

Investor Update

22 December 2008

Presentation Overview

- **Who is Antaria?**
- **What is ZinClear[®]?**
- **When is the ZinClear-IM[™] opportunity?**
- **Why should ZinClear-IM[™] be successful?**
- **What else does Antaria do?**
- **How could ZinClear[®] impact Antaria?**

Who is Antaria?

- Innovator and manufacturer of high value advanced materials
- Globally patented materials manufacturing process and related know-how
- Wealth of advanced materials concepts under development and being commercialised
- Focused on delivering revenues and profits from the assets that the Company has developed



Who is Antaria?

- Branded products sold into global markets



- Worldwide distribution alliances and strategic relationships
- ZinClear[®] has emerged as the “now” opportunity for Antaria
 - Platform technology for application in sunscreen and cosmetics products

What is ZinClear®?

- Broad spectrum, zinc oxide UVA & UVB absorber
- For the first time, a safe, transparent, chemical-free sunscreen containing only zinc oxide
- Enables SPF 30 and higher rating
- Original ZinClear® had commercial success, but:
 - Suited high end products only due to higher cost
 - Was nano-based
 - Had potential conflict with patents on nano zinc in the USA



What is ZinClear®?

Our next generation - ZinClear-IM™

- Larger particle size
 - Micron sized
- Even higher transparency
- Lower cost manufacture
 - Patents lodged
- Creates ability to address the significant North American and European markets
 - Avoids conflict with nano patents
 - Avoids being caught in “nano” health debate
 - Cost competitive in mainstream formulations

