



ACT Australian CleanTech Index

1Q FY11

Quarterly Performance Report

October 2010

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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 75 companies falling under the coverage of the Index and with a combined market capitalisation of over \$10Bn, 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, in WME's Environmental Management News and in the international Cleantech Investor publication.

Monthly results can be emailed directly to interested parties by subscribing at <http://www.auscleantech.com.au/Pages/cleantech.html>.

2. ACT Australian CleanTech Index Performance 1Q FY11

ACT Australian CleanTech Index outperformed both the S&P ASX200 and the S&P ASX Small Ordinaries for the month of September 2010.

The ACT Australian CleanTech Index rose from 51.3 to 55.9 over the month of September recording a 9.0% gain. This compared to the S&P ASX Small Ordinaries Index gain of 8.4% and the S&P ASX200 gain of 4.3%.

Over the first quarter of the 2011 fiscal year, the ACT Australian CleanTech Index recorded a gain of 11.7%, ahead of the 6.9% gain by the S&P ASX200 but lagging 15.8% gain by the S&P ASX Small Ordinaries.

Percentage Change	FY07	FY08	FY09	FY10	SEP'10	1Q FY11	6 Mnth	12 Mnth	3Yrs
ACT Australian CleanTech Index	42.9%	-16.0%	-38.7%	-32.0%	9.0%	11.7%	-16.3%	-25.1%	20.1%
S&P/ASX200	25.4%	-16.4%	-25.8%	11.8%	4.3%	6.9%	-5.5%	-2.3%	30.1%
S&P/ASX Small Ords	40.4%	-23.0%	-32.4%	10.5%	8.4%	15.8%	2.7%	4.8%	50.5%

The market capitalisation of the 76 stocks in the ACT Australian CleanTech Index is A\$10.4 billion, after its rebalance, falling from its peak of \$16.3 billion in July 2007.

The month's performance was driven by strong performances by Silex Systems, Viridis Clean Energy, Infigen Energy, the Crane Group, Transpacific Industries, Sims Metal Management, Stericorp, BluGlass, Nanosonics, Galaxy Resources and Aeris Technology. These gains were partially offset by falls in Mission NewEnergy and Anaeco.

The best performers of 1Q FY11, all of which had gains in excess of 40% were Solco, EnviroMission, Viridis Clean Energy, Hydrotech, Stericorp, Intec, BluGlass, Galaxy Resources, Nanosonics, Geodynamics, Wasabi Energy, CO2 Group and Aeris Technologies.

Some of those that performed poorly over the quarter include Mission NewEnergy, Island Sky, CleanTeQ, Panax Geothermal and BioProspect.

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

The changes that was made to the index constituents at this rebalancing were:

