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Company Announcements Office
Australian Securities Exchange

Market Update on Aeris' Asset Upgrade Agreement with Fresh Freight Tasmania

As previously announced, Aeris Environmental Ltd (Aeris) has commissioned its first Asset Upgrade Agreement (AUA) with Fresh Freight Tasmania Pty Ltd (Fresh Freight Tasmania), a leading and highly-regarded cold chain logistics provider to the Australian food industry, at its Laverton North, Victoria facility. This AUA, developed by Aeris, was the result of significant interest in an innovative, off-balance sheet finance solution that gives Aeris' customers the potential to be immediately both cash flow and P&L positive from the implementation of the shared agreements. The Agreement has fixed, minimum monthly payments over a term of five years (60 months) along with a performance incentive for any savings in excess of the benchmark, recorded against a pre-agreed baseline measured in accordance with International Performance Measurement and Verification Protocols for HVAC efficiency. The Aeris Smart HUB units were installed in the Fresh Freight Tasmania trucks in August 2016 and have now been operational for six months. The results are as follows:

Total forecast income to Aeris over initial contract term	\$187,644
Fresh Freight Tasmania capital and operating reduction – at 13c/KwH	\$607,605
Time for project to be cash flow positive for client	Immediate
Average WHOLE BILL energy reduction – over six months	15%
KwH saved over asset life*	3,455,000
Tonnes of carbon saved over asset life* (enough to power a light bulb for 28 years and an entire household for 90 days)	3,248

*10 years

Building on the above achievement, Aeris has now successfully rolled out the new Aeris Smart HUB efficiency system to the Fresh Freight Tasmania fleet of refrigerated trucks. The contract has a minimum base value of no less than \$448,000 over five years, with potential for significant additional performance payments. Current data demonstrates that efficiency and performance levels are above estimates.

Furthermore, Aeris is working with Carrier Transicold Australia, a leading cold chain fleet vehicle manufacturer, to commence the marketing to its customers of an optimised Smart HUB system tailored for the refrigerated transport market, providing validation of system integrity through real-time monitoring, and enhanced efficiency and fuel saving.

Leveraging on the abovementioned installations, Aeris has now secured a further opportunity for preventative maintenance and hygiene with Fresh Freight Tasmania, utilising both its Maintenance Corrosion Protection Plus service product on truck and trailer chassis, in addition to the AerisGuard hygiene range for cool room remediation, mould prevention and odour control.

The engagement with Fresh Freight Tasmania demonstrates that Aeris is now uniquely placed to provide the global cold chain logistics and refrigerated transport sector with a total solution for efficiency and food safety, with the combination of proprietary energy and maintenance savings, real-time fleet tracking and visualisation, long-term corrosion protection and prevention, and the AerisGuard hygiene range, which is HACCP Australia-approved for food safety.

Aeris Environmental Ltd

Peter Bush

Chief Executive Officer

About Aeris Environmental Ltd

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.

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 Fresh Freight Tasmania Pty Ltd

- Fresh Freight Tasmania was established in 2003 to provide a real solution for perishable and other food product transport, which is the ethos by which Fresh Freight Tasmania operates.
- Diverse Customer Base – from small to large entities – and from primary producers in the horticulture and agriculture industries to value-added dairy, meat and aquaculture, through to highly-processed convenience food supplies.
- Operates from four strategically-located, temperature-controlled depots: Laverton North in Victoria; and Devonport, Launceston and Hobart in Tasmania, to provide a comprehensive door-to-door freight-forwarding service.
- All depots are HACCP Australia accredited, and have short and long-term freezer, chilled and dry storage capabilities.