

ASX ANNOUNCEMENT  
 (ASX: ANO)

29 SEPTEMBER 2006

## APPENDIX 3B – NEW ISSUE ANNOUNCEMENT, APPLICATION FOR QUOTATION OF ADDITIONAL SECURITIES AND AGREEMENT

<b>Name of entity</b>	Advanced Nanotechnology Limited
<b>ABN</b>	54 079 845 855

We (the entity) give ASX the following information.

### PART 1 – ALL ISSUES

1	Class of securities issued or to be issued	Options over fully paid ordinary shares
2	Number of securities issued or to be issued (if known) or maximum number which may be issued	3,340,030
3	Principal terms of the securities (e.g. if options, exercise price and expiry date; if partly paid securities, the amount outstanding and due dates for payment; if convertible securities, the conversion price and dates for conversion)	Exercise price: 30.8 cents per ordinary share  Vesting date: 24 February 2007  Expiry date: 24 February 2010
4	Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?	Yes
5	Issue price or consideration	Nil upon issue of options

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Offer of options pursuant to Employee Share Option Plan
7	Dates of entering securities into uncertificated holdings or despatch of certificates	Expected to be 20 October 2006
8	Number and class of all securities quoted on ASX (including the securities in clause 2 if applicable)	Number – 150,337,880 Class – Fully paid ordinary shares
9	Number and class of all securities not quoted on ASX (including the securities in clause 2 if applicable)	Number – 15,304,204 Class – Options to acquire fully paid ordinary shares  Number – 17,433,322 Class – Fully paid ordinary shares, subject to two-year escrow restriction, expiring 24 February 2007.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The same as previously disclosed with respect to ordinary shares on issue

**PART 2 – BONUS ISSUE OR PRO RATA ISSUE**

Not applicable

**PART 3 – QUOTATION OF SECURITIES**

Not applicable

**QUOTATION AGREEMENT**

Not applicable

Sign here:   
Company Secretary

Dated: 29 September 2006

Print Name: Deana Cesari