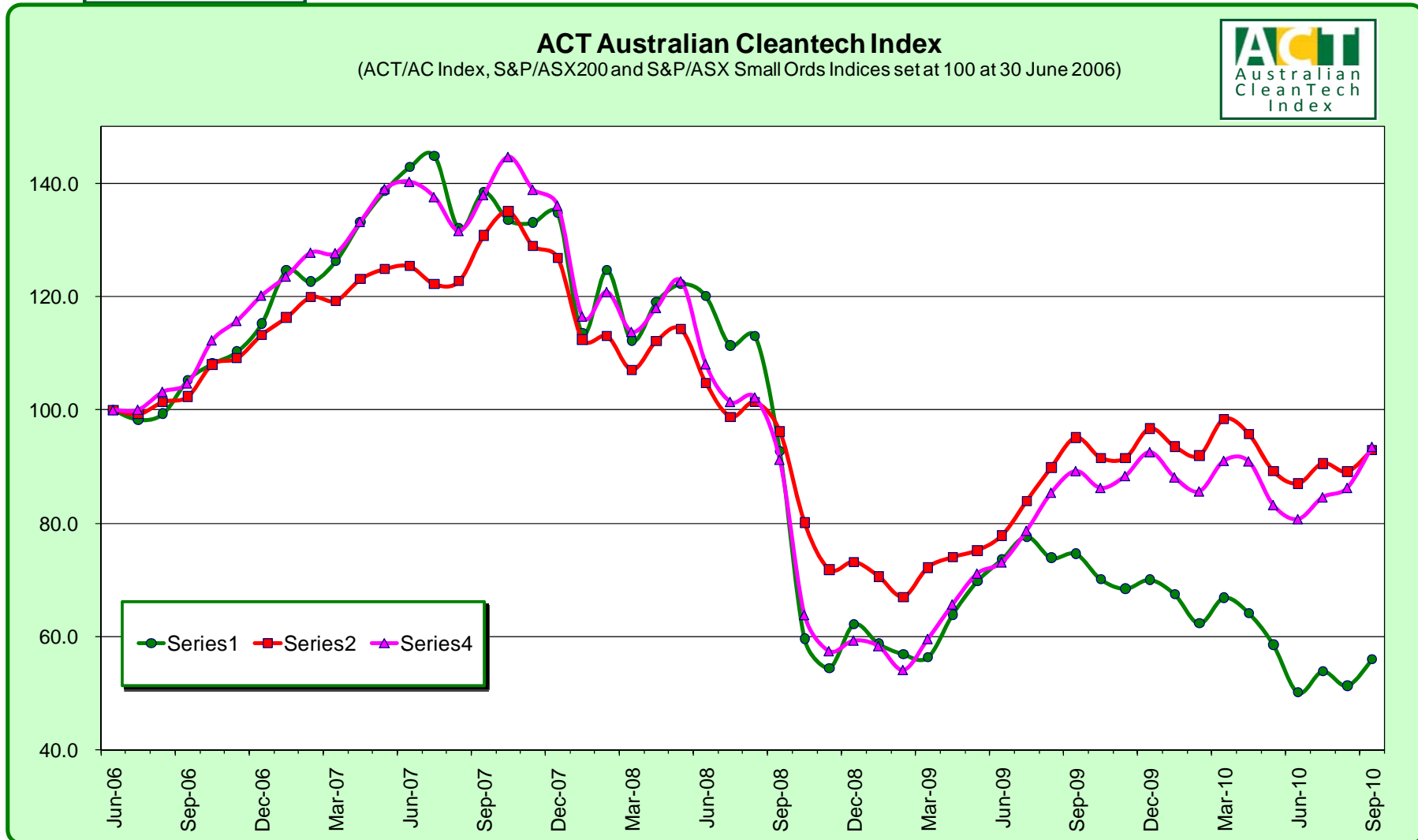
- The removal of **WHL Energy (ASX:WHN)** following its proposed sale of its wind energy assets and refocussing on its Kansas oil exploration activities.
- The removal of **Lazco Ltd (ASX:LZC)**, previously known as Skydome Holdings, following the sale of its skylight business and stated intention to look for a company to 'back-door' list.
- The removal of **Revetec Ltd (NSX:RVC)** following its delisting.
- The addition of **Enerji Ltd (ASX:ERJ)**, which has exclusive rights to the Opcon Powerbox in Australia, Malaysia, Thailand, Singapore and Sub-Saharan Africa. The technology captures industrial waste heat and the company plans to finance the installation of equipment on the basis of selling power back to the industrial client through a long term power purchase agreement. In effect the business plan establishes the company as an Energy Service Company (ESCO) using cogeneration technology.

A watching brief is being maintained on the following companies in the Index:

- **Viridis Clean Energy Group (ASX:VIR)** which is currently reviewing asset sales and may have upcoming debt maturity issues.
- **Green Invest (ASX:GNV)** following its suspension from trading due to a failure to submit its annual accounts on time.
- **Jatoil Ltd (ASX:JAT)** following its acquisition of coal assets in Kalimantan in Indonesia. At the same time, the company has expanded its Jatropha operations. A careful watch will be maintained on the source of the majority of the company's revenue.
- **Wilmott Forests Ltd (ASX:WFL)** which is currently in administration.
- **Solverdi WordWide Limited (ASX:SWW)** that remains in administration.

In addition, a watching brief is being maintained on the following companies that may be included in the Index at some point in the future:

- **m2m Ltd (ASX:MCL)** that is expanding its carbon sink operations but still currently generates the majority of its revenue from other investments.
- **Algae.Tec (ASX:AEB)**, an algae biofuels company that is currently going through an IPO.
- **Greenlink Energy (ASX:GEL)**, a cleantech investment company that is currently going through an IPO.
- **WAG Ltd (ASX:WAG)**, a media company that is in the process of acquiring a biochar company, Pacific Pyrolysis.



