



21 December 2007

Companies Announcement Office  
Australian Securities Exchange

### ISSUE OF SHARES AND OPTIONS

Further to the Company's announcement of 29 November 2007, Aeris Environmental Ltd (ASX Code: AEI) is pleased to announce that it has issued 9,240,000 ordinary shares at a price of 40 cents, with one attaching three year option (at an exercise price of \$0.30) issued for every three shares subscribed for (a total of 3,080,000 options). The placement has raised \$3,696,000. The options have an expiry date of 21 December 2010. The shares and attaching options have been placed with professional, sophisticated and institutional investors pursuant to section 708 of the *Corporations Act 2001*.

The 29 November 2007 announcement advised that the placement was expected to be between 6,800,000 and 9,750,000 shares. It is anticipated that the final number of shares placed will be at the upper end of the range and that the funds for the balance will be received in early January 2008.

Attached is an Appendix 3B for the issue of the shares and options.

The funds raised in the placement will be applied to the continued expansion of the Company's international proprietary food cold storage, air-conditioning energy reduction and water treatment businesses.

#### **Notice Under Section 708A(5)(e)**

Aeris advises that on 21 December 2007 the Company issued 9,240,000 ordinary shares with terms as set out above.

The Company gives notice that:

- (1) this notice is being given under section 708A(5)(e) of the Corporations Act 2001 (Corporations Act);
- (2) the Company issued the securities without disclosure to investors under Part 6D.2 of the Corporations Act;
- (3) as at the date of this notice, the Company has complied with:
  - (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
  - (b) section 674 of the Corporations Act; and
- (4) except as may be set out in this notice, there is no other information that is excluded information as at the date of this notice which is required to be set out in this notice under section 708A(6)(e) of the Corporations Act.

**Aeris Environmental Ltd**

**Robert J Waring**  
Company Secretary



## 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.

Name of entity

**Aeris Environmental Ltd**

ABN

**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 and options**

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

**9,240,000 shares and 3,080,000 options**

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 of options is 30 cents and expiry date is 21 December 2010**

4 Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?

If the additional securities do not rank equally, please state:

- 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

**New shares rank equally with existing shares.**  
**There are no quoted options.**  
**Options can participate in any future dividends if exercised into fully paid ordinary shares.**

5 Issue price or consideration

**Shares issued at 40 cents with 1:3 attaching options as set out in announcement.**

6 Purpose of the issue  
 (If issued as consideration for the acquisition of assets, clearly identify those assets)

**Set out in attached announcement.**

7 Dates of entering <sup>+</sup>securities into uncertificated holdings or despatch of certificates

**24 December 2007**

8 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the securities in clause 2 if applicable)

Number	<sup>+</sup> Class
<b>96,757,564</b>	<b>Fully Paid Ordinary Shares</b>

9 Number and <sup>+</sup>class of all <sup>+</sup>securities not quoted on ASX (including the securities in clause 2 if applicable)

Number	<sup>+</sup> Class
535,000	Options – ESOP expire 19 January 2010 with an exercise price of 79 cents
641,250	Options – ESOP expire 19 January 2010 with an exercise price of 68 cents
30,000	Options – Expire 30 September 2008 with an exercise price of 54 cents
30,000	Options – Expire 30 September 2008 with an exercise price of 62 cents
30,000	Options – Expire 30 September 2008 with an exercise price of 77 cents
30,000	Options – Expire 30 September 2008 with an exercise price of 62 cents
30,000	Options – Expire 30 September 2009 with an exercise price of 60 cents
30,000	Options – Expire 30 September 2009 with an exercise price of 63 cents
30,000	Options – Expire 30 September 2009 with an exercise price of 54 cents
60,000	Options – Expire 31 December 2008 with an exercise price of 68 cents
250,000	Options – Expire 6 May 2010 with an exercise price of 47 cents
150,000	Options – Expire 31 March 2011 with an exercise price of 62 cents
3,080,000	Options – Expire 21 December 2010 with an exercise price of 30 cents

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

Options can participate in dividend if exercised into fully paid Ordinary Shares.

## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval  
to required?  
33

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)

38 Number of securities for which  
to +quotation is sought  
42

Questions 38 to 42 are not applicable

## 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.
  - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided 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:

***R J Waring***

Date:

**21 December 2007**

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(~~Director~~/Company Secretary)

Print name:

**R J Waring**