
MEDIA RELEASE

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FURTHER INFORMATION:

Paul McCormick, Chief Executive Officer
Tel: 0407 381 583

David Tasker, PPR
Tel: (08) 9388 0944 / 0433 112 936

**AUSTRALIAN NANOTECHNOLOGY COMPANY
WINS GLOBAL INNOVATION AWARD**

Less than nine months after its ASX listing, Australian company Advanced Nanotechnology Limited (ASX:ANO) has received a prestigious global award at a ceremony held yesterday in Miami, Florida, USA.

Receiving Frost & Sullivan's 2005 *Excellence in Technology of the Year Award* in the field of nanomaterials, Advanced Nanotechnology's CEO Dr Paul McCormick said from Florida: "This award provides international recognition of our new nanomaterials manufacturing technology and our commitment to growth through further research and development."

Frost & Sullivan is a New York-based group established in 1961 to publish world-class marketing consulting information and intelligence on emerging high-technology and industrial markets. In announcing the award, Frost & Sullivan said Advanced Nanotechnology's path breaking efforts towards the development of MCP™ technology has brought a new paradigm to nanopowder production.

The Excellence in Technology Award is bestowed on a company which has pioneered the development and introduction of an innovative technology into the market and has either impacted, or has the potential to impact, several market sectors.

MCP™ is a patented, solid-state technology that has enabled the production of nanopowders with controlled size, shape, surface and chemistry. They have high production rates and the downstream processing technique allows the dispersion of MCP™ nanopowders into a variety of organic matrices.

Advanced Nanotechnology's products are transparent, a result of the company's ability to produce small particles that can be dispersed into a transparent medium. MCP™-based nanoproducts include ZinClear®, NanoZ®, Alusion® and Cercat™.

- ZinClear® is a dispersion of zinc oxide nanoparticles for UV protection in cosmetics and other personal care applications. The product is used in the production of transparent sunscreens with high levels of UV protection.
- NanoZ® is based on a similar concept to ZinClear, i.e. it is a transparent UV blocking zinc oxide dispersion for the protection of timber, and hence finds application in wood coatings.
- Alusion® consists of platelets of aluminium oxide used in cosmetics to create soft focus effects.

All of these products are now being applied to the production of consumer products being sold to retail customers through global partners in developing markets worldwide but particularly targeting Europe and Asia.

Advanced Nanotechnology's other main product is Cercat™, a cerium oxide nanoparticle dispersion which is a key component in Oxonica plc's Envirox™ - a fuel additive to improve engine efficiency and promote environmentally cleaner burning of diesel fuel. Envirox™ is being used in the UK and New Zealand bus fleets of Stagecoach Group and is also being sold at the bowser for the first time through a downstream operator in the Philippines market.

Advanced Nanotechnology was one of the first Australian companies to operate in the unique and emerging nanotechnology sector after being formed in 1997. Its production facilities are based in the Perth industrial area of Welshpool. The company originally arose out of research and development work at the University of Western Australia (UWA). UWA retains a significant shareholding in the company.

Highlights of Advanced Nanotechnology's first financial reports to shareholders last month – following its public listing in February – included:

- Sales revenue for 2004-05 was \$1.5 million – up 74%. Revenue was up for all product lines.
- First quarter sales for 2005-06 were approx. \$804,000 (unaudited) – representing 53% of the total sales for the previous financial year.
- The number and value of customers is increasing.
- Further research and development is seeing new products being developed and introduced into industrial markets.

The company's newest product line is PlatyL™, the first advanced industrial coatings which incorporate platelet alumina. The product provides a combination of abrasion and chemical resistance, with low adhesion and low friction properties. PlatyL™ coatings are currently being evaluated by a major European manufacturer of die casting equipment and a Malaysian manufacturer of moulded rubber products.

More Information: Stacie Jones, Frost & Sullivan
Tel: 0011 1 (210) 247 2450
Email: stacie.jones@frost.com