3. Component Sub-Indices

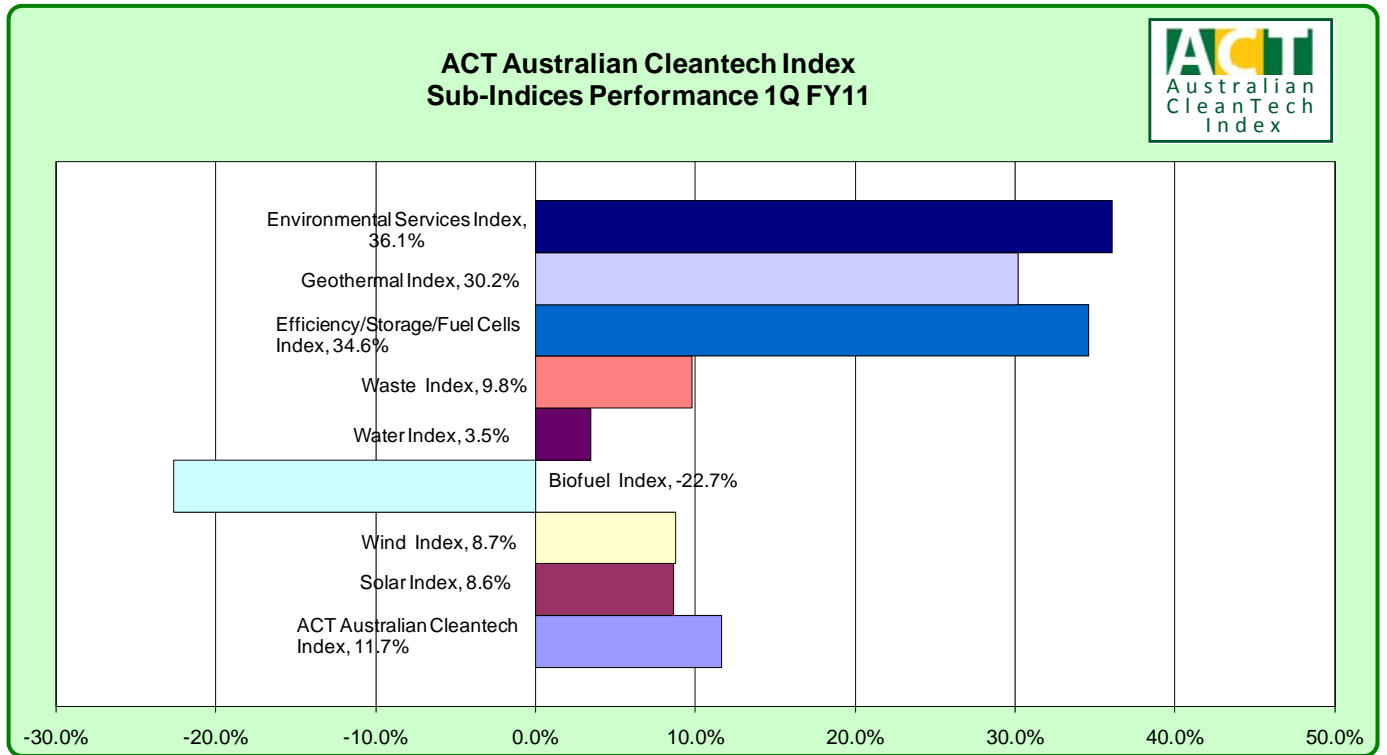
To provide an analysis of the ACT Australian CleanTech Index, eight sub-indices have been developed. The performance of each of these sub-indices over the last four financial years and during 1Q FY11 is shown in the table and charts below.

The stand-out sectors for the three months to September 2010 were the catch-all ACT Efficiency/Buildings/Biomaterials/Energy Storage/Fuel Cells Index, the ACT Geothermal Index, after a long run of losses, and the ACT Environmental Services Index.

The worst performer was the ACT Biofuel Index, which, other than a small gain in FY10 has had losses since the commencement of the ACT Australian Cleantech Index.

