

Reclaim Industries Limited

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Manager Companies Company Announcements Office ASX Limited

Dear Sir

Reclaim Industries to commence production in NSW

Reclaim Industries Limited ("Company") today signed an agreement to acquire the inventory and the majority of the plant and equipment associated with the former Renaza tyre processing facility in New South Wales for a purchase price of \$621,000.

Reclaim will also enter into a lease agreement to rent the premises where the majority of the equipment is currently located in Fairfield, New South Wales.

This transaction will result in Reclaim securing a high quality car tyre processing facility on the east coast capable of producing 2,400 tonnes of rubber per annum. The site will also be able to produce coloured rubber product.

This will make Reclaim Industries the only company with the capacity to produce crumbed rubber in three states and coloured rubber in two states in Australia.

The Company expects to commence operation from the Fairfield site in early October 2009.

Yours faithfully

Scott Morgan

Company Secretary

Reclaim Industries Limited