



ACT Australian CleanTech Index

1H09

Quarterly Performance Report

January 2008

To request further information or to be added to the distribution list for future ACT Australian CleanTech Index performance reports, please email index@auscleantech.com.au

or contact John O'Brien, Managing Director, Australian CleanTech at john.obrien@auscleantech.com.au



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1. ACT Australian CleanTech Index Overview

The ACT Australian CleanTech Index provides the definitive measure of the performance of Australian listed cleantech stocks.

The cleantech industry is split into a number of sub-sectors as detailed in the table below. Each of the sub-sectors contains companies that have both environmental and economic benefits.

Solar Thermal and Photovoltaics	Waste Management & Recycling
Wind Generation	Energy Efficiency, Green Buildings & Biomaterials
Biofuels	Energy Storage & Fuel Cells
Water	Wave, Tidal & Hydro
Environmental Services	Biogas
Low Emissions Vehicle Technologies	Geothermal – Hot dry rocks and conventional
Carbon Trading	

The cleantech sector is fundamentally different to Socially Responsible Investments (SRI) or Environmental, Social and Governance (ESG) performance. SRI and ESG look at incremental improvements in company performance and can be seen as ‘operational hygiene’ measures that find the best in class. Cleantech focuses on companies whose output positively enhances the communities and ecologies in which they reside. It is about doing ‘more good’ rather than ‘less bad’.

With over 70 companies falling under the coverage of the Index and with a combined market capitalisation of over \$8Bn, the ACT Australian CleanTech Index presents for the first time a picture of the Australian cleantech industry’s growth in a single measure.

The Index is weighted by market capitalisation and is benchmarked against both the S&P/ASX200 and the S&P/ASX Small Ordinaries. The rules for the formulation and management of the Index have been developed with reference to global best practice. An overview of these rules is provided in the annual performance report.



The ACT Australian CleanTech Index is updated each month and published on the Australian CleanTech website at www.auscleantech.com.au, in the Ethical Investor magazine and in WME's Environmental Management News.

Monthly results can be emailed directly to interested parties by sending an email to index@auscleantech.com.au with 'Index Subscription Request' in the Subject line.

2. ACT Australian CleanTech Index Performance 1H09

ACT Australian CleanTech Index significantly outperformed both the S&P ASX200 and the S&P ASX Small Ordinaries for the month of December 2008. The Index has also outperformed the S&P ASX Small Ordinaries over the 2008 calendar year.

The ACT Australian CleanTech Index rose from 54.4 to 62.1 over the month of December recording a 14.1% gain. This compared to the S&P ASX Small Ordinaries Index gain of 3.3% and the S&P ASX200 gain of 1.8%.

Over the first half of the 2009 fiscal year, the ACT Australian CleanTech Index recorded a loss of 48.3%, compared with the 30.2% loss by the S&P ASX200 and the 45.2% loss by the S&P ASX Small Ordinaries.

Percentage Change	FY06	FY07	FY08	DEC'08	YTD FY09	YTD CY08
ACT Australian CleanTech Index	93.3%	42.9%	-16.0%	14.1%	-48.3%	-53.9%
S&P/ASX200	17.2%	25.4%	-16.4%	1.8%	-30.2%	-42.4%
S&P/ASX Small Ords	19.6%	40.4%	-23.0%	3.3%	-45.2%	-56.4%

The market capitalisation of the 77 stocks in the ACT Australian CleanTech Index is A\$8 billion falling from its peak of \$16.3 billion in July 2007.

The month's performance was driven by increases in Sims Metal Group, Dyesol, Transfield Services Infrastructure Fund, Crane Group, Transpacific Industries, Geodynamics and Geothermal Resources offset by poor performances by Mission NewEnergy and Ceramic Fuel Cells .

The best performer of 1H09 was Quantum Energy, which gained 168%. Some of the many that performed poorly include Babcock & Brown Wind Partners, the Crane Group, CMA Corp, Transpacific Industries, Sims Metal Group, Bluglass, Ceramic Fuel Cells and most of the biofuels stocks.

