
ASX ANNOUNCEMENT (ASX: ANO)

22 DECEMBER 2008

PRIVATE PLACEMENT

Antaria Limited (Antaria or the Company) today announced that it has put arrangements in place to increase its working capital reserves by more than \$1 million.

This will be achieved by way of an immediate private placement to sophisticated and professional investors raising \$700,000, to be followed by a later placement to Directors and related parties (subject to ASX-required shareholder approval) raising at least an additional \$310,000. All shares will be issued at 4 cents per share.

The placement to Directors and related parties will be subject to shareholder approval. It is anticipated that the Notice of Meeting and related documents will be circulated to shareholders in mid January 2009 with a Shareholder Meeting to be held in late February 2009.

Reason for capital raising – the ZinClear-IM™ opportunity

The purpose of the capital raising is to support the growth of Antaria's business, and in particular the opportunities for ZinClear-IM™, Antaria's dispersion of microfine, zinc oxide particles for use in beach wear, daily wear and colour cosmetics formulations. ZinClear-IM™ combines the proven safety and broad spectrum UVA/UVB absorption properties of zinc oxide with superior transparency and improved aesthetic benefits.

Regulatory changes underway in the sun care industry, combined with growing consumer concern surrounding the use of chemicals in sunscreens, are driving strong demand for zinc oxide as a proven mineral alternative to chemical UV absorbers. Antaria's ZinClear-IM™ 50CCT product is one of very few sun care products to have gained approval as a "natural" product by the European regulatory body ECOCERT.

In 2008, Antaria has made significant gains in securing worldwide distribution with established partners. Two lead distributors were appointed, the Dow Chemical Company (Dow Amerchol) for the North and Latin American markets, and Comercial Química Massó (Masso) in key Western and Eastern European territories. Both Dow Amerchol and Masso provide customers with local sales and logistics support, including strong technical and formulation capabilities.

Following the capital raising, the Company believes that it will have a more appropriate level of cash reserves to fully support the growth of the ZinClear® opportunity.

Bruce Cameron, Executive Chairman of Antaria, stated, "I am very excited with the opportunity now presenting itself with Antaria's ZinClear® range and we understand the imperative to place absolute focus on driving this product to its best potential. Our view of the market prospects for ZinClear-IM™ indicates that this could be a defining product that will reward the patience of our supportive shareholder base."

Investor Update

Please refer to the following presentation for an overview of Antaria's current activities.

About Antaria

Antaria Limited develops, manufactures and sells a range of advanced metal oxide powders and dispersions worldwide. Antaria's products are marketed under five parent brands, **ZinClear®** – broad spectrum, mineral-only UV filters in cosmetic emollients used for sunscreen, skincare, and pharmaceutical formulations that allow SPF 30+ sunscreens containing only zinc oxide as the UV absorber; **Alusion®** – plate-shaped particles used to enhance colour cosmetics formulations to mask wrinkles and fine lines; **AlPearl™** – alumina particles for industrial pigment applications; **Cercat™** – cerium oxide nanoparticle dispersion used in diesel fuel applications; and **NanoZ™** – nano zinc oxide additives that allow stable UV absorber performance for coatings and plastics.

For Further Information

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