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FOR IMMEDIATE RELEASE

ASX Limited
Company Announcements

PROPOSED ACQUISITION OF ALEXIUM LIMITED, WINNER OF "THE WORLD'S BEST TECHNOLOGY 2009", RE-QUOTATION ON THE AUSTRALIAN SECURITIES EXCHANGE ON THE 7TH OF DECEMBER, AND EXISTING SHAREHOLDER PRIORITY OFFER

ALEXIUM LIMITED

- ETW Corporation Limited ("**ETW**" or "**the Company**") has entered into a conditional Term Sheet to acquire 100% of Alexium Limited ("**Alexium**"), a United Kingdom-based and Cyprus-registered company that owns a patented process called Reactive Surface Technology ("**RST**"), on a 100% scrip basis ("**the Transaction**").
- Alexium was awarded "World's Best Technology 2009", ahead of 90 other short-listed finalists from 27 US States and 11 countries from a wide range of industries at the "World's Best Technologies" showcase. This annual event, which is the largest of its type, partners with the US venture capital industry and invites new technology submissions from around the world. It is the premier annual global investment and licencing forum for emerging technologies.
- The RST technology was originally developed by Dr Jeff Owens at the United States Air Force ("**USAF**") for the Department of Defence ("**DoD**") and Defence Threat Reduction Agency ("**DTTRA**") for the purpose of treating standard textiles to provide protection to soldiers in the event of a chemical and biological threats, whilst also providing additional benefits such as water proofing and flame retardance.
- RST utilises a one pass microwave technology treatment in linking smart polymers with nano-particles to securely graft functions (such as water and oil repellence, flame proofing or antimicrobial) to structures such as textiles, glass, and paint to produce materials with unique new properties and multiple functions.
- RST uses significantly less energy than the existing technology and creates no waste water in the process. It does not require complex or repetitive machine processes or handling as is used in other coating technologies.
- RST is being further refined and developed by Dr Owens and his technical team of 16 scientists at the USAF Research Labs (Tyndall), with a dual focus on new applications and preparing the RST technology for industrial scale production.
- To date, the US government has invested approximately USD\$30 million in the RST technology. Alexium is now positioned to reap the potential commercial benefit of this investment, plus any additional future spending.

- The USAF has assigned all rights in the technology to Alexium exclusively, and the parties are effectively operating subject to a Collaborative Research and Development Agreement ("**CRADA**"), which is yet to be executed. The services of Dr Owens and his team, together with DoD research and development facilities, will be available to Alexium under the CRADA.
- Alexium currently has a US and UK presence and is negotiating terms with a US state to base its R&D facilities and US business development activities in. The CEO of Alexium, Mr Stephen Ribich is expected to relocate to the US, where Mr Stefan Susta is already based. Mr John Almond will remain in the UK to spearhead European business development.

More information on Alexium is available at Appendix 1 of this announcement

TRANSACTION SUMMARY AND PRIORITY OFFER

- ETW is acquiring Alexium on a 100% scrip basis, with 50% of this consideration being payable only upon Alexium achieving certain milestones.
- As a component of the acquisition, ETW intends to conduct a capital raising of approximately \$4,500,000, before costs.
- The offer of new shares to raise up to \$3,000,000 will be made to sophisticated and professional investors only pursuant to Section 708 of the *Corporations Act 2001* (Cth) and as such does not require a complying disclosure document. Trading restrictions will likely apply until the Company satisfies all regulatory requirements associated with the Transaction. A further amount up to \$500,000 will be raised at \$0.20 per share pursuant to an offer to be outlined in a prospectus to be prepared by the Company for the purpose of complying with Chapters 1 and 2 of the ASX Listing Rules. The prospectus will seek to raise up to \$1,500,000 from this offer and the Priority Offer referred to below.
- The Transaction will be subject to shareholder approval as it involves a change in the nature and scale in the business of the Company as defined under Chapter 11 of the Australian Securities Exchange ("**ASX**") Listing Rules. Accordingly, ETW will be required to comply with Chapters 1 and 2 of the ASX Listing Rules.
- Shareholder approval for the Transaction will be sought at a General Meeting of the Company to be held on or around 29 January 2010.
- As part of the capital raising for the re-compliance, the Company will offer existing shareholders (other than the directors) the chance to subscribe for up to \$15,000 worth of shares at a minimum of \$0.20 per share pursuant to the prospectus to raise up to \$1,000,000 ("**Priority Offer**"). The Company will limit the Priority Offer to a total of 5,000,000 shares, and in the event that it receives applications from existing shareholders for more than 5,000,000 shares, reserves the right to scale back all applications to limit the shares issued under the Priority Offer to 5,000,000 shares. Further details of the Priority Offer will be outlined in the Prospectus.
- Following completion of the Transaction, ETW will undergo a name change to **Alexium International Group Limited**.

