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Company Announcements Office
Australian Securities Exchange

- **HydroKleen, a leading Australian air-conditioning cleaning and servicing company, executes a platinum partnership with Aeris on the exclusive application of the AerisGuard range across its international customer base.**
- **Minimum purchases for Australian HydroKleen network of A\$400,000 per annum with additional volume requirements for international territories.**
- **HydroKleen operates a franchise model with 30 locations across every State and Territory of Australia, and 11 countries globally.**
- **Initial annual coil cleaning volume is in excess of 50,000 coil cleans in Australia for a range of commercial and residential clients, including mines, schools, resorts, hospitals, and aged and day care providers.**
- **Phased rollout of additional Aeris range of products and technologies. Provides a potential large-scale additional opportunity across the HydroKleen network.**

HydroKleen, a market-leading Australian air-conditioning and servicing company, has entered into a Platinum Partnership agreement with Aeris Environmental Ltd (ASX:AEI) (Aeris or the Company), the leader in the field of indoor air quality and energy efficiency. This agreement follows a series of successful implementations of the AerisGuard hygiene and coil treatment solution in key HydroKleen sites. The launch phase of activity will focus on servicing the 30 Australian franchise holders, covering each State and Territory. Phase two will be the expansion into the HydroKleen Global network together with an expanded range of AerisGuard products and technologies. HydroKleen is experiencing outstanding growth in its licensed network throughout Asia, the Middle East and Africa, which will be further driven with Platinum access to the AerisGuard International network.

The signed agreement has initial annual minimum purchases of A\$400,000 per annum by HydroKleen in Australia in the phase 1 rollout, together with mandated AerisGuard usage, ongoing training and co-marketing mutual obligations. HydroKleen will strongly leverage the AerisGuard certification and branding, whilst Aeris will nominate HydroKleen as a strategic service provider, thereby driving both companies' evolving market leadership and accelerating rates of adoption.

"Aeris is pleased to be working with such a recognised leader in the industry, with an entrepreneurial and technologically-leading profile. HydroKleen has a broad existing customer base, and an outstanding reputation for adopting new and innovative, green solutions. HydroKleen is well known for having the highest levels of service, and delivering measurable and successful outcomes to its fast-growing franchise network and customers," said Peter Bush, the Chief Executive Officer of Aeris.

"The Aeris approach delivers cleaning, protection and efficiency solutions that are of the highest global standards. The Proprietary HydroKleen machine and process, with exclusive approval from the National Asthma Council Australia's Sensitive Choice Program for air-conditioner cleaning, is a truly differentiated offering. Both the HydroKleen process and AerisGuard consumables were reviewed and passed by the Product Advisory Panel. This panel includes a respiratory physician, a

clinical and academic allergist, an industrial chemist, a general practitioner, a pharmacist and an engineer,” said John Sanders, the Chief Executive Officer of HydroKleen. “A key aspect of our global growth strategy is this strategic partnership with Aeris. We believe that the reach of both organisations will not only provide a much stronger business platform both nationally and internationally, but the combined profile will also help to drive early adoption and enhanced awareness of the benefits and cost efficiency of running HVAC systems at optimal performance levels continuously. HydroKleen will integrate Aeris’ marketing and technical education systems to enhance awareness across its commercial, residential and corporate global customer base.”

“The global epidemic of mould and bacterial growth is simply not acceptable. It has been exacerbated by a lack of knowledge in many market segments around the danger of poorly managed and maintained systems, and the use of toxic chemicals in these critical environments. Via this partnership, both companies will be highlighting the positive financial outcomes, environmental benefits, energy savings, asset longevity and indoor air quality that flow from correct cleaning and protection,” said John Sanders.

Aeris Environmental Ltd

Peter Bush

Chief Executive Officer

About Aeris

Aeris develops, manufactures and markets patented, environmentally-friendly technology solutions that address the global megatrends of energy efficiency, healthier air, food safety, water quality and long-term materials protection, with core guiding principles of ‘clean, green, protect’.

Smart Enzymes and Coatings provide long-term remediation, and prevention of mould, bacteria growth, corrosion and improved hygiene, with OEM, consumer and technical applications.

Aeris’ SmartENERGY is an integrated management and control solution that makes buildings smarter, more efficient, safer, use less energy, have lower operating costs (contributing to a more sustainable environment) and deliver a substantial return on investment. SmartENERGY provides dramatic and proven energy savings in the range of 19% to 33%, alongside documented improvement in system efficiency (54% to 289% improvement in airflow and up to 40% in coil efficiency), and independently-validated indoor air quality across all air-conditioning and refrigeration systems, with proven immediate cash flow savings.

About HydroKleen

Established in 2009 with a highly-successful franchise model, HydroKleen has seen rapid growth, with 30 locations servicing every State and Territory of Australia. HydroKleen is experiencing outstanding growth in its licensed network throughout Asia, the Middle East and Africa, which will be further driven with Platinum access to the AerisGuard International network.

Annually, HydroKleen conducts over 50,000 coil cleans for a range of commercial and residential clients, including mines, schools, resorts, hospitals, and aged and day care providers.

With year-on-year growth of over 22%, and a footprint allowing the unique ability to service national and international clients, growth for the 2016-17 year is forecast at over 30% across the Australian network. HydroKleen’s international reach is targeted to deliver over an additional 1,000 trained technicians in key markets globally.