



22 February 2005

Mr. Anthony Walsh
Australian Stock Exchange Limited
2 The Esplanade
Perth WA 6000

Dear Tony,

Voluntary Escrow – University of Western Australia

Advanced Nanotechnology Limited hereby confirms the University of Western Australia has agreed to voluntarily enter into a restriction agreement with the Company in respect of 34,358,158 ordinary shares.

The University of Western Australia is the Company's largest shareholder, with a total shareholding representing 29.20% of the Company's issued capital.

The University's total shareholding of 48,260,323 ordinary shares is subject to an escrow period of 24 months from the date of official quotation of the Company's securities.

Yours sincerely

A handwritten signature in black ink that reads "D. Cesari".

DEANA CESARI
Chief Financial Officer