

ASX/MEDIA RELEASE

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102 SUPERMARKETS ACROSS THREE STATES TO SELL 90 PER CENT BIODEGRADABLE DISPOSAL NAPPY RANGE

The first breakthrough into the mainstream supermarket shopping sector was announced today by clean technology company, EcoQuest Limited (ASX: ECQ), for its range of 90 per cent biodegradable disposable nappies and 100% biodegradable wipes.

The Company said today that Progressive Supa IGA and Farmer Jacks Foodworks in Western Australia, and Drakes Supermarkets, the Romeos Retail Group, and the Chapley Group in South Australia have confirmed acceptance of its *Little Takas* range of nappies and wipes.

Further, Drakes Supermarkets will also stock the Range in its 12 Queensland-owned stores.

In total, EcoQuest's *Little Takas* range of biodegradable disposable nappies and wipes will be available in 102 supermarkets in three States from 4 October 2010.

"EcoQuest's long held dream is about to become a reality – our 90 per cent biodegradable disposable nappy range and 100 per cent biodegradable wipes are about to be available to consumers in mainstream supermarket outlets," EcoQuest Chairman, Ms Sylvia Tulloch, said today

"Today marks a significant milestone for our Company, which we believe is just the tip of the iceberg in terms of the global potential of our product range," she said.

"We have been simply overwhelmed with the strong show of interest by potential stockists across Australia who have recognised the broad consumer appeal for our biodegradable disposable nappies and wipes."

Ms Tulloch said the stockists were:

- Progressive Supa IGA in Western Australia. 11 stores, is the largest Supa IGA group in WA.
- Farmer Jacks Foodworks in Western Australia. which involves 20 Foodworks and Farmer Jacks stores.
- ➤ Drakes Supermarkets in South Australia and Queensland has 31 stores in SA and 12 stores in Qld and is SA's largest independent supermarket group.

- ➤ Romeos Retail Group which has a chain of 21 supermarkets in South Australia, including 16 Foodland and five IGA supermarkets.
- The **Chapley Group** in SA, which owns seven Foodland supermarkets two of which are in the Top Five turnover stores in SA.

Last month, EcoQuest placed an order for the production of three million nappies, with the first shipment due to arrive in Australia by the week commencing the 20th September ahead of the nappies going on sale to consumers across the nation as of the from 4 October 2010.

The Company also announced last month that it had signed retail distribution agreements for its nappies with retail brokerage firms PSSM and Strikeforce WA to act as the Company's sales agents throughout mainland Australia.

Both distribution companies have widespread expertise, including successfully negotiating sales and distribution agreements for other products with national retail giants such as Coles, Woolworths, Target, Metcash and IGA.

"Our product has one of the highest ratings of biodegradability of any disposable nappy in the world and we are confident of maintaining the current upward momentum in demand – especially as more and more people become aware of our range of nappies and their contribution to addressing the huge environmental problem caused by traditional disposable nappies," Ms Tulloch said.

About EcoQuest

EcoQuest Limited (ASX: ECQ) is a globally focused clean technology business based in Perth, Western Australia, and is listed on the Australian Securities Exchange (ASX: ECQ) and traded on the German Third Market.

EcoQuest is focused on developing and applying the latest technologies to create products with improved environmental benefits, but still maintaining excellent consumer performance.

The first product in the EcoQuest range is a 90% biodegradable nappy designed for composting, which combines all the performance benefits of current market leading nappies with additional benefits for babies and our environment.

EcoQuest nappies have been tested in accordance with Australian Standard AS4736-2006 Biodegradable Plastics. At the conclusion of six months independent scientific testing, the nappies achieved 90% of the maximum theoretical value for biodegradation.

A rigorous program of independent consumer testing of the new nappy with mothers and their babies has now also been completed, with strong results. It has already received strong interest from potential commercial customers throughout the world.

EcoQuest's intellectual property is focused on non-woven disposable products. Further products in planning include biodegradable disposal nappy sacks and incontinence products.

For more information about EcoQuest visit its corporate website at www.ecoquestltd.com

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