



ASX RELEASE

Thursday, 23 June 2011

Share Placement & Issue of Shares to Manufacturer

The Board of Eco Quest Limited (ASX: ECQ) is pleased to advise that it has received commitments for the placement to sophisticated investors of \$300,000 at 4 cents per share, a 33.3% premium to the last trade of 3.0 cents per share.

In addition, the Board is pleased to advised that it has reached an agreement with Hong Kong based Carmelton Enterprises, manufacturer of our nappy range, to issue 2,000,000 shares at 5 cents per share in lieu of the manufacturing deposit for the period April 2011 to March 2012 and for the issue of shares to the value of \$100,000 at a 20% discount to the 10 day volume weighted average price of the Company's shares, as at 31 March 2012, in lieu of the manufacturing deposit for the period April 2012 to March 2013.

EcoQuest Chairman, Sylvia Tulloch, welcoming the agreement with the manufacturer, said "This is an investment in the future of the Company by both the investors and Carmelton, which demonstrates their confidence in our business plan as we begin the roll out of our range of 90% biodegradable nappies in the UK."

It is expected that the placement will be completed by early next week.

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 per cent biodegradable disposable nappy, called *Little Takas*, 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 ISO 14855-1:2005. At the conclusion of six months independent scientific testing, the nappies achieved 90 per cent 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.au.

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