

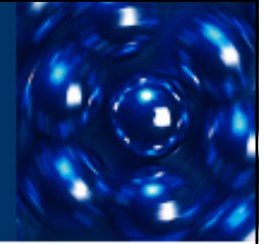
Advanced
Nanotechnology
Limited
(ASX:ANO)

GENERAL
MEETING

7 June 2007

Manufacturers of the Worlds
Finest Nanomaterials

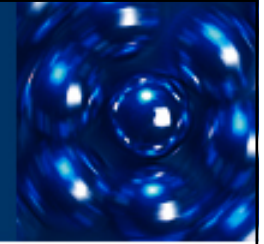
Strategic Priorities – 2008 and beyond



Our priorities are focused on continued growth

- Building marketing and distribution for our products that are experiencing the beginning of strong commercial success
- Ensuring our capacity and capabilities rise to the occasion
 - Continuing scaling and refinement of processes
 - Expanded capacity as required
 - Exploring options for new manufacturing locations
- Developing strategic product-related partnerships

Strategic Product Partnership



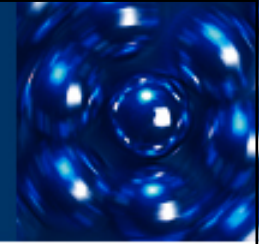
ENERGENICS

Letter of Intent executed, to create an integrated fuel-borne catalyst joint-venture company.

The joint venture, to be based in Singapore, combines Advanced Nano's research and production skills with Energenics marketing and fuel application expertise.

The joint venture will undertake research, development, production and marketing of fuel-borne catalyst systems and fuel additive formulations for the world energy market.

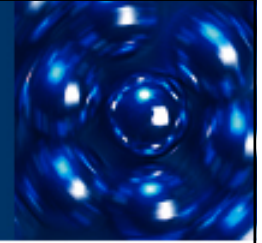
About Energenics



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

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

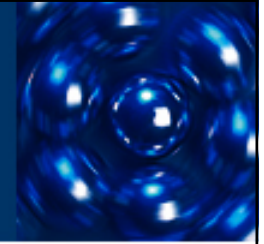
Proposed Joint Venture



Provides strategic pathway to access opportunities in the clean-burn fuel markets for Advanced Nano's cerium oxide nano catalyst:

- Rapidly evolving worldwide environmentally driven market;
- Expected to provide greater access to revenue upside than a product-supply only relationship.

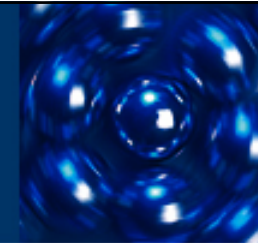
Proposed Joint Venture continued



Upon completion, Energenics will subscribe for A\$6 million of new Advanced Nano shares at a price of A\$0.22 per share in two equal tranches:

- Tranche 1 (\$3m) on closing;
- Tranche 2 (\$3m) on JV reaching sales target or within two years of closing, whichever comes first; and
- 4.5 million options for each share tranche (one option for every 3 new shares subscribed for) will be issued to Energenics at an exercise price of A\$0.308 per share expiring on 30 June 2012.

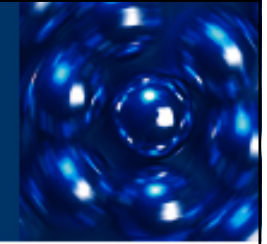
Proposed Joint Venture continued



Next steps / conditions precedent:

- Shareholder approval for the issue of the new shares and options.
- Completion of due diligence to the satisfaction of both Advanced Nano and Energenics;
- Finalisation and Board approval of the transaction documents, such as:
 - Shareholders' agreement;
 - License agreement; and
 - Interim supply agreement.
- Expect transaction documents to be executed prior to the end of June with Tranche 1 shares and options issued at that time.

