

Media Announcement

Melbourne, Monday 13 January 2014

Clean TeQ Buys Back the Farm

Following his recent trip to Japan, Mr Cory Williams, Chief Executive Officer (CEO) of Clean TeQ Holdings Limited (ASX: CLQ) has announced that the company has signed two significant deals in Japan that will return sole ownership and control of its CSG (coal seam gas) water treatment and scandium recovery technologies to Clean TeQ.

Clean TeQ Buys Nippon Gas Japan's 50% Shareholding in the Associated Water Joint Venture

Following a successful commercial demonstration of Clean TeQ's desalination technology at the WAMBO feedlot in Queensland, proving the viability of converting coal seam gas produced water to agricultural-grade water, Clean TeQ and Nippon Gas have agreed that Clean TeQ will buy the 50% Nippon Gas shareholding in the Associated Water Joint Venture, for \$2m. Payment is deferred with \$1m being payable in 9 months and a further \$1m being payable in 18 months.

"Buying the Nippon Gas stake returns 100% ownership of the CSG water treatment technology to Clean TeQ and enables Clean TeQ to fully control the marketing and licensing of this technology worldwide as it moves into the commercial phase," said Mr Williams. "We believe the opportunity to fully control commercialisation of this technology platform, especially after results from our recent piloting, represents a great opportunity to capture value for our shareholders."

Discussions are underway with a number of potential licensees well positioned to help Clean TeQ penetrate CSG markets globally and to build and manage large scale operations.

Clean TeQ Buys Nippon Gas Japan's 85% Shareholding in the Clean World Japan Joint Venture

Ishihara Sangyo Kaisha Ltd. (ISK) Japan has produced and refined titanium dioxide for various industrial purposes since 1963. One of the opportunities for value creation is the presence of valuable light metals, such as scandium, in the intermediate process stream of titanium dioxide refining.

Scandium is highly valued and is used in the manufacture of electrolytes for fuel cells, high strength metal alloys for the aerospace, automotive and sporting goods industries and as an ingredient in the manufacture of high end lighting. Demand for scandium will grow as more reliable sources of scandium become available.

Clean TeQ has developed resin-based technology that extracts and concentrates scandium from intermediate process streams in the titanium dioxide refining process. This technology has been tested and proven in Japan in titanium dioxide refining operations via the Clean World Japan Joint Venture.

Clean TeQ has agreed to buy Nippon Gas' 85% shareholding in the Clean World Japan Joint Venture effective immediately. Clean TeQ has agreed to exchange a \$3.3m one time license fee from Nippon Gas Japan for a larger interest in on-going royalty payments. These payments are now being negotiated directly from ISK - based on the revenue generated from use of Clean TeQ's technology.

ISK has now commissioned Clean TeQ to build and supply a \$650,000 pilot plant, which will be operated at the Yokkaichi plant in Japan.

Buying the Nippon Gas stake in Clean World Japan returns 100% ownership of its scandium recovery technology to Clean TeQ, and enables Clean TeQ to control the marketing and licensing of this technology worldwide. As part of the agreement, ISK's rights to use the Clean TeQ technology will now be limited to the territory of Japan and to titanium dioxide refining operations.

Mr Williams commented:

"Clean TeQ is a truly innovative company that has met the twin challenges of long technical development cycles and expensive commercialisation processes and is now ready to reap the rewards of its hard work over the past 20 years.

Our goal at Clean TeQ is to develop technologies that help industry maximise value from raw materials, eliminate waste and protect our environment"

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About Clean TeQ Holdings Limited (ASX: CLQ)

Clean TeQ (ASX: CLQ) is a world leader in water treatment and resource recovery technology and the Australian leader in biological air purification. Clean TeQ develops technologies in-house and partners with leading technology suppliers worldwide.

The Company offers a range of business models to potential clients including licensing our technology, building and commissioning complete installations (both transportable and fixed), and building and operating installations in joint ventures, in return for a share of revenues generated through resources recovered. Clean TeQ will also acquire mining assets where its technologies can make exploitation of uneconomic ore bodies or re-processing of tailings profitable.

For more information about Clean TeQ please visit the Company's website at www.cleanteq.com.