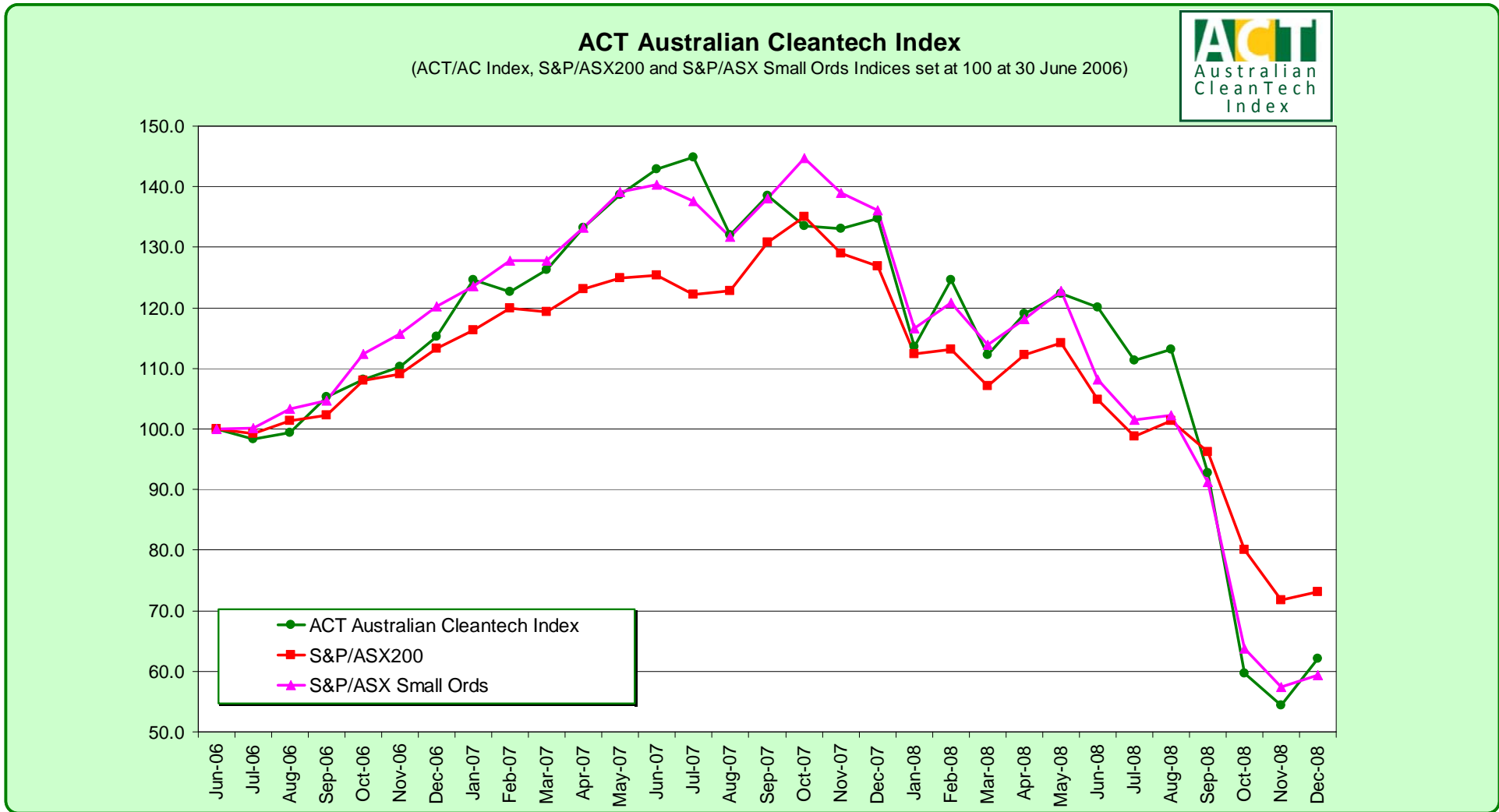
The ACT Australian CleanTech Index underwent its quarterly rebalancing at the end of December which took account of recent share issues and other corporate activity.

The only change that was made to the index constituents at this rebalancing was:

- the addition of Advanced Engine Components (ASX:ACE) to the Vehicles sub-sector following a review of its operations. The company is engaged in research, development and commercialisation of electronic fuel injection and engine management technologies designed to increase engine power while meeting – or improving on – international exhaust emission standards. In particular, the company’s flagship product is the patented Natural Gas Vehicle System (NGVS) a multi-point sequential electronic gas injection system, which enables engines to be adapted (on the production line or in retro-fit) to use natural gas.

In addition, a watching brief is being maintained on:

- **Agri Energy Ltd** that has is in administration; and
- The following possible upcoming or postponed IPOs:
 - **Aqua Guardian**, that is focused on the development and delivery of products and services into the water industry sectors both in Australia and internationally;
 - **Water Resources Group**, that has acquired leading edge patented water treatment technology, manufacturing capability and a significant number of desalination projects from Campbell Applied Physics Inc of the United States; and
 - **Biogen**, a boutique infrastructure entity which aims to provide investors with access to a portfolio of integrated renewable electricity generation assets.