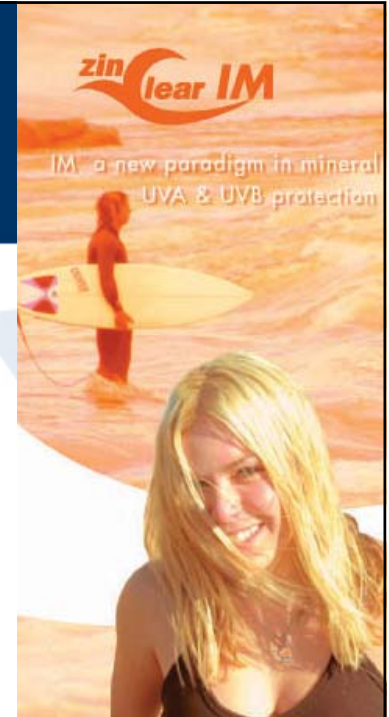
2008 Outlook



2007 revenue growth will be small, however outlook for 2008 is encouraging:

- Demand for personal care products is expected to continue to grow;
- Effect of new product launches, particularly ZinClear-IM™ and process refinements are expected to increase sales;
- Process improvements are increasing productivity and reducing manufacturing costs;
- Loss of revenue from Oxonica/Petrol Ofisi will continue to impact revenues in 2008; and
- Major revenues from Energenics JV not expected in 2008.

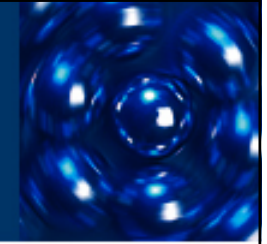
2008 Outlook – ZinClear-IM™



“Index Matched” ZinClear®

- 🔍 All the ZinClear® attributes, *plus*
 - Average particle size > 1 micron whilst maintaining transparency
 - Improved manufacturing process, lower-cost continuous production
- 🔍 Opens US market (40% of Global market) and allows development of “international” formulations
 - Increased attention on need for adequate UVA protection as well as UVB
 - Increasing significance of cosmetic factors, such as soft-focus characteristics
 - Demand for low-irritant “All Natural” products with pure mineral ingredients
- 🔍 Current status
 - Major customers are developing products
 - Major potential partnership is under discussion

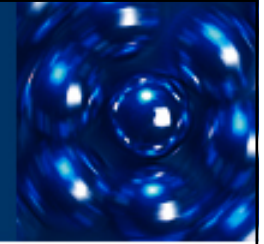
2008 Outlook – Sales & Distribution



- We are expanding sales and distribution networks overseas to better serve our international customers and develop our business
 - Over 85% of 2006 sales to overseas customers
 - Direct sales and marketing presence to support distributorships
- Establishment of Advanced Nano Inc (US)
- Pursuing manufacturing options in North America



2008 Outlook – Process Improvements



- Enhancement of MCP™ process
- Simplified process
 - Increased production throughput
 - Enables automated continuous processing
- Significant reduction in variable manufacturing costs
- Lower capital costs than existing process
- Improved product quality



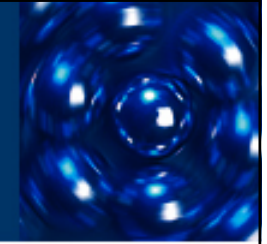
2008 Outlook – New Products

Transparent Functional Coatings

- Transparent coatings and films that exhibit new and enhanced properties associated with the incorporation of nanopowders
 - Long life UV protection
 - Combined UV and abrasion resistance
 - High conductivity/anti-static properties
 - Tuneable refractive index
 - Enhanced pearlescence, and
 - Films with UV and antimicrobial properties

Partly funded via Commercial Ready Grant

Conclusion



- Our priorities are focused on continued growth and ensuring our capacity and capabilities rise to the occasion.
- Advanced Nano believes the establishment of the proposed joint venture with Energenics will enable strategic access the variety of opportunities for our nanocatalysts in the clean-burn fuel markets.

Thank you for your continued support