29th April 2010

Company Announcements Office
Australian Securities Exchange

Quarterly Cashflow Statement – Appendix 4C

Appended below is Nanosonics Limited's (ASX:NAN) Appendix 4C Consolidated Statement of Cash Flows for the quarter ended March 2010 and the financial year to that date.

Principal features of the Company's cashflow in the last quarter were:

Cash Receipts
Proceeds from the Share Purchase Plan, which closed on 15th January 2010, amounted to $3.6 million, bringing the total amount raised from new shares, including the Share Placement in December, to $15.0 million net of capital raising costs.

Receipts from product sales, totalling $149,000 for the quarter, were affected by the Company's decision to temporarily suspend production, as announced on 26th February 2010.

Operations
Production of Trophon® EPR devices and scale-up of manufacturing operations have re-commenced, following the Company's commercial update announcement on 14th April 2010.

As per the Company's plans, stated in its announcement dated 7th December 2009, progressive recruitment and other activities for the further commercialisation of Trophon have commenced.

Net operating cash outflows for the quarter of $2.1 million were consistent with previous quarters.

Cash reserves
Cash on hand at the quarter-end amounted to $22.9 million.

Chris Grundy
CFO and Company Secretary

For more information please contact Chris Grundy, Chief Financial Officer and Company Secretary, on 61-2-8063 1600.

About Nanosonics
Nanosonics Limited is developing a portfolio of decontamination products designed to reduce the spread of infection. The Company owns intellectual property relating to a unique disinfection and sterilisation technology which can be suited to a variety of markets.

Initial market applications are designed for the reprocessing of reusable medical instruments. The Company's first product is designed to disinfect Ultrasound Transducers. In parallel with the commercialisation of this product, Nanosonics is also developing other medical applications and exploring opportunities for its proprietary technology in other industries.
For more information about Nanosonics please visit www.nanosonics.com

Appendix 4C

QUARTERLY REPORT

Name of entity

NANOSONICS LIMITED

ABN	Quarter ended ("current quarter")
11 095 076 896	**31 Mar 2010**

Consolidated statement of cash flows

Cash flows related to operating activities			Current quarter $A'000	Year to date (9 months) $A'000
1.1	Receipts from customers		149	583
1.2	Payments for	(a) staff costs	(1,215)	(3,639)
		(b) operating expenses	(126)	(557)
		(c) business development cost	(139)	(471)
		(d) external consultants	(414)	(1,103)
		(e) other working capital	(498)	(1,187)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		154	429
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other		-	-
	Net operating cash flows		**(2,089)**	**(5,945)**

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		Current quarter $A'000	Year to date (9 months) $A'000
1.8	Net operating cash flows (carried forward)	**(2,089)**	**(5,945)**
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(49)	(129)
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	Net investing cash flows	**(49)**	**(129)**
1.14	**Total operating and investing cash flows**	**(2,138)**	**(6,074)**
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares	3,648	15,090
1.16	Proceeds from loan repaid	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Capital raising costs recovered	-	-
	Net financing cash flows	**3,648**	**15,090**
	Net increase (decrease) in cash held	**1,510**	**9,016**
1.21	Cash at beginning of quarter/year to date	**21,391**	**13,881**
1.22	Exchange rate adjustments to item 1.20	-	4
1.23	**Cash at end of quarter**	**22,901**	**22,901**

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Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	(94)
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payments are for rent to, and various services provided by, director-related entities. Costs are determined on an arms length basis. Rent is at market rate determined by independent valuers.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
4.1	Cash on hand and at bank	276	320
4.2	Deposits at call	781	13.227
4.3	Bank overdraft	-	-
4.4	Term Deposits	14,000	-
4.5	Floating Rate Notes	7,844	7,844
4.6	Fixed Rate Notes	-	-
	Total: cash at end of quarter (item 1.23)	**22,901**	**21,391**

Acquisitions and disposals of business entities

		Acquisitions *(Item 1.9(a))*	Disposals *(Item 1.10(a))*
5.1	Name of entity	N/A	N/A
5.2	Place of incorporation or registration		
5.3	Consideration for Incorporation		
5.4	Total net assets		
5.5	Nature of business		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does /~~does not~~* (delete one) give a true and fair view of the matters disclosed.

Sign here: Chris Grundy   Date: 29 April 2010

Print name: Chris Grundy
CFO & Company Secretary

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