



Advanced Nanotechnology Limited
ACN: 079 845 855
108 Radium Street
Welshpool WA 6106
AUSTRALIA
Tel: +61 (8) 9458 0800
Fax: +61 (8) 9458 0810

ASX ANNOUNCEMENT
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INTERVIEW WITH WALL STREET REPORTER

The attached is a transcript of an interview with Advanced Nano's CEO, Paul McCormick as conducted by the Wall Street Reporter on 8 March 2005.

This interview has recently become available in the United States press and is provided to the Australian Stock Exchange for the information of the Australian market.

FURTHER INFORMATION:

Paul McCormick, Chief Executive Officer
Tel: (08) 9458 0800

Errol Considine, RHK Public Relations
Tel: (08) 9388 7500 / 0419 912 832

Paul G. McCormick, CEO spoke with Wall Street Reporter Magazine (WSR) on March 8th, 2005.

WSR: For those that haven't followed Advanced Nanotechnology and its history, let's start with an overview and timeline.

ANO: Advanced Nanotechnology is an innovator and manufacturer of advanced nanomaterials. The company is one of the first Australian companies operating in this sector. The company was established in 1997 under the original name of Advanced Powder Technology. The company commercialized research carried out at the University of Western Australia on a novel process for manufacturing nanoparticles known as Mechanochemical processing. This technology, the unique feature of it is in the solid-state process which allows the formation of separated dispersed nanoparticles and it's quite different from other methods. The technology is basically a platform technology that allows the production of a broad range of nanopowders and products. Our first products are in the personal care, industrial coatings, and environmental sectors. The company most recently listed on the Australian Stock Exchange about two weeks ago.

WSR: In terms of your technology and science, what would you highlight as a competitive advantage to the company?

ANO: I think what makes us very competitive is the quality of our nanopowders. And by the quality, we really refer to the dispersibility of the particles. I believe we have a world-class technology in terms of the ability to manufacture dispersible nanoparticles of sizes down to five nanometers, which can be dispersed in almost any media.

WSR: When talking about markets, what type of markets are you addressing with this technology?

ANO: It's a broad technology. The markets that we have addressed today are the markets where we have a relatively rapid entry; the cosmetics area and in the environmental area. We've deliberately chosen these areas to develop early revenues.

WSR: Can you tell us about the three branded products your company has on the market and their applications?

ANO: The first product is ZinClear®. ZinClear® is a transparent dispersion of zinc oxide nanoparticles for UV protection in cosmetics and other personal care applications. As you can imagine, in Australia UV protection is a very important problem for the general public. And with ZinClear®, we have for the very first time anywhere that we can establish a transparent sunscreen with a high level of broad spectrum UV protection that does not contain any chemical UV absorbers. It only contains zinc oxide, which is considered to be the safest UV absorber that one can use on the skin. The second product is NanoZ® a transparent UV blocking zinc oxide dispersion for the protection of timber, a similar concept as ZinClear® but applied to wood. Again zinc oxide nanoparticles being mineral do not degrade in the sun, and provide the basis for long-lasting transparency, and, most importantly, protection of the timber from UV damage. Both of these products are only possible because of the very high transparency that we can obtain with our nanoparticles of zinc oxide. The third product we manufacture, Alusion®, consists of platelets of aluminum oxide used in cosmetics to create soft focus effects. A completely different product that we manufacture is a nanodispersion of cerium oxide. This product is manufactured exclusively for Oxonica Limited, a U.K. company, that developed a cerium oxide-based fuel additive for diesel engines that improves the efficiency and promotes cleaner burning in the engine. The product is known as Envirox™ and utilizes our cerium oxide nanoparticle dispersion as a key

ingredient. Now, it is interesting here that an important criteria apart from the improvement in efficiency is that the product must have transparency because if the fuel additive when added to fuel makes the fuel look hazy, then it's inferred by those in the business that there may be water in the fuel, and this is just a definite no-no in diesel engines. So, even in a product like this, transparency is a very important property.