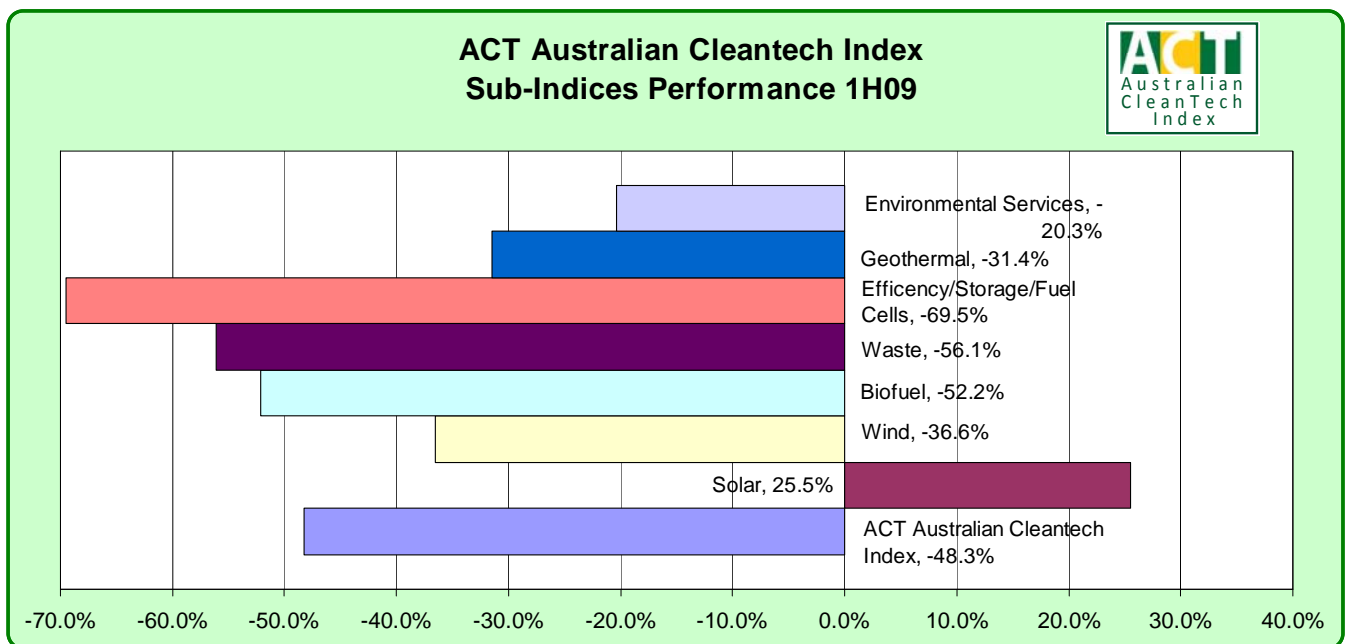
3. Component Sub-Indices

To provide an analysis of the ACT Australian CleanTech Index, seven sub-indices have been developed. The performance of each of these sub-indices over the last two financial years and during 1H09 is shown in the table and charts below.

The stand-out sector for the six months to December 2008 was the ACT Solar Index, the only one of the sub-indices to record a gain.

