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ASX ANNOUNCEMENT
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ADVANCED NANO STARTS STRATEGIC PARTNERSHIP WITH ENERGENICS, PLACEMENT OF A$6 MILLION ANO STOCK

Advanced Nanotechnology Limited (ASX: ANO) today announced that it has executed a Letter of Intent with Energenics Holdings Pte Ltd, a Singapore-based supplier of alternative energy solutions and technologies, to create an integrated fuel-borne catalyst joint venture company to address the rapidly growing clean-burn fuel markets. The joint venture company will be based in Singapore, and is intended to combine Advanced Nano's nanomaterials research and production skills with Energenics fuel additive formulation, marketing and fuel application expertise and is expected to formally commence within 10 weeks.

Upon execution of the formal agreements, Energenics will, subject to the conditions precedent set out below, subscribe for A$6 million of new Advanced Nano shares at a price of A$0.22 per share in two equal tranches (being a total of 27,272,728 ordinary shares issued on the same terms as existing Advanced Nano ordinary shares). The first tranche of A$3 million will be subscribed upon closing. The second tranche will take place upon the joint venture reaching certain sales targets or within two years from closing, whichever comes first. Advanced Nano will also provide Energenics with 4,545,455 free options for each share tranche (being one option for every three new shares subscribed for) at an exercise price of A$0.308 per share expiring on 30 June 2012.

The investment and joint venture contemplated in the Letter of Intent has been agreed subject to a number of conditions precedent, being, the completion of due diligence to the satisfaction of both Advanced Nano and Energenics, board approval in respect of both Advanced Nano and Energenics, and Advanced Nano shareholder approval in respect of the issue of the new Advanced Nano shares and options.

The joint venture company will undertake research, development, production and marketing of fuel-borne catalyst systems, biofuel additive formulations, dosing technology and related know-how for the world energy market. It will emphasise fuels based on unique technologies developed by or licensed to Advanced Nano and Energenics, particularly in the area of biofuels and clean burning fuel technologies.

Paul McCormick, CEO of Advanced Nano commented "we are excited by the opportunity to team up with Energenics to form a world-class innovative company. Energenics and Advanced Nano firmly believe that an integrated approach is the best way to address the variety of opportunities presented in world energy markets."

He added "Energenics, via this transaction, confirms Advanced Nano's internationally recognised ability to develop and produce innovative, quality nanotechnology products addressing high-value markets."

Ronen Hazarika, Managing Director of Energenics, commented "Energenics believes that Advanced Nano is the world leader in the development and production of nanomaterial dispersions and especially catalytic additives. We believe that our joint venture will become a leading force in the development, application and marketing of innovative fuel solutions that help address the critical energy savings and greenhouse gas emission questions of the 21st century."

About Energenics

Energenics is a supplier of alternative energy solutions and technologies, providing customers access to switched or phased renewable fuels programmes that deliver both energy use and gas emission reductions at zero or minimal capital cost.

Energenics is incorporated in Singapore and is rapidly becoming a market leader in delivering turnkey biofuel & energy efficiency projects to fleet users using innovative technologies either developed in house or licensed in from technical partners. In conjunction with these turnkey projects, Energenics also provides a full Carbon emissions trading service, which involves the trading of permits to emit carbon dioxide (and other greenhouse gases).

Energenics identifies, sources, invests in, validates and commercialises energy technology. Energenics has a growing customer base including transportation groups, mining companies, and port and marine operators throughout the Asia Pacific region. Its goal is to improve the use of conventional energy sources, reduce emissions and, ultimately, phase in the use of alternative energy solutions to benefit both customers and the environment.

Amongst other initiatives, Energenics is marketing Enerdiesel, a unique ethanol-diesel blend that provides immediate cost and emissions benefits to existing vehicle fleets and stationary engines, throughout the Asia Pacific region. Utilising proprietary technology developed by O2Diesel, a U.S. based company, Enerdiesel is an ethanol-diesel blend that substantially reduces harmful emissions without sacrificing power or performance. Enerdiesel is suitable for use in existing diesel vehicle fleets and is especially effective with older equipment. Energenics is also a strategic shareholder in O2Diesel.

Energenics' strategy is to become the Asia Pacific's first truly integrated supplier of innovative technologies to help companies meet targets in energy reduction and climate change in mobile and stationary energy sources.

Ronen Hazarika, Managing Director of Energenics, is the original inventor of technology protected by patents relating to coated cerium oxide nanoparticles used as a fuel-borne catalyst.

About Advanced Nano

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

Advanced Nano is targeting four key markets with its commercial products – Energy & Emerging Technologies; Personal Care & Life Sciences; Plastics & Polymers; and Coatings, Inks & Textiles. Advanced Nano's products are manufactured and marketed under three parent brands: ZinClear® – sunscreen dispersions that allow SPF 30+ sunscreens containing only zinc oxide as the UV absorber; Alusion® – soft focus effect pigments for masking ageing effects; and NanoZ® – nano zinc oxide additives that allow stable UV absorber performance for coatings and plastics. Advanced Nano also manufactures Envirox™ (a trademark of the Oxonica group) fuel borne nanocatalyst for use in diesel fuel, for UK-based Oxonica plc.

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