
ASX ANNOUNCEMENT
(ASX: ANO)

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ADVANCED NANO ANNOUNCES FIRST SHIPMENTS OF NEW ZINCLEAR-IM™ PRODUCT

Advanced Nanotechnology Limited is pleased to announce that shipments of its newly developed ZinClear-IM™ product have been made to customers in the US and Australia, marking first commercial sales of the product. CEO Paul McCormick said that it is particularly gratifying to achieve first sales of ZinClear-IM™ so rapidly following the successful production scale-up trials in December, which confirmed manufacture of the product at full production scale.

ZinClear-IM™ is Advanced Nano's first product to be manufactured using process technology incorporating improvements to the MCP™ technology that enable significantly higher throughputs and a substantial reduction in manufacturing cost. The Company expects that the lower cost of ZinClear-IM™ will enable Advanced Nano to enter the higher volume segments of the sun care market with a competitively priced product at attractive profit margins, whilst retaining the superior transparency performance of ZinClear-IM™.

ZinClear-IM™ uses Advanced Nano's new Index Match technology which achieves excellent transparency in larger micron-size zinc oxide particles used for broad spectrum UV protection in personal care, sunscreen and cosmetics applications. In addition to high transparency, ZinClear-IM™ also provides excellent soft focus and low photoactivity, increasingly required for enhanced cosmetic acceptability.

ZinClear-IM™ was introduced to the US market in May 2006 and lead customers are currently testing formulated products. The Company expects that the drive for increased UVA protection in sunscreens and the limited range of UVA blocking ingredients currently available in the US as a result of existing regulatory constraints, will significantly expand Advanced Nano's opportunities in the previously restricted A\$200 million US market. As well as blocking UVB, zinc oxide is one of a very limited number of UVA absorbers approved for use in the US market by the US Food & Drug Administration.

Advanced Nano also expects to see new growth in the European and Asian markets where the product has also now been introduced. Consisting of only pure zinc oxide, a naturally occurring mineral, the Company believes ZinClear-IM™ is ideally positioned for the natural cosmetics segment which is currently showing growth rates of 20% per annum.

FURTHER INFORMATION

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