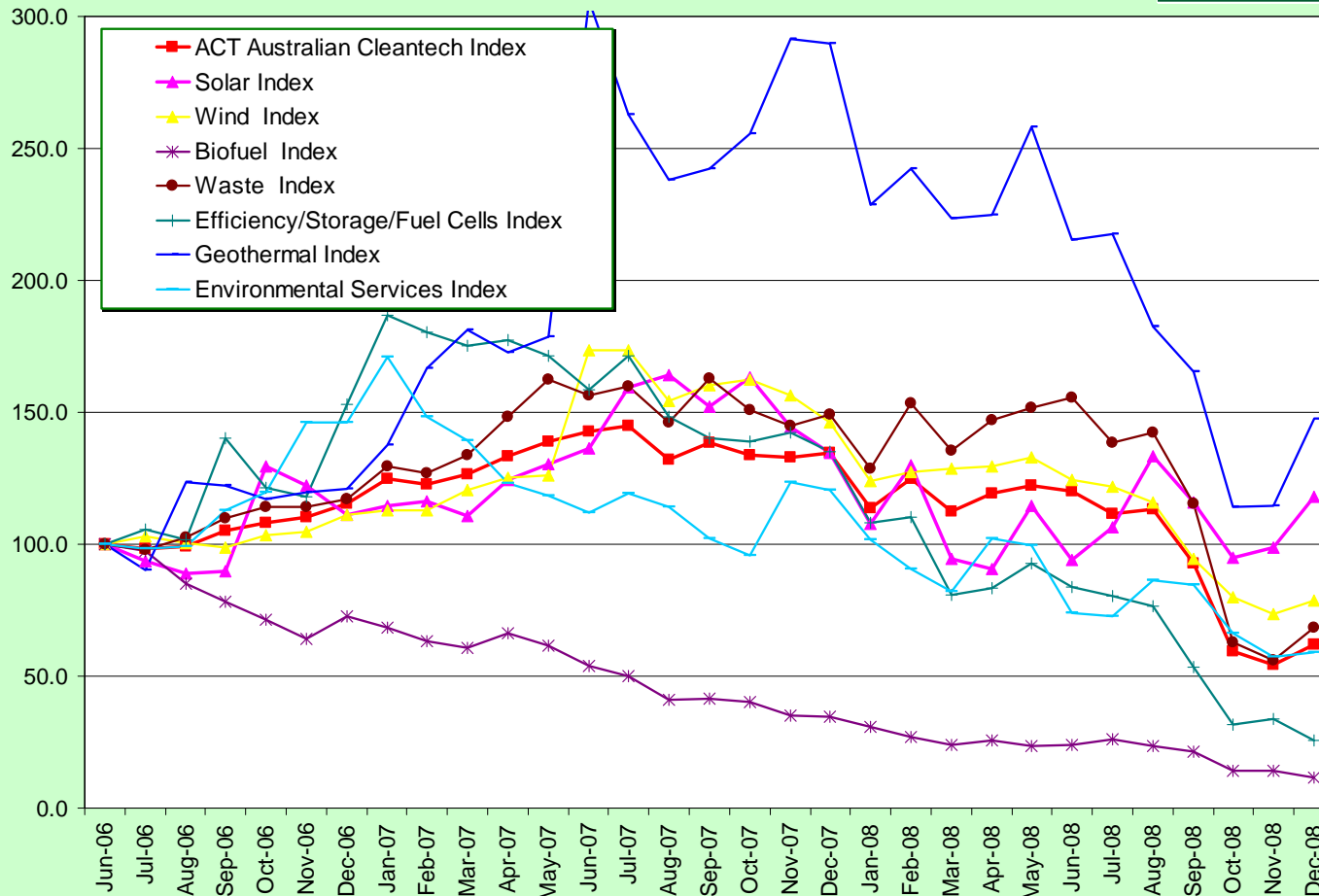
ACT Australian CleanTech Sub-Indices

	FY07	FY08	1H09
ACT Solar Index	36.5%	-31.1%	25.5%
ACT Wind Index	73.3%	-28.3%	-36.6%
ACT Biofuel Index	-46.2%	-55.5%	-52.2%
ACT Waste Index	56.3%	-0.4%	-56.1%
ACT Efficiency/Green Buildings/Biomaterials/ Energy Storage/Fuel Cells Index	58.5%	-47.1%	-69.5%
ACT Geothermal Index	205.9%	-29.6%	-31.4%
ACT Environmental Services Index	12.1%	-34.1%	-20.3%



ACT Australian Cleantech Index Sub-Indices Chart

(ACT/AC Index and all ACT Cleantech Sub-Indices set at 100 at 30 June 2006)



4. Component Companies on 31 December 2008

The largest 20 largest Index constituents by market capitalisation on 31 December 2008 are provided in the Table below.

Market Cap Ranking	Company
1	Sims Group
2	Transpacific Industries
3	B&B Wind Partners
4	Crane Group
5	Energy Developments
6	Geodynamics
7	Transfield Services Infrastructure Fund
8	Coffey Environments
9	Dyesol Ltd
10	Quantum Energy
11	Viridis
12	Tox Free Solutions
13	CO2 Group
14	CMA Corp
15	GRD Ltd
16	Carnegie Corp
17	Willmott Forests
18	Ceramic F Cells
19	Papyrus Aus
20	Pacific Environment

For a full listing of all companies included in the ACT Australian CleanTech Index, please email your request to index@auscleantech.com.au.