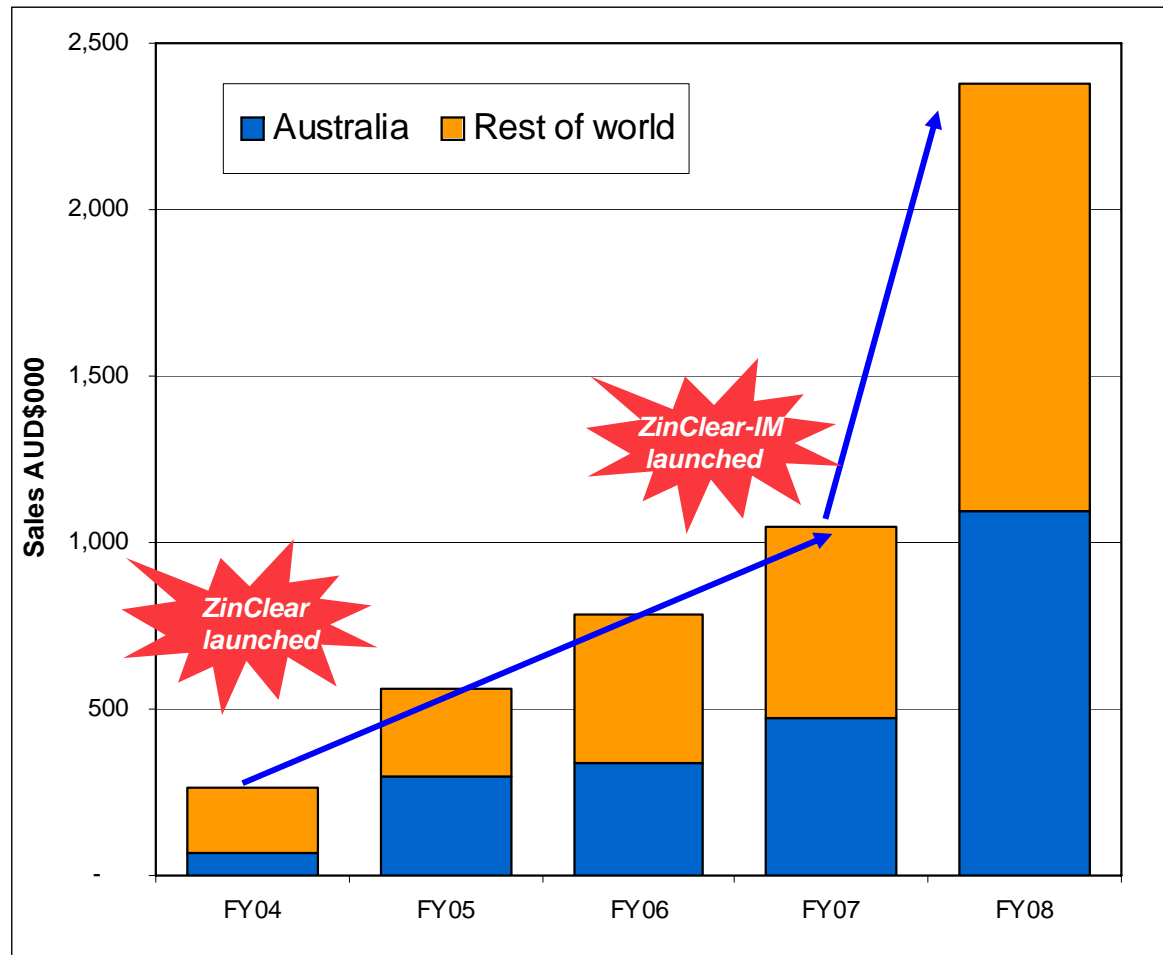


What is ZinClear®?

ANTARIA

an advanced materials world

Take-up has accelerated – a proven product



ZinClear® Sales
FY08 up 128%

Australia up 131%

Major customer
launched in 2007

More opportunity in
Australia

Rest of World up
124% (incl. Dow)

Early penetration of
North America, Europe
and South East Asia

Large untapped
markets in Japan and
South America

When is the ZinClear-IM™ opportunity?

- Antaria believes the opportunity is **now**, as the suncare industry worldwide switches from chemical to mineral UV absorbers
 - Historically, sales of minerals such as zinc oxide have been restricted by lack of transparency
 - Traditionally a thick, white paste
 - The industry's past solution has been chemical absorbers
 - However, there are growing concerns over the safety of many commonly used chemical UV absorbers
 - All chemical absorbers now have concentration limits imposed by regulators
 - Conversely, zinc oxide has a long history of safe use in personal care... even for very sensitive and/or impaired skin
 - Examples: Nappy rash cream, calamine lotion

Global market is changing

- Increased attention on need for adequate UVA protection (as well as UVB)
 - Consumer recognition of the harmful effects of UVA
 - Proposed labelling changes in the US to include UVA rating
 - Zinc oxide more effective UVA absorber than titanium dioxide
- Increasing demand for low-irritant “all natural” products with pure mineral ingredients
 - 300+ years of zinc oxide use
- Broader use of UV absorbers in daily wear cosmetics
 - Not just sunscreens anymore
 - Daily wear, moisturisers, makeup

Sales growth drivers

- **UVA awareness**
 - Consumers and regulatory (e.g. US FDA)
- **Safe and all-natural**
 - ZinClear-IM™ CCT formulation European ECOCERT approved
- **UV protection for cosmetics**
 - ZinClear-IM™ is highly transparent, can be incorporated in daily wear cosmetics
- **Cost base**
 - Reduced cost base of ZinClear-IM™ allows access to higher volume segments
- **Large, untapped markets with exciting growth potential**
 - Australia – much more growth available
 - North America and Europe – just started
 - South America, Japan, South Africa, India, China - untapped

Why should ZinClear-IM™ be successful?

- **The right product**
 - ZinClear-IM™ is a uniquely competitive solution in the international UV absorbers marketplace
- **At the right time**
 - The global market, including the significant North American market, is adopting mineral absorbers and in particular zinc oxide
- **With the right partners**
 - We have strengthened our global distribution network, including Dow Amerchol (Americas) and Masso (EU)



The right product = competitive attributes

Attribute	chemical UV absorbers	Titanium dioxide	Competitors' Nano Zinc Oxide	ZinClear-IM™
Broad spectrum protection (UV-A and UV-B)	✓✓ In combination	X Poor UV-A	✓✓✓	✓✓✓
UV-A protection	Only one approved for US market	X	✓✓	✓✓
Acceptable transparency	✓✓	✓✓	✓✓	✓✓
All natural	X	✓	✓	✓✓ ECOCERT approved
Sensitive skin, low allergy	✓	✓✓	✓✓✓	✓✓✓
Other concerns	Skin penetration concerns, sensitisation	Caught in nano debate	Caught in nano debate	None - long history of safe use

