

Melbourne, 3rd July 2015

CLEAN TEQ DIVESTS SHAREHOLDING IN AIR POLLUTION CONTROL BUSINESS TO FOCUS ON GLOBAL WATER AND METALS MARKETS

Clean TeQ Holdings Limited (ASX:CLQ) (**Clean TeQ** or **Company**) has today completed the sale of its 59% shareholding in Clean TeQ Aromatrix Pty Ltd (**CTX**) to Australia Sunshine Holdings Limited (**Sunshine**) for cash proceeds of A\$1,681,500. The divestment allows Clean TeQ to focus exclusively on the Company's Water and Metals businesses which are both primarily driven by the Company's proprietary continuous ion exchange technology.

The sale, which is effective 30 June 2015, follows the merger in late 2014 of Clean TeQ's Air Pollution Control Division with the Australian business of Aromatrix Technologies (Hong Kong) Ltd (**Aromatrix**). Aromatrix has also divested its 33% share in CTX to Sunshine on the same terms and conditions.

As at 30 June 2015, Clean TeQ and Aromatrix have shareholder loans owed to them by CTX of approximately \$305,000 and \$172,000 respectively. Under the terms of the share sale agreement, those loans are to be repaid from CTX's free cashflow between 31 October 2015 and 31 December 2015. In the event that insufficient free cashflow is generated by CTX to repay the loans by 31 December 2015 (and subject to CTX strictly adhering to a range of controls around the loans) the loans will be forgiven.

Clean TeQ has also agreed to issue a total of 1 million CLQ options as a completion bonus to members of the CTX management team who own approximately 8% of CTX and were required to waive pre-emptive and tag along rights in connection with the transaction. The 3 year options have a strike which will be set at a 30% premium to the CLQ share price as at the completion date.

The CLQ Board of Directors believes the transaction consideration represents good value for Clean TeQ shareholders and that the sale also provides the following additional benefits:

- Achieves a non-dilutive means of generating a significant amount of free cash to be reinvested in the Company's Water and Metals divisions including:
 - i. progressing the development of Clean TeQ's 100% owned Syerston Scandium Project in NSW; and;
 - ii. progressing the proposed China Water joint venture with Shanghai Investigation, Design and Research Institute, a subsidiary of China Three Gorges Corporation;
- Focuses Clean TeQ's strategic growth exclusively on the Company's proprietary continuous ion exchange technology – CTX offers biological, thermal, carbon filter, cyclone and air stripping solutions which do not utilise continuous ion exchange technology;
- Provides the Company with the opportunity to reduce overhead and administrative costs; and,
- Simplifies Clean TeQ's organisational, management and financial structure.

For more information about Clean TeQ contact:

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About Clean TeQ Holdings Limited (ASX: CLQ) – Based in Melbourne, Clean TeQ, using its proprietary Clean-iX[®] continuous ion exchange technology, is a world leader in resource recovery and industrial water treatment.

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

This release may contain forward-looking statements. The actual results could differ materially from a conclusion, forecast or projection in the forward-looking information. Certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information.