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15 July 2011

Companies Announcements Office
Australian Securities Exchange

PRIVATE PLACEMENT OF SHARES AUD\$1 MILLION

Aeris Environmental Ltd (ASX Code: AEI) is pleased to announce that it has made a private placement to a small number of sophisticated investors 4,548,182 ordinary shares at \$0.22 per share to raise \$1,000,600. One free attaching option was issued for every five shares subscribed with an exercise price of \$0.22 an expiry date of 11 July 2014 (a total of 909,636 options).

These funds were raised to support the expansion of the company's R&D and global commercialisation activities and to increase working capital. As a consequence of the expanded R&D activities, Aeris further expects to be eligible for a greater level of R&D cash back refund in the 2012 financial year based on the government announcement recently made in relation to this scheme.

As previously reported, the Company is in active discussions with both potential trade partners and end customers in respect of its proprietary Aeris Guard 'clean and protect' platform. The Company has focused its activities on a number of key aspects of the global clean tech market. These core markets are healthier air, cleaner water, food safety, smart surfaces, biocidal polymers (plastics) and new advanced biodegradable materials.

Favourable testing has demonstrated the effectiveness and the proprietary nature of the Aeris Guard technologies and the Company has received substantial market feedback as to the demand for its advanced technologies in several key international markets. This successful capital raising will enhance Aeris' position in the strategic commercialisation of its clean tech portfolio. Aeris has recently received commitments for the application of its novel 'Aeris coat' OEM bioactive coatings for production commencing January 2012 in the Asian region.

A copy of the Appendix 3B is attached.



Secondary Trading Exemption

The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A. By the Company giving this notice, a sale of the Securities noted above will fall within the exemption in section 708A(5) of the Act.

The Company hereby notifies ASX under paragraph 708A(5)(e) of the Act that:

- a) the Company issued the Securities without disclosure to investors under Part 6D.2 of the Act;
- b) as at 15 July 2011 the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act; and
- c) as at 15 July 2011 there is no information:
 - i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - B) the rights and liabilities attaching to the Securities.

AERIS ENVIRONMENTAL LTD

David Fisher
Managing Director

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available.
Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Aeris Environmental Ltd

ABN

19 093 977 336

We (the entity) give ASX the following information.

Part 1 – All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares
Options as detailed below |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 4,548,182 Fully paid ordinary shares
909,636 Options |
| 3 | Principal terms of the +securities (eg, 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) | One free attaching option issued for every five shares subscribed with an expiry date of 11 July 2014 and an exercise price of \$0.22.

The options will not be quoted. |

+ See chapter 19 for defined terms.

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Appendix 3B
New issue announcement

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4	<p>Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do; • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment; • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment. 	<p>Yes, shares rank equally in all respects with all existing AEI fully paid ordinary shares.</p>				
5	<p>Issue price or consideration</p>	<p>\$0.22 per share.</p>				
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The funds were raised for purposes set out in attached ASX announcement.</p>				
7	<p>Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>15 July 2011</p>				
8	<p>Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 2px;">Number</th> <th style="text-align: left; padding: 2px;">⁺Class</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">103,803,980</td> <td style="padding: 2px;">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	⁺ Class	103,803,980	Fully paid ordinary shares
Number	⁺ Class					
103,803,980	Fully paid ordinary shares					

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	1,500,000	Options – Expire 21 November 2012 with an exercise price of 65 cents, 75 cents and \$1 (3 x 500,000)
	1,002,000	Options – Expire 8 December 2012 with an exercise price of 30 cents
	307,500	Options – Expire 7 May 2012 with an exercise price of 57 cents
	60,000	Options – Expire 28 December 2012 with an exercise price of 52 cents
	150,000	Options – Expire 28 December 2012 with an exercise price of 50 cents
	1,000,000	Options – Expire 1 September 2013 with an exercise price of 25 cents (500,000) and 40 cents (500,000)
	25,000	Options – Expire 31 March 2012 with an exercise price of 18.5 cents
	515,000	Options – Expire 29 June 2014 with an exercise price of 20 cents
	1,250,000	Options – Expire 30 June 2012 with an exercise price of 20 cents
	12,500,000	Convertible Notes – conversion price 20 cents and maturity date 31 December 2012
	909,636	Options – Expire 11 July 2014 with an exercise price of 22 cents
	275,000	Options – Expire 9 January 2016 with an exercise price of 25 cents
	50,000	Options – Expire 17 March 2016 with an exercise price of 15 cents

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Full participation in any future dividends.

Part 2 – Bonus issue or pro rata issue

+ See chapter 19 for defined terms.

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Appendix 3B
New issue announcement

Questions 11 to 33 are not applicable.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities

(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

Questions 38 to 42 are not applicable.

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Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (~~will be~~) true and complete.



Sign here: _____
Company Secretary

Date: 15 July 2011

Print name: Robert J Waring

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