

Melbourne, 16 May 2016

ISSUE OF CLEAN TEQ PERFORMANCE RIGHTS AND OPTIONS

Following a review of remuneration arrangements undertaken by the Nomination and Remuneration Committee, Clean TeQ Holdings Limited (ASX:CLQ) (**Clean TeQ** or **Company**) will issue 2,124,196 performance rights and 5,000,000 options to eligible employees of the Company in accordance with the Clean TeQ Holdings Limited Option Plan which was approved by shareholders on 21 November 2013.

The grant of performance rights and options under the Company's Long Term Incentive Plan is intended to align the interests of employees with other owners of the Company. The plan also allows the Company to remunerate employees and directors in a fair and reasonable way while minimising the financial burden on the Company's cash resources.

Upon vesting, each performance right entitles the holder to receive one ordinary share in the Company at no cost to the employee. The number of performance rights that will vest is contingent on CLQ's total shareholder return (**TSR**) relative to a basket of comparable companies over the period up to the applicable Performance Date. The detailed breakdown of the relationship between Clean TeQ's performance and the conversion of performance rights is:

- Zero percent converting if Clean TeQ's TSR performance is at or below the median performance of the comparator group.
- 100 per cent converting if CLQ's TSR performance is at or above the 75th percentile performance of the comparator group.
- Straight line pro-rata conversion between the median and 75th percentile performance.

The Performance Date for this parcel of Performance Rights is 1 July 2019. Vesting is also subject to the continued employment of the employee.

The options vest on grant, have a three year term and a strike price of 28.2 cents per share, which is a 30% premium to the 30 day volume weighted average price of Clean TeQ shares up to and including 12 May 2016.

As an executive of the Company, Peter Voigt is also eligible to receive a grant of 461,681 performance rights and 1,000,000 options on the same terms and conditions.

As an executive of the Company, and in accordance with the terms of his executive services contract, Sam Riggall is also eligible to receive a grant of 831,025 performance rights and 8,000,000 options. The options vest on grant, have a three year term and have a strike price of 31 cents per share, which is a 43.1% premium to the 30 day volume weighted average price of Clean TeQ shares up to and including 12 May 2016.

As Mr Riggall and Mr Voigt are directors of the Company, the grant of their options and performance rights will be subject to shareholder approval at a meeting of shareholders which will be scheduled at a later date.

The Nomination and Remuneration Committee also conducted a review of non-executive director (**NED**) fees, which have remained unchanged for a number of years. Clean TeQ does not currently remunerate directors for additional responsibilities such as acting as chair of sub-committees. Rather than increasing directors' fees or introducing sub-committee fees, the Nomination and Remuneration Committee instead recommended a grant of options to NED's in order to ensure that the Company can continue to appropriately remunerate and retain directors who are suitably qualified and experienced. As such, the board is also proposing an issue of 375,000 options to each of the three non-executive directors. The options vest on grant, have a three year term and a strike price of 31 cents per share, which is a 43.1% premium to the 30 day volume weighted average price of Clean TeQ shares up to and including 12 May 2016. The issue of the NED options will be subject to shareholder approval at a meeting of shareholders which will be scheduled at a later date.

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.