
ASX ANNOUNCEMENT
(ASX: ANO)

27 OCTOBER 2005

ANNUAL GENERAL MEETING - CHAIRMAN'S ADDRESS

The 2005 financial year has seen exciting and substantial changes for Advanced Nano, marked by our February 2005 listing on the Australian Stock Exchange. We have now completed the transition from a closely-held private company, to a publicly listed company with over 700 shareholders.

For Advanced Nano, this last year has been one of putting the necessary building blocks in place in order to position our Company for continued growth and to take advantages of the many opportunities that are in front of us.

During 2005 the Company achieved a strong increase in sales, which pleasingly has been achieved across all of our products. This has necessitated a significant increase in our production during the year, in order to respond to the increase in customer demand. While our ability to meet customer demands has been challenged at times, we are now realising the benefits of an ongoing investment program, which Dr. McCormick will address in more detail shortly.

The 2005 financial year also saw the conclusion of our joint venture with Samsung Corning, as our MCP™ technology scale-up program concluded and as each partner pursues their chosen markets individually. On behalf of the Board, I would like to take this opportunity to thank Samsung Corning for its support and valuable contribution over the last five years.

Like many emerging Australian companies, Advanced Nano's ability to develop alliances in strategic international markets is critical to our future growth. To this end, the Company is continuing to explore strategic alliances with key partners. The formal supply agreement with Oxonica Limited is on track to be concluded in the current calendar year, and we continue to explore a strategic alliance with Bühler AG on zinc oxide nanoparticle dispersions for industrial coatings and plastics applications, a key market for us. Growth opportunities for transparent functional coatings are also currently being explored with four local and international companies in the areas of polymer films, effect pigments and digital inks.

In 2005 two new products were introduced to the market - ZinClear®-S dispersions of silicone coated zinc oxide particles, suitable for a wider range of cosmetics products than ZinClear® and NanoZ®-AQ, a water-based, environmentally acceptable UV blocking additive for the new generation of transparent UV blocking wood coatings. The Company is already generating revenues for ZinClear®-S, while NanoZ®-AQ is currently being evaluated by a number of coatings manufacturers both in Australia and overseas.

A third product, PlatyL™ is the first of the Company's industrial coatings products based on its platelet alumina. PlatyL™ is currently being evaluated by potential customers in Europe, Japan and Malaysia for applications such as die coatings.

These products represent examples of where the Company's first products to market have been enhanced to enter new and wider markets. This is a key strength of the Advanced Nano team and underscores the platform nature of our MCP™ technology.

It is very pleasing to me personally that ANO was recently awarded the 2005 Frost & Sullivan Excellence in Technology Award for Nanomaterials by the New York-based consulting company acknowledging the Company's pioneering efforts in the development of the Mechanochemical Processing (MCP) technology. This award recognises our exciting nanomaterials technology and is a strong validation, not only of our technology, but also of the commitment and quality of our staff, many of whom have been with Advanced Nano since its inception in 1997. It is particularly noteworthy that Frost & Sullivan have identified that Advanced Nano's path-breaking efforts towards the development of the MCP technology have brought a new paradigm to nanopowder production. Our CEO, Dr. Paul McCormick, will receive the award on behalf of the Company at a presentation in Miami on November 9.

Along with my fellow board members, I am very conscious that our share price performance is a key measure for our shareholders. It is early days yet for Advanced Nano, and it is the view of the Directors that our share price performance will in time reflect the progress that the Company has made since listing. The Board will continue to ensure our shareholders and the wider investment community are kept up to date on the Company's activities.

Finally, I, like the rest of the Board and the management team at Advanced Nano, are excited by and enthusiastic about the opportunities that await our Company, whilst mindful of the challenges and risks that go hand in hand with commercialising new technology. With the continued efforts of our employees, and the ongoing support of our shareholders, we all look forward to seeing significant growth in the coming years.

FURTHER INFORMATION:

Paul McCormick, Chief Executive Officer

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