
ASX ANNOUNCEMENT (ASX: ANO)

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REPORT FOR SECOND QUARTER FY10

Antaria Limited today released its sales data and cash report for the quarter ending 31 December 2009.

Customer Sales

Total sales to customers were up 145% at \$1,511,624 (unaudited) for the quarter, compared to \$617,518 in the previous quarter (September 2009).

Dominated by revenue from its unique ZinClear[®] sun protection technology, Antaria's sales for the first half of the 2010 financial year totalled \$2,129,142 (unaudited) – a significant increase of 46% compared to the 2009 first half total of \$1,458,072.

Typically, Antaria's first half ZinClear[®] sales are driven by demand from the Australian market. While a slow start to the Australian season reflected in softer volumes in the first quarter, this was more than offset by an increase in sales during October and November. European and North American distributors also contributed strongly to the December half, with the outlook for the six months to June 2010 strong, particularly in North America.

At the date of this report, Antaria's order book totals approximately \$2.4 million, dominated by orders in the Personal Care segment (\$1.9 million).

Our program to upgrade production capacity and processes continues. In the December quarter, the materials handling components of Antaria's ZinClear-IM[™] production upgrade were delivered and installed and are now in the final stages of commissioning. Most equipment orders for the remaining process upgrades have now been placed, with the additional capacity expected to be online early in the fourth quarter. Antaria's investment in this upgrade (in the order of \$500,000) is in anticipation of potential large volume customer launches.

Antaria's Executive Chairman, Bruce Cameron, stated "It is very encouraging to see this substantial increase in sales for the first half of 2010. It vindicates our diligent and patient approach to our global ZinClear[®] markets, where customer product development processes are rigorous and lengthy. We are quietly optimistic that an increasing number of sunscreen and cosmetics manufacturers will continue to work with our technology in order to create more effective and natural personal care products where UV protection is important."

Cash Report

Antaria's cash balance at the end of the quarter was \$2,625,872 (unaudited), a net decrease of \$383,329 compared to the September 2009 balance of \$3,009,201.

Important contributors to the cash movement for the quarter were:

- Cash receipts from customers of \$974,339 for the quarter were up compared with the \$513,568 received during the September 2009 quarter. Antaria had approximately \$800,000 in trade debtors outstanding at the end of the current quarter (excluding amounts receivable under licensing arrangements);
- Other working capital payments totalled \$977,544 (down from the September 2009 quarter total of \$1,125,452). The December quarter included payments for raw materials totalling approximately \$372,000 (September 2009 quarter approximately \$561,000);

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- Advance payment of \$376,044 (US\$345,966) from Energenics Pte Ltd towards their irrevocable purchase order for the supply of Cercat™ totalling US\$437,000;
 - Payments for fixed assets totalling \$245,617 (previous quarter \$90,042) in relation to Antaria's plant upgrade; and
 - A one-off payment of \$87,864 to finalise the selective share buy-back approved at the Company's 2009 Annual General Meeting.

About Antaria

Antaria Limited develops, manufactures and sells a range of advanced metal oxide powders and dispersions worldwide. Antaria's products include: **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; **Cercat**™ – cerium oxide particle dispersion used in diesel fuel applications; and **NanoZ**™ – zinc oxide additives that allow stable UV absorber performance for coatings and plastics. In 2009, Antaria also exclusively licensed its plate-like alumina technology to Merck KGaA, Germany for use in Merck's cosmetics and industrial products.

For Further Information:

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