

ASX ANNOUNCEMENT
(ASX: ANO)

29 SEPTEMBER 2006

APPENDIX 3B – NEW ISSUE ANNOUNCEMENT, APPLICATION FOR QUOTATION OF ADDITIONAL SECURITIES AND AGREEMENT

Name of entity	Advanced Nanotechnology Limited
ABN	54 079 845 855

We (the entity) give ASX the following information.

PART 1 – ALL ISSUES

1	Class of securities issued or to be issued	Options over fully paid ordinary shares
2	Number of securities issued or to be issued (if known) or maximum number which may be issued	3,340,030
3	Principal terms of the securities (e.g. 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)	Exercise price: 30.8 cents per ordinary share Vesting date: 24 February 2007 Expiry date: 24 February 2010
4	Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?	Yes
5	Issue price or consideration	Nil upon issue of options

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Offer of options pursuant to Employee Share Option Plan
7	Dates of entering securities into uncertificated holdings or despatch of certificates	Expected to be 20 October 2006
8	Number and class of all securities quoted on ASX (including the securities in clause 2 if applicable)	Number – 150,337,880 Class – Fully paid ordinary shares
9	Number and class of all securities not quoted on ASX (including the securities in clause 2 if applicable)	Number – 15,304,204 Class – Options to acquire fully paid ordinary shares Number – 17,433,322 Class – Fully paid ordinary shares, subject to two-year escrow restriction, expiring 24 February 2007.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The same as previously disclosed with respect to ordinary shares on issue

PART 2 – BONUS ISSUE OR PRO RATA ISSUE

Not applicable

PART 3 – QUOTATION OF SECURITIES

Not applicable

QUOTATION AGREEMENT

Not applicable

Sign here: D. Cesari
Company Secretary

Dated: 29 September 2006

Print Name: Deana Cesari