WSR: *When talking about these market opportunities, how would you quantify the leading market being addressed here in dollars?*

ANO: Overall, there are not many figures out there for nanomaterials. The markets are forecast to exceed \$300 billion by 2014. In the cosmetic sector for UV absorbers, the markets are estimated to be around \$200 million currently. And for UV stabilizers for industrial coatings including timber coatings, you are looking at \$500 million per annum. So, these are really quite large markets. Now, we address a certain sector of these markets, which is the area of the market requiring functional transparency in the final product.

WSR: *How strong is the patented portfolio around the company's technology platform?*

ANO: The manufacturing process is covered by three international patents, and these cover the processes for manufacturing the nanoparticles. We are now taking out a portfolio of patents which are more related to the products, and where, through the use of the nanoparticles, we are able to obtain unique properties in the final product. These patents are in the provisional application stage, not yet granted.

WSR: *What are the strategies behind alliances and partnerships, and what are the notable partnerships at present that are accelerating the company's growth?*

ANO: We have established a very good relationship with Oxonica. They were looking for the best possible cerium oxide dispersions, and they've found us, and that product is now manufactured exclusively for them. And so, one type of partnership is where we manufacture exclusively for our partner who has a particular application. The other type of partnership is where we are moving towards establishing joint ventures for the manufacture and marketing of nanomaterials dispersions world wide for certain market sectors. For example, we are currently in discussions with a large Swiss company with a view toward establishing manufacturing facility for nanoparticles in industrial coatings and plastics. Being an Australian company, for us to grow, it's important that we form key partnerships overseas. As you can imagine, most of our markets are either in the U.S. or in Europe.

WSR: *Which markets represent significant emerging market opportunities that the company is planning to capitalize on at the present?*

ANO: Certainly, the industrial coatings and plastics market is a significant emerging market. We believe that following that there are significant emerging markets, which will occur in the ceramics area. We believe that nanoparticles can form the basis of new manufacturing processes for ceramics, which allow the ceramics to be molded into near final shape, and not require extensive machining operations. We believe also there is a very strong potential development here in the nanopharmaceuticals sector.

WSR: *What are the major highlights, achievements, milestones and accomplishments of the past 12 months?*

ANO: The major highlights have been continued growth of the company and our listing on the Australian Stock Exchange. Revenues from our personal care products increased by 30% over the last six months relative to the corresponding period in the previous year. Sales of cerium oxide nanoparticle dispersions used in Envirox are now providing increased revenues. About two months ago, it was announced that the Stagecoach Group in the U.K., which is a major U.K. transport company, will roll out the use of Envirox for its 7000 strong bus fleet in the U.K. Our listing on the Australian Stock Exchange raised 9 million Australian

dollars, providing the capital to increase production to meet current and expected demand for our products.

WSR: *Tell us about the people behind the mission, your experiences, and the others that are leading the vision of the company?*

ANO: I am the CEO and the technology developer. We have a very strong financial team in the company, and are recruiting key business development and operations executives. The Board of the company is also very strong, with financial, business and legal background.

WSR: *What are the major points you've outlined in your short-term strategy to ensure success for the company?*

ANO: The major points are not to take our eye off the ball in terms of our current products. All of our current products have been early to market and have been successful and are growing. We are then combining that success with the introduction of new products, and in obtaining a broader spread of applications for the existing nanoparticles that we are producing. That then is combined with our business development activities, such as I described, relating to overseas commercialization of the business.

WSR: *Where do you see the company positioning itself in this nanotechnology field in the long-term? Is it best understood as a nanotechnology company?*

ANO: I think our company will be understood as a key innovator of nanomaterials, which are used in a wide range of industrial products.

WSR: *Do you feel the company's market potential is well understood by the international investment community in light of its compelling technology?*

ANO: I feel that because we are so new on the market, the company is not well understood.

WSR: *In closing, what are the most compelling reasons that you highlight to shareholders or potential shareholders, as to why Advanced Nanotechnology Limited has a compelling investment story for 2005 and beyond?*

ANO: I believe we have a very exciting, unique platform technology that has many accessible high-value applications and excellent growth prospects.

[ENDS]