic relationship. Haden specialise in delivering services to the Engineering, Design and Construction, Services and Maintenance

Industry sectors. With more than 30 branches delivering coverage throughout the nation via 1000 directly employed staff, Haden offers Aeris the potential to utilise the full range of AerisGuard Hygiene Solution and Corrosion Protection solutions in the commercial market delivering to major customers the key AerisGuard benefits.



Dave Andrews at Haden National advertising event promoting AerisGuard



Haden premises in QLD advertises AerisGuard along side its global Air Conditioning Brands

Joint Marketing Activities

As part of our ongoing campaign to increase awareness of the hidden health issues in home air conditioners, Aeris Technologies and its applicators are continuing to promote the AerisGuard Total Air Care Pack through a combination of newspaper advertisements, trade shows, direct mail and letter box drops. An example of the artwork for a recent letter box drop can be seen below.



A Word from Aeris Customers in Australia

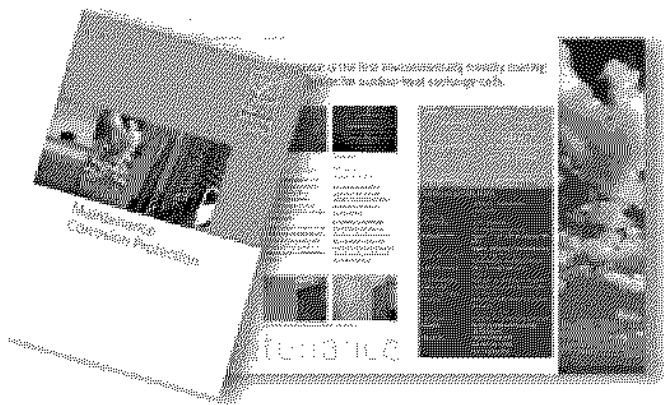
The following is a testimonial recently received from a customer in Australia after their cool room was cleaned and protected with the AerisGuard Hygiene Solutions:

"I would like to take this opportunity to thank you for the remarkable job you have done of cleaning my cool room's at my warehouse in the Sydney Markets. As you know these rooms are about 8 years old. We have noticed a large reduction in the time it takes for the rooms to bring down to temperature, and there is much more air flow around the room. This will be very beneficial to our cool chain management. We have also noticed that the rooms smell and look much cleaner. I will not hesitate to recommend you to other Produce Managers like myself."

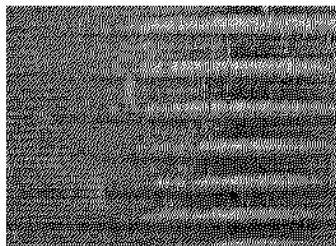
Joe Cremona – Managing Director – Cremona Bros Pty Ltd.

Product Launch – AerisGuard “Maintenance” Corrosion Protection

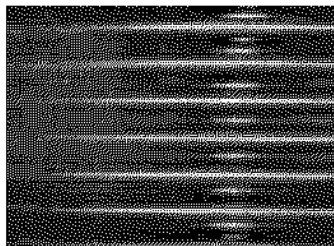
Aeris has formally launched the AerisGuard Maintenance™ product to the Australian market – look out for our new brochure below:



At the completion of field testing – AerisGuard Maintenance (previously named AerisCoat) has been proven to be the first environmentally friendly coating offering Corrosion Protection for outdoor heat exchange coils.



Corroded

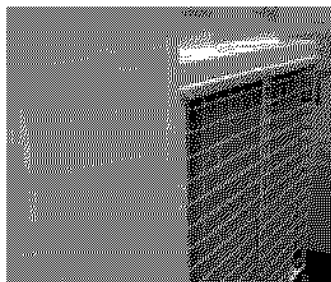


Protected

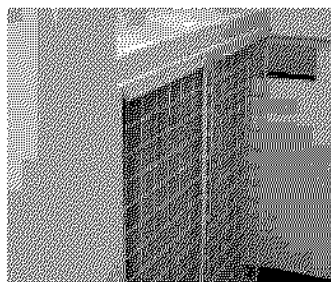
AerisGuard Maintenance provides both air conditioning unit asset protection and improved air handling performance when a standard treatment is applied (following an Aeris coil clean treatment).

Comprehensive corrosion protection is achieved through a unique coating applied to heat exchanger coils.

The images below highlight just one example of the AerisGuard Maintenance™ treatment.



Untreated



AerisGuard™ treated

Plans are already underway to launch AerisGuard Maintenance™ into USA, Japan, IndoChina and the Middle East.

Aeris Technologies recognised by the National Asthma Council Australia

The National Asthma Council Australia has officially recognised the AerisGuard Total Air Care Pack as a product that helps to reduce the exposure of asthma and other allergy sufferers from potential allergy triggers.

