
ASX ANNOUNCEMENT (ASX:ANO)

16 AUGUST 2006

FURTHER INFORMATION

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2007 REVENUE EXPECTED TO BE BOOSTED BY INTERNATIONAL OIL COMPANY DEAL

Advanced Nanotechnology Limited (ASX:ANO) expects to see increased revenue generated over the 2007 financial year from a recently announced agreement between UK-based Oxonica plc and the leading national oil company in Turkey, Petrol Ofisi A.S., for the supply of Oxonica's Envirox™ fuel borne nanocatalyst (*refer Oxonica announcement attached*).

Advanced Nano manufactures and supplies Envirox™ to Oxonica and recently fulfilled its deliveries under its 2006 supply agreement with Oxonica through accelerated shipments to support Oxonica's pipeline fill in anticipation of growing demand.

Advanced Nano has received purchase orders to the value of approximately US\$0.65 million for the remainder of calendar year 2006 to support Petrol Ofisi's market evaluation. Advanced Nano and Oxonica are currently negotiating terms for the future supply of Envirox™.

Paul McCormick, Advanced Nano's CEO stated "Advanced Nano is pleased to see the validation of its transparent nanoparticle dispersions in this important environmental application, especially in light of the recent worldwide pressure on oil prices. Advanced Nano is actively developing improved manufacturing processes for all of its products, including Envirox™, to continue to deliver economically competitive quality products. The Company's continued evolution of its technology to meet the demands of the market is evidenced by the recently released ZinClear-IM™ in the sun care market and NanoZ™-AQ for the industrial coatings market, which are both generating strong market interest."

ABOUT ADVANCED NANOTECHNOLOGY LIMITED

Advanced Nano develops, manufactures and sells worldwide advanced nanomaterials products that provide significant performance and value improvements to the products of its customers.

Advanced Nano is the only Australian public company to successfully operate in the rapidly expanding global nanomaterials sector. Advanced Nano currently services a wide international customer base ranging from multinationals to the smaller and faster end of the market. The Company has achieved early revenues and strong growth through high value, short time to market products where the high quality of its nanomaterials provides a clear competitive edge.

Advanced Nano's MCP™ nanopowder manufacturing technology is a patented, platform technology that enables the production of a broad range of high quality nanopowders and nanomaterials. The Company's first products are in personal care, coatings, plastics and environmental catalyst markets where product transparency and functionality are required attributes. Advanced Nano's growth strategy is to focus on adding to its suite of products for use in these markets whilst developing with partners, breakthrough applications in the advanced ceramics, functional materials and life science sectors.



16 August 2006

Oxonica plc Supply Agreement

Oxonica plc ("Oxonica") a leading international nanomaterials group, today announces that it has reached agreement with Petrol Ofisi A.S., the leading national oil company in Turkey with sales of US\$8.8 billion in 2005, to supply its Envirox™ fuel borne nanocatalyst, for use in diesel fuel across Petrol Ofisi's nationwide distribution network. This agreement is the first of its kind for Envirox™ and is in line with Oxonica's strategy of signing commercially significant deals with major partners to access the volume market.

The agreement provides for an initial supply of Envirox™ which will be used by Petrol Ofisi to evaluate market acceptance of the new enhanced fuel within its national market and is expected to generate sales for Oxonica worth US\$12.7 million this year. Following the marketing evaluation, Oxonica expects to be in a position to indicate likely levels of ongoing demand in Q1 2007.

Envirox™ has been shown in field trials to reduce fuel consumption in diesel engines with savings of 5 to 10% with commensurate reductions in carbon dioxide (CO₂). Envirox™ has also been shown to reduce particulate emissions by up to 15%.

In addition, Oxonica will be announcing on Wednesday 16 August the launch of a collaboration with Petrol Ofisi and Oxford University to develop new catalysts for the petrochemical industry.

Kevin Matthews, Chief Executive Officer of Oxonica plc, said:

"This deal is another major milestone for Envirox™. The initial order provides a meaningful increase in Oxonica's revenues for the current year and a successful nationwide product launch by Petrol Ofisi could lead to a significant boost to Oxonica's sales and cash flow going forward. We are delivering on the strategy we set out at the time of the IPO last summer and today's announcement further demonstrates Oxonica's ability to deliver innovative commercial solutions to major customers in international markets using its expertise in nanomaterials."

In addition to this announcement, the Board is pleased to report that trading for the first half is in line with current expectations. Oxonica intends to announce interim results for the half year ended 30 June 2006 on 18 September 2006.

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Notes to Editors

About Oxonica plc – www.oxonica.com

Oxonica (AIM: OXN.L) is one of the leading international nanomaterials groups with products already launched into international markets and is listed in London on the AIM market. It was spun-out from Oxford University in 1999 and currently employs 56 professional staff. Oxonica's mission is to focus on the development of innovative commercial solutions for international markets using its expertise in the design and application of nanomaterials. It owns a portfolio of demand driven products that offer substantial benefits to the target markets of energy, healthcare, materials and security.

The Group currently has four operating divisions: Oxonica Energy, Oxonica Healthcare, Oxonica Materials and Oxonica Security. Oxonica has already launched products into international markets. Lead products include:

- Envirox™ Fuel Borne Nanocatalyst - a nanocatalyst improving fuel economy and reducing emissions
- Optisol™ UV Absorber - a revolutionary photostable UV protection system designed to optimise the performance of quality sunscreens and anti-premature aging products

Oxonica is also active in searching for the next generation of products and is already engaged in developing transformational detection technologies which will enable a new generation of ultrasensitive multiplex diagnostic tools for the clinical diagnostic life science and security markets. In addition, the company is developing other UV absorber technologies into polymer systems and coatings, based on similar technologies to that used in Optisol™.

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