More detail on the Transaction is available at Appendix 2 of this announcement

BOARD AND MANAGEMENT

- ETW has agreed that Mr Aaron Finlay and Ms Nadine Donovan will resign from the Board on successful completion of the Transaction, with Mr Craig Smith-Gander remaining a Director. Mr Finlay and Ms Donovan will be replaced by Mr Stephen Ribich, Mr Gavin Rezos, and Mr Stefan Susta. Mr Rezos will assume the role of Chairman of the Company.
- Senior Management of Alexium will comprise Mr Steve Ribich and Mr John Almond. Dr Jeff Owens will remain a technical consultant to Alexium. Mr Stefan Susta will be an executive director based in the US with responsibilities for business development, DoD liaison and grant funding.
- Mr Rezos has extensive Australian and international investment banking experience and is a former Investment Banking Director of HSBC Group, with regional roles during his HSBC career based in London, Sydney and Dubai. Mr Rezos has held Chief Executive Officer positions and executive directorships of companies in the technology sector in Australia, United Kingdom, the US and Singapore. He is currently a Director of Iluka Resources Limited, Principal of Viaticus Capital Pty Ltd and a Director of Rowing Australia.
- Mr Ribich has over 15 years experience in developing new technologies that have originated from US military labs with an emphasis on materials processing utilising microwaves. Mr Ribich also has over 10 years experience in the mining and minerals exploration industry and has acted in various capacities, from exploration geologist to Managing Director, in both listed and unlisted public companies.
- Mr Almond has spent his career working in the international finance sector, including senior roles at HSBC Group and Merrill Lynch, and brings a wealth of commercial and financial experience to Alexium. Over the past 8 years Mr Almond has been based in the UK where his focus has been on identifying emerging companies and assisting them with the development of their technologies and commercialisation.
- Mr Susta has spent over 10 years working with the US DoD on Technology Insertion, Technology Transfer and Commercialization. Stefan currently leads Alexium's US office operations and DoD business development efforts.

INTELLECTUAL PROPERTY RIGHTS AND ROYALTIES

- The US government filed the original provisional patent and holds other patent applications for the RST technology. Dr Owens owns the worldwide rights outside the US which have been assigned to Alexium. Alexium has exclusive rights to the RST technology internationally, and has applied for a range of subsidiary patents that expand the intellectual property portfolio of the company.



Level 8
256 St Georges Terrace
Perth WA 6000
Tel: +61 8 9486 8852
Fax: +61 8 9486 8854

- Alexium has entered into an agreement with the US DoD whereby Alexium owns exclusive rights for the RST technology in the United States, in exchange for a 2.5% gross sales royalty to be paid to the US government.
- Alexium has entered into an agreement with Dr Owens for exclusive rights to the rest of the world, excluding the United States, in exchange for a 5% gross sales royalty to be paid to Dr Owens.

-ENDS-

FOR ADDITIONAL INFORMATION PLEASE CONTACT:

Mr Gavin Rezos Viaticus Capital Pty Ltd M: + 61 412 898 235	Mr Greg Evans (AFSL. 322 592) Bedford Capital Partners Pty Limited Tel. +61 8 6313 9000
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FOR ALL SHAREHOLDING ENQUIRIES, INCLUDING CHANGE OF ADDRESS, PLEASE CONTACT OUR SHARE REGISTRY:

Computershare Investor Services
GPO Box 2975
MELBOURNE VIC 3001
Phone: 1300 787 575
Online: www.investorcentre.com.au

APPENDIX 1

BACKGROUND TO THE ACQUISITION

Alexium was formed in May 2007 for the sole purpose of acquiring the global intellectual property rights to the RST technology as it had then been developed by the US DoD. Mr Ribich and Mr Almond have operated Alexium since founding the company.

RAB Special Situations (Master) Fund Limited invested in Alexium in June 2007. In 2009 Dr Owens' shares in Alexium were transferred to avoid future conflicts of interest with his USAF obligations. Dr Owens will receive an ongoing gross sales royalty of 5% for the rest of the world excluding the United States. Dr Owen remains involved with Alexium through his research tenure with the US DoD and the CRADA.