The Aeris Technologies product AerisGuard Total Air Care Pack has been accepted into a new National Asthma Council program that helps consumers to instantly identify better choices for managing their asthma and allergies. The program is called “Sensitive Choice” and allows Aeris Technologies to feature the “Sensitive Choice” butterfly logo on promotional material and packaging of the AerisGuard Total Air Care Pack.

According to the National Asthma Council Chairman, Assoc Prof John Wilson, “more than two million Australians have asthma and any initiative that can help them manage their asthma by making a better purchase decision will be a significant benefit”.

“Australians need to be aware of their personal asthma trigger factors and how to manage them. Part of the process is being able to make informed decisions and this new cause-related initiative is designed to make people think.

In the same way that the National Heart Foundation’s tick indicates a better food choice for heart-health, the ‘Sensitive Choice’ butterfly will become synonymous with a better choice of product for any one with an allergy or asthma.”



To become part of the “Sensitive Choice” program the AerisGuard Total Air Care Pack was reviewed and accepted by the National Asthma Council Product Advisory Panel and is the only product in the “Air Conditioner Treatment” category.

From May this year the “Sensitive Choice” butterfly has appeared on all AerisGuard Total Air Care Pack marketing material as well as the pack itself.

Aeris’ involvement in this beneficial initiative is very well aligned with the Company’s products and target consumer groups. As such, it is expected to greatly assist in its ongoing campaign to raise awareness of the issues associated with indoor air quality in Australian homes and buildings and in so doing promote sales of Aeris’ residential product range.

The AerisGuard Total Air Care Pack is a combination of four unique and patented products that has been specifically developed for application in homes, small retail outlets and offices. It cleans and protects smaller air-conditioning equipment from microbial contamination to provide the delivery of clean and healthy air into the indoor environment.

Aeris in the market

March 2006

Aeris Technologies receives notification from the US Federal EPA that its AerisGuard Bioactive Coil Treatment has gained regulatory approval

May 2006

Aeris Technologies receives notification from the US Federal EPA that its AerisGuard Bioactive Filter Treatment has gained regulatory approval

June 2006

Aeris Technologies announces the acquisition of SteriAir and the formation of a new business unit targeting cool room hygiene – Aeris Hygiene Services

Indo China Update

Aeris and The Trane Company continue to make positive inroads into the Indochina market with Trane direct key accounts now actively implementing both AerisGuard antimicrobial and anticorrosion programs throughout Bangkok and surrounding territories.

The ongoing regional dealer applicator network education program is also being well received and the network continues to grow. This is now being reflected in demand for the products as more companies understand the unique business benefits associated with AerisGuard.

Recently, Aeris' Technical Services Manager travelled to Thailand to supervise and assist in initial critical applications at several large scale industrial and resort hotels throughout the greater Bangkok region and Phuket.

In Bangkok a major manufacturing facility presented an opportunity for



Grant Shaltcross on-site in Phuket

Trane with the support of Aeris to provide a corrosion solution that is critical in reducing the energy demand of the HVAC systems. Initial satisfaction of the Chief Engineer was highly apparent. These results are expected to convert the site and 3 other facilities owned by the company to complete Aeris corrosion and antimicrobial protection. This is a major project with project quantity orders expected in the first quarter and ongoing through 2006/2007.

Another large private hospital group is also in the Aeris program implementation phase as are several other commercial facilities in the Bangkok region.

The tropical seaside environment of Phuket places HVAC equipment under enormous threat of corrosion and previous attempts to preserve equipment through traditional means such as using copper coil fins or pre manufactured films has been unsuccessful. Aeris witnessed pre manufacture coating as well as copper finned products promoted as corrosion resistant, showing signs of failure six months after installation. All resort engineers once again agreed that the Aeris system offers a unique way of protecting and extending the life of this expensive equipment.

Indoor Air Quality and energy efficiency are also major concerns as many high end resorts exist in the region and their desire to provide a safe and comfortable environment for their guests is paramount. Corrosion of condensing units associated with Air Cooled HVAC equipment coupled with efficiency losses of the indoor cooling coils is driving a desire by operators to implement a systems solution.

Several establishments have placed initial orders for IAQ and anticorrosion products and will continue to implement the Aeris programs. The Aeris business in Indochina continues to grow and Vietnam is now establishing increasing opportunities which are expected to convert to significant revenues in the near future.

With the successes now achieved in Indochina, interest from other Trane offices throughout the Asia Pacific region in adopting AerisGuard have been expressed. Trane has also placed their first commercial order for the Aeris OEM anti corrosion product which is now in implementation phase with selected factory coated coils being supplied from the Thailand facility in June.



Example of severity of coil corrosion on rooftop HVAC unit

Fact sheet: Welcome to Aeris Hygiene Services

On June 20th 2006, Aeris Technologies Ltd (Aeris) announced to the ASX the formation of a new operating subsidiary – Aeris Hygiene Services (AHS).

AHS was formed after the acquisition of SteriAir was completed.

SteriAir's Jim Howson and John Coughlan, already active in the growers produce markets via their companies "Fresh Vent" and Progressive Produce International", identified the opportunity for cool room cleaning.

They approached Aeris, who had the potential to provide a range of specific formulations which could clean biofilm contamination from Forced Draft Coolers (FDC's), preventing further damage to the coils, while providing residual protection.

Early trials were conducted at the Flemington Produce Market (Sydney), from which a formalised cleaning and preventative treatment regime evolved.

At the same time, informal market research confirmed there was a large customer pool seeking these services.

AHS was formed to combine the market knowledge and customer contacts of SteriAir with the unique product formulations of Aeris.

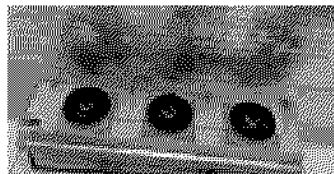
Significantly, the acquisition also heralds the company's intention to utilise a direct sales and service approach in markets where no third party distribution channel currently exists.

Introduction to cool room contamination

Refrigerated storage is the primary preservation method of commercial perishable products – globally.

Typical refrigeration systems continuously recirculate unfiltered air through an FDC.

This exposes the coil to high levels of contamination, which – when combined with the natural condensation that forms on the FDC – creates a perfect environment for microbial proliferation.



If untreated, the microbial contamination can reach a point where system performance/efficiency can be inhibited – termed Biofouling – where airflow, pressure and thermal efficiency are inhibited.

In addition, it is not uncommon for disturbing odours to be detected within the coolroom environment – a clear sign of deteriorating Indoor Air Quality (IAQ).

Over a longer term, Biofouling can have a severe corrosive effect on the coil and surrounds – termed Microbial Induced Corrosion (MIC).

MIC eventually leads to complete replacement of coil and surrounds if left untreated.

A complete cleaning and preventative treatment with AerisGuard (by a skilled technician) can alleviate the need for part replacement and dramatically improve the indoor air quality of the refrigerated space.

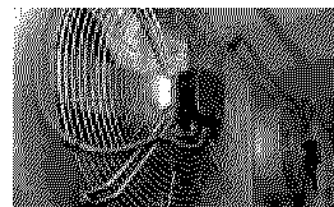
Owners/operators of these systems are largely unaware of the impact that IAQ can have upon product preservation and system performance.



Before

The AHS range of AerisGuard products have been formulated to clean and treat biofilm contamination within the FDC's and the cool room itself, providing 6 month residual protection in demanding cool, moist, high traffic environments.

The photos below show before and after treatments using the AHS cool room sanitisation and remediation treatments.



After

The AHS services:

The Aeris Hygiene Solution FDC – Clean and Treat service

- ✓ Pre-clean unit inspection
- ✓ "Clean and Treat" service
- ✓ Post-clean Quality Assurance inspection



Cool Room – Clean and Treat service

- ✓ "Sanitisation" service – floor, wall and ceiling antimicrobial spray treatment
- ✓ "Disinfection" service – floor, wall and ceiling residual protection spray treatment

Look out for our new brochure below:



NEW APPOINTMENTS

Grenville (Gren) Delfs has joined as General Manager, Aeris Hygiene Services (AHS) Pty Ltd.

Gren has a strong senior management background in running service businesses and prior to joining Aeris was Market Manager, Water Treatment for Orica Chemnet and Division Manager, Watercare Services for Ecolab. Gren brings a wealth of service and technology experience which will ensure AHS will rapidly grow from the pioneering cool room cleaning work done by SteriAir.

New Advertising

On the back of the EPA approval of the AerisGuard™ Coil Treatment product, Aeris has launched the first wave of advertising into the USA market.

This advertisement appeared in DucTales – the national magazine distributed by NADCA – the National Air Duct Cleaners Association – and is distributed to the top 2500 professionals in the USA HVAC business.

This advertisement is raising awareness of the AerisGuard products in the United States and the early response to the advertising has been very promising. More advertisements are in development.

Aeris keeps preventing mold.
You keep improving your bottom line.

THIS YEAR

NEXT YEAR

YEAR AFTER YEAR

Aeris introduces a new, EPA registered coil treatment system that will revolutionize the industry. • It not only safely cleans, it also prevents the growth of odor causing fungi, mold and mildew and odor causing bacteria on HVAC coils. • The treatment offers long term protection, offering piece of mind for you and your customer • The good news for your clients is that it will result in healthier air, more efficient HVAC systems and the extended life of the asset. • The good news for you is that, with re-application once a year you'll have a regular annuity stream. It's a win-win situation.

Find out how to join the Aeris revolution now.

USA: Toll Free: 1 866 77 AERIS International: Ph: +61 2 8344 1315
email: info@aerisguard.net email: info@aerisguard.com