The right time = global opportunity

Market environment	ZinClear-IM™ response
Class action litigation in USA claiming poor UVA performance in sunscreens	✓ ZinClear-IM™ has excellent UVA performance
New FDA labelling standards incorporating UVA rating and requiring photostability	✓ Formulations including ZinClear-IM™ will perform well. ZinClear-IM™ is photostable
Consumer disquiet about nanoparticulate based cosmetics	✓ ZinClear-IM™ is a micron sized particle. Tests confirm negligible skin absorption
Growing concerns over the safety of chemical UV absorbers	✓ Zinc oxide has very long history of safe use on the skin, including damaged skin
Existing patents on nano zinc oxide	✓ ZinClear-IM™ does not infringe these patents

The right partners = strong global network

Region	Previous	Now
North America	Independent agent	Dow Amerchol
South America	None	Dow Amerchol
Europe	Single company, focused on niche applications	Three major territories, each with a large, experienced distributor. Lead EU distributor – Comercial Química Massó
Asia	Antaria	Assessing current network
Australia	Antaria	Antaria

Antaria has a team of 3 experienced sales staff focused on Australia & South East Asia, strongly supported by technical staff from product development group

The right partners = Dow Amerchol

- Exclusive ZinClear-IM™ marketer and distributor in the Americas
- Appointed April 2008
 - Strong validation of our products by a world leader
 - Extensive technical and marketing resources
 - Strong formulation and logistics support
 - Early days, very pleased with progress to date
 - Professional, structured marketing approach



The right partners = Dow Amerchol



Synergistic new products to increase market penetration



New sunscreen additive developed by Dow enables effectiveness of ZinClear-IM™ to be more than doubled

Levels the competitive playing field for ZinClear-IM™ – no need for manufacturers to incorporate other UV absorbers in sun care products

SolTerra Boost™ is a trademark of The Dow Chemical Company ("Dow") or an affiliated company of Dow

The right partners = Comercial Química Massó

- **Lead European distributor**

- Headquartered Barcelona, Spain
- Major distributor to personal care and other industries
- Masso's annual sales exceed €100 million.



- **Local sales and logistics support**

- Including key in-house formulation capability

- **Appointed December 2008**

- Key Western European territories
 - France, Spain, Portugal, Switzerland, Belgium, The Netherlands, Luxemburg
- Expansion into Eastern European territories
 - Czech Republic, Poland, Hungary, Slovenia, Romania, Slovakia, Croatia

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What else does Antaria do?

- Wealth of advanced material concepts under development and being commercialised
- We are working on other opportunities with good prospects for medium-term growth
 - Not at the expense of focus on success of ZinClear-IM™
- **Alusion®/AlPearl™**
 - Enhancing product range and distribution channels
 - Pursuing pigment applications
- **Cercat™**
 - New alliance partner from June 2007
 - Supporting Energenics marketing to prospective high-volume customers

What else does Antaria do?

Alumina platelets with unique physical properties

Alusion®

- Launched 2004
- Targeting cosmetic applications: "soft focus" effect, slippery feel
- Marketed as component for foundation cosmetics, lipsticks, blush etc
- Have built base of supporting customers