US DEFENCE APPLICATIONS

Alexium's technology is the backbone of at least three major DoD programmes relating to providing improved personal and collective protection against chemical and biological agents. One of these programmes is the proposed adaptation of the Joint Service Lightweight Integrated Suite Technology ("JSLIST") Chemical, Biological, Radiological or Nuclear ("CBRN") protective ensemble and relates specifically to textiles, where RST is being used to produce unique multi-functional reactive "shell" fabrics to replace or reduce the use of expensive, thicker, heavier and more cumbersome component materials.

A second programme relates to the modification of military specification paint to produce self-decontaminating coatings for military aircraft, vehicles, and ships ("CARC"). The US DoD has fully funded planned field trials commencing in 2010 applying the RST technology to standard military specification paints for heightened durability, and self-decontamination properties.

In addition, the Alexium technology is currently being appraised in various classified defence programs.

JSLIST

The JSLIST program, involves the development of a new CBRN ensemble that is thinner, more breathable, more flexible, and lighter than existing suit technology, but with the same (or improved) level of protection. To achieve this goal, RST has been developed to modify traditional cotton and nylon fabrics.

These fabrics have multi-functional polymers attached to provide them with new properties and functions, replacing or reducing the need for thicker, heavier, less comfortable materials in use. Currently, Alexium is in discussions with several textile and CBRN suit providers regarding the use of the technology to achieve the proposed modifications. It is estimated that there are over 4 million JSLIST-type suits in service with the US alone.

Given the heritage of Alexium's technology within the US DoD, alongside the ongoing requirement for advanced fibres and products, it is envisaged the specialist DoD textiles will be a principal focus of Alexium's activities over the next 18 months.

Alexium is also in negotiations with a number of US DoD textile suppliers regarding licensing of its technology for non-CBRN clothing. The technology is disruptive as it enables inexpensive standard textiles to offer the performance, which is currently associated only with more expensive specialist textiles.

The JSLIST program is funded by the DoD.

CARC

RST technology is also at the centre of the US DoD CARC program. RST has been utilised to modify standard paint coatings to give them new surface properties, such as a slick low surface energy comparable with Teflon®, combined with multiple reactive functions within the paint.

The objective of the CARC program is to produce a durable military coating that has the capacity to 'self-decontaminate'; a process whereby the coating repels, actively kills or neutralises chemical and biological threats which may come in contact with the surface.

The CARC programme is financed by the DoD.

NON-MILITARY COMMERCIAL APPLICATIONS

Flame Retardance

Considerable testing has been conducted to date on using RST technology to apply flame retardant ("FR") chemicals onto furnishing and upholstery fabrics. Alexium is confident that successful utilisation of its technology will result in textile finishing companies being able to apply the same levels of mandated FR to a broader range of products at a lower cost than is currently achievable. In addition, the RST process uses less energy to achieve the same FR result in comparison to existing technology. Alexium is currently negotiating joint venture agreements to further progress the opportunities available in this sector.

Recreational & Work Wear Performance Garments

RST technology can be incorporated quickly and at comparable low cost into a range of natural and synthetic fibres for the purposes of adding functionality. This sector represents a considerable market opportunity for Alexium as the providers of recreational garments are continually seeking new value added functionality to differentiate themselves from their competition.

Filters

Alexium has recently trialled its RST technology in conjunction with a global leader in industrial oil filters with considerable success. Industrial oil filters represent a significant portion of the USD\$37 billion global filter market. Alexium is progressing commercial discussions on this application. Alexium also believes that its RST technology has far broader potential applications than just oil filters, and may include air and water filters and specialised filters used in the production of pharmaceuticals, and cosmetics.

Paint Applications

Following discussions with paint industry representatives, Alexium believes there are a number of potential RST applications including anti-graffiti, anti-corrosion, marine anti-fouling and hygienic coatings. Alexium believes this sector has the potential to provide the company with a considerable number of product application opportunities. As such, Alexium is in contact with a number of paint and coating companies and is conducting joint trials to better understand how the technology can be utilised by the industry.

Application Summary

Below is a summary of the potential applications for the RST technology identified by the company to date:

Industry	Application	Driver	Tested	Comments
Textiles	▪ Defence	Performance	Yes	CBRN suits, tents, masks, filters, boots, etc
	▪ Industrial filters	Performance / cost	Yes	Oil and water filters, filter membranes
	▪ Furnishings / upholstery	Performance / cost	Yes	Flame retardant treatment, stain and water repellence
	▪ Footwear	Performance	Yes	Oil and water repellence
	▪ Specialist apparel	Performance	Yes	Work wear, first responders (police, fire, etc)
Paints	▪ Self-decontaminating	Performance	Yes	Military and industrial applications
	▪ Regenerating antimicrobial	Performance	Yes	Multi-year testing by DoD
	▪ Marine antifouling	Performance / cost	No	Low surface energy coatings at the centre of the next generation anti-fouling paints
	▪ Anti-graffiti	Performance	No	Low surface energy coating may be provided by Alexium technology
Packaging	▪ Cellulose packaging	Performance / cost	No	Grafting of anti-counterfeit 'identification' technology may be applied to food packaging, pharmaceuticals, cosmetics, etc
Glass	▪ Self-cleaning	Performance / cost	Yes	Testing underway to provide single and multiple functionality to glass
Tyres	▪ Production	Cost	No	Extensive use of silane technology in tyre production already in place

APPENDIX 2

TRANSACTION DETAILS

ETW has entered into a formal conditional Term Sheet with Korcula (BVI) SA, Piper Buchanan Limited, RAB Special Situations (Master) Fund Limited, Mr John Almond, and Mr Stephen Ribich (together, "**the Vendors**") for the Vendors to sell, and ETW to acquire, 100% of the issued shares of Alexium from the Vendors on the following terms:

1. ETW has provided a loan to Alexium of GBP200,000, at an interest rate calculated at the HSBC Bank lending amount for like amounts for a thirty (30) day term. The loan is to be repayable within twelve (12) months from the date of the advance, or such longer period as ETW and the Vendors agree;
2. ETW is to obtain all requisite shareholder approvals and comply with all ASX and Australian Securities and Investment Commission ("**ASIC**") requirements to complete the Transaction, this will include an independent expert's report as to the fairness and reasonableness of the Transaction to non-associated shareholders;
3. At completion, ETW agrees to have approximately \$3,650,000 cash (including the face value of the loan), less any transaction and capital raising costs;
4. ETW agrees to issue to the Vendors fifty (50) million post-consolidation shares at an issue price of \$0.20 each, as well as two (2) tranches of 25,000,000 post-consolidation Performance Shares which convert to ordinary shares on achievement of milestones associated with the business;
5. ETW agrees to issue to RAB Special Situations (Master) Fund Limited five (5) million post-consolidation options in ETW, exercisable at \$0.30 each within two (2) years from the date of issue;
6. ETW agrees to issue to the Transaction coordinator, Viaticus Capital Pty Ltd ("**Viaticus**") a company associated with Gavin Rezos, who also introduced the acquisition to ETW, 2,500,000 post-consolidation shares and two (2) tranches of 1,250,000 post-consolidation performance shares;
7. ETW agrees to pay to Viaticus \$50,000 to manage the Transaction;
8. ETW agrees to issue 2,000,000 post-consolidation Options to nominees of Viaticus as consideration for the Transaction management and capital raising. The Options will be exercisable at \$0.30 each within two (2) years from the date of issue; and
9. ETW agrees to pay a capital raising fee of 6% to Viaticus, such fee to be used by Viaticus to pay in whole or part to licensed brokers who undertake the capital raising.



CAPITAL RAISING

Pursuant to the acquisition of Alexium, ETW will conduct a capital raising of up to \$3,000,000 at \$0.0175 per share before costs. This capital raising will be conducted without a disclosure document to investors under Section 708 (8)(e) of the *Corporations Act 2001* (Cth).

ETW will then issue a prospectus to conduct a capital raising of up to \$500,000 at \$0.20 per share to satisfy the requirements of Chapters 1 and 2 of the ASX Listing Rules, and satisfy Section 708(a) of the *Corporations Act 2001* (Cth) as well as undertake the Priority Offer to raise up to a further \$1,000,000.

PRO-FORMA CAPITAL STRUCTURE

Following completion of the Transaction, the capital structure of the Company is intended to be as follows:

Shares	
Current Shares on issue	313,826,457
Shares (@ \$0.0175)	171,428,571
Consolidation (1 for 10 basis)	48,525,503
Shares (@ \$0.20)	2,500,000
Shares pursuant to priority offer (@ \$0.20)	5,000,000
Shares to Vendors	50,000,000
Shares to Viaticus	2,500,000
Total Shares	108,525,503
Options	
Current Options on issue	70,000,000
Consolidation (1 for 10 basis)	7,000,000
Options to Vendors	5,000,000
Options to new Directors	9,000,000
Options to Almond	5,000,000
Options to Viaticus	2,000,000
Total Options	28,000,000
Performance Shares	
Current Performance Shares on issue	Nil
Performance Shares to Vendors	50,000,000
Performance Shares to Viaticus	2,500,000
Total Performance Shares	52,500,000