

20 March 2015

Company Announcements Office
Australian Securities Exchange

Commercial Update

Aeris Environmental Ltd (ASX:AEI) is pleased to provide the following market update. Further to the Company's recent announcements, Aeris has now received the first in an anticipated series of purchase orders from a substantial new customer for its latest generation of AerisGuard OEM coatings. This order, the first stage of a large project, is in excess of US\$100,000 (A\$130,000) and it is anticipated that the additional stages present an opportunity to the Company in excess of US\$400,000 (A\$520,000) for this initial requirement. This early commercial commitment from a 'flagship' customer is a strong validation of the broader market opportunity for Aeris' latest series of coating technologies.

Aeris SmartENERGY has recently successfully installed and commissioned a high-profile site for a national retail chain. The results from this project have exceeded the specification and, again, have been in line with a series of positive commercial installations by the Company. It is anticipated that these excellent results will lead to further commercial projects with this leading group.

Consistent with Aeris' strategy of initiating key vertical markets, the Company has successfully secured purchase orders from a number of highly-regarded sporting and community clubs. It is anticipated that further orders will be secured across this sector, with well-qualified quotations in excess of A\$500,000 already issued.

In parallel with Aeris' strong forward pipeline in the Australian marketplace, the Company is applying a significant focus on five key Asia Pacific markets, being Thailand, Singapore, Hong Kong, the Philippines and New Zealand. In each of these markets, Aeris is in material discussions with some of the highest profile organisations and property owners across the region.

The early traction of the Company's SmartENERGY platform across the region is being driven by energy and system efficiency, and customer cost savings, together with an increasing regulatory requirement for 'green' building accreditation. It is important to note that SmartENERGY represents the single most significant and cost-effective component for achieving such accreditation. It is highly relevant to note that the Company has been approached, and is engaged with, many large energy providers and channel partners who are now actively providing access to their customers, and recognising the Aeris SmartENERGY solution as an important and credible opportunity to drive energy efficiency and peak demand reductions.

Aeris Environmental Ltd

Peter Bush
Chief Executive Officer

About Aeris

Aeris Environmental Ltd is focused on 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'.

SmartENERGY is a proprietary system that 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.

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