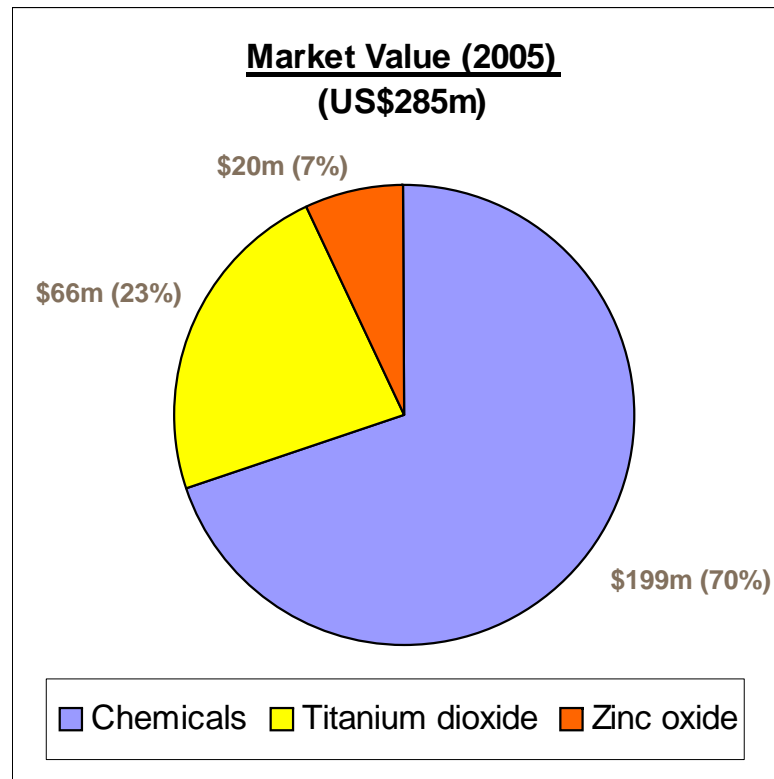
AlPearl™

- Launched 2007
- Targeting industrial paints/pigments
- Pearlescent effect with very precise control of plate size
- Under evaluation by large industrial customers



How could ZinClear[®] impact Antaria?

- Global market for UV absorbers is large and growing
 - 2005: US\$285m (latest data available)



Recent growth in minerals not reflected in market data

Trends indicate minerals (e.g. zinc oxide) appear to be growing at a faster rate than chemicals

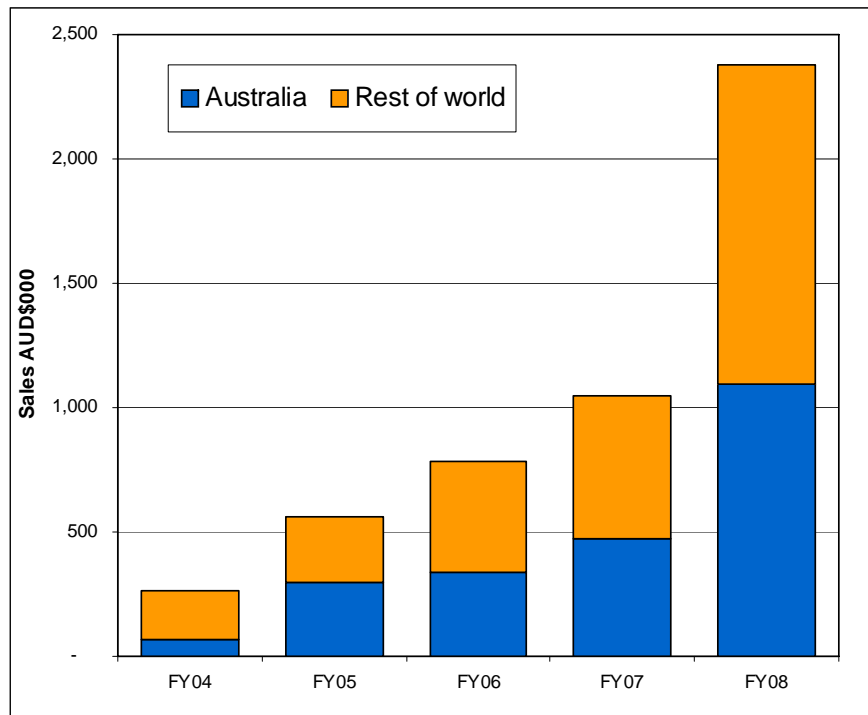
Some observers see zinc oxide taking a much more dominant position

How could ZinClear® impact Antaria?

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an advanced materials world

Sales growth now has multiple drivers



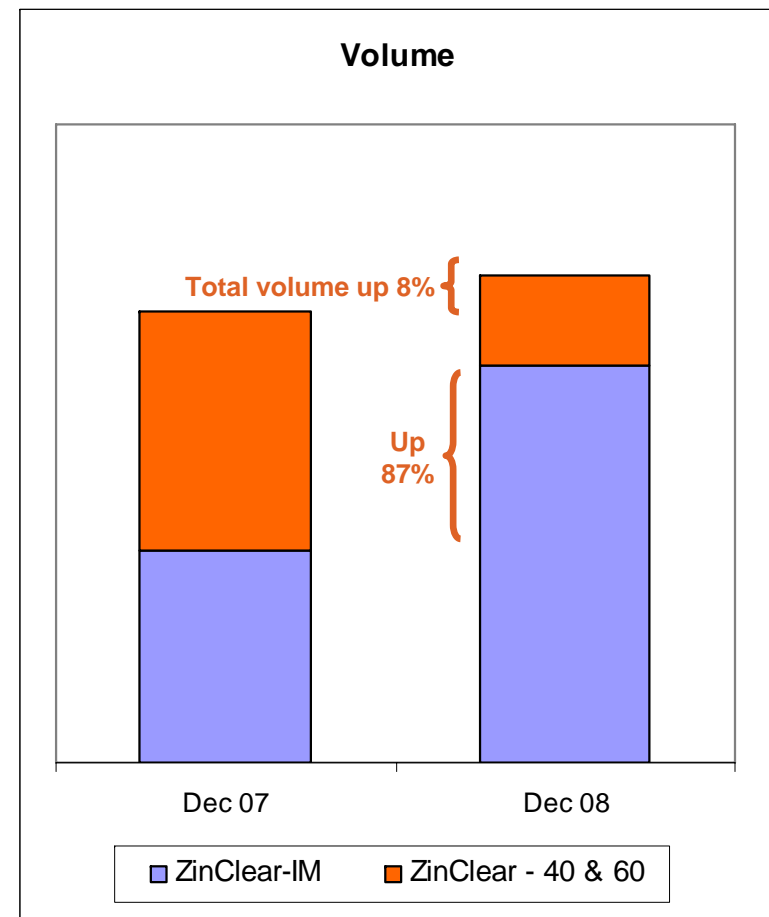
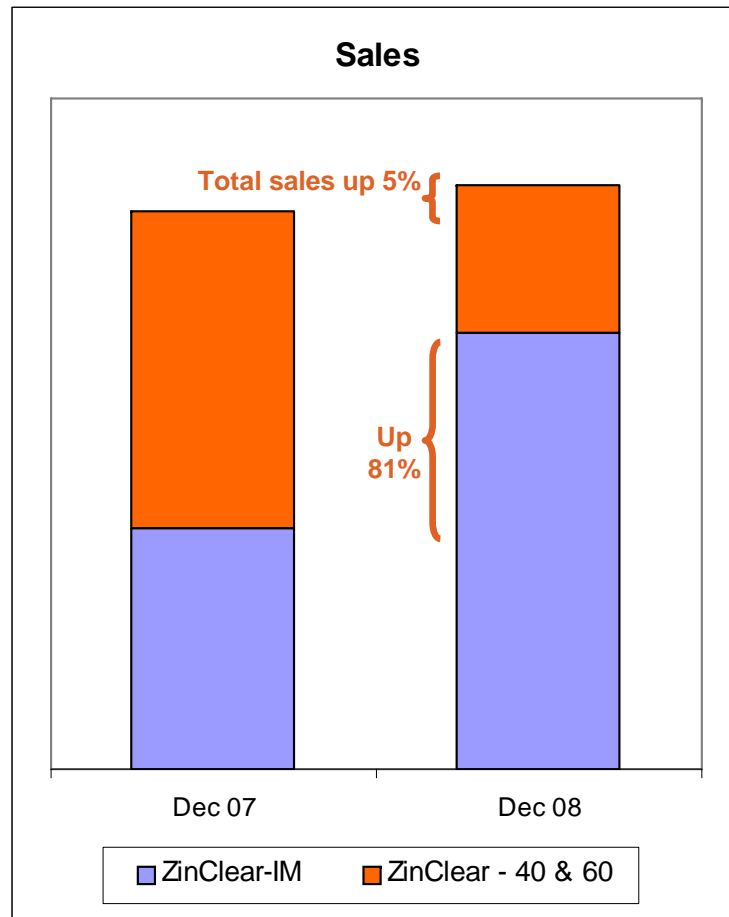
US distributor pushing ZinClear into mainstream formulators

European distribution now much more extensive

Australian sales breaking into mainstream brands

How could ZinClear® impact Antaria?

ZinClear® sales to date in FY2009

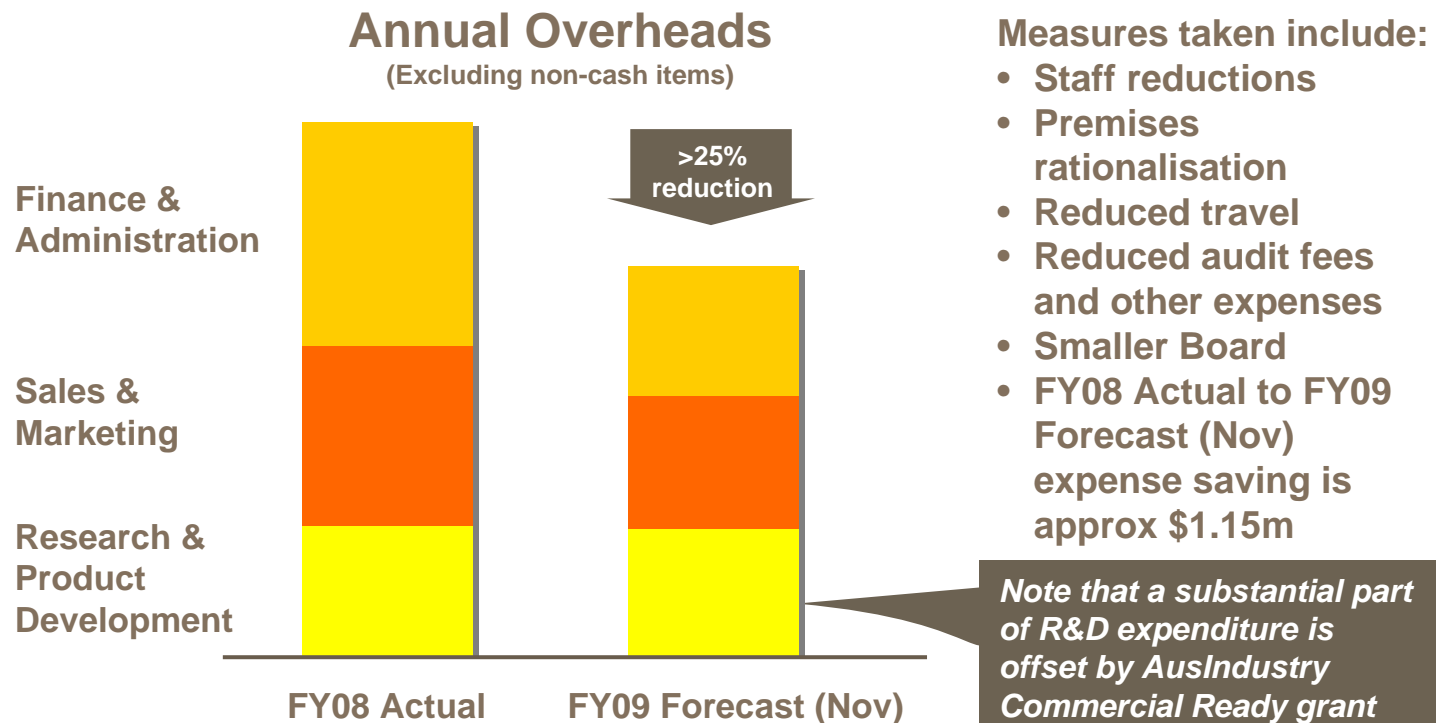


December 2008 sales = sales to date + orders scheduled for shipment prior to the end of the month

How could ZinClear® impact Antaria?

Non-essential overheads have been reduced

Actions taken during 2008 have pruned back administration costs, without affecting high priority product development



Sales staff supported by product development staff in servicing customers through to product introduction

Antaria is effectively debt free

ZinClear® growth going forward

- **Maximise sales from current capacity**
 - Antaria has the capacity to add \$5m in ZinClear® sales with no additional capital investment
 - Much more growth available in Australian market
 - Looking to replicate Australian success in the rest of the world
 - American & European distributors driving ZinClear-IM™ revenue growth
 - Increased working capital requirements have been planned for
 - This brings Antaria to a cash positive position

ZinClear® growth going forward

- Subsequent doubling of capacity achievable with minimal investment
 - Existing spare capacity from other product lines can be used with minimal additional equipment purchases
- Longer term, invest in overseas manufacturing
 - North American-based manufacturing
 - Target funding this investment from generated cash flow

Summary

- Antaria is achieving its promise of an “advanced materials world”
 - Focused on delivering revenues and profits from the assets that the Company has developed to date
- We believe that ZinClear-IM™ has the potential to deliver significant returns
 - ***The right product***
 - Competitive position, meeting the markets needs
 - ***At the right time***
 - Regulatory and market environment is aligned
 - ***With the right partners***
 - Strong, global distribution network

Forward Looking Statements

This presentation includes forward-looking statements that involve risks and uncertainties. These forward-looking statements are based upon Antaria's expectations and beliefs concerning future events.

Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, which could cause actual results and events to differ materially from such statements.

Antaria makes no undertaking to subsequently update or revise the forward-looking statements made in this presentation to reflect events or circumstances after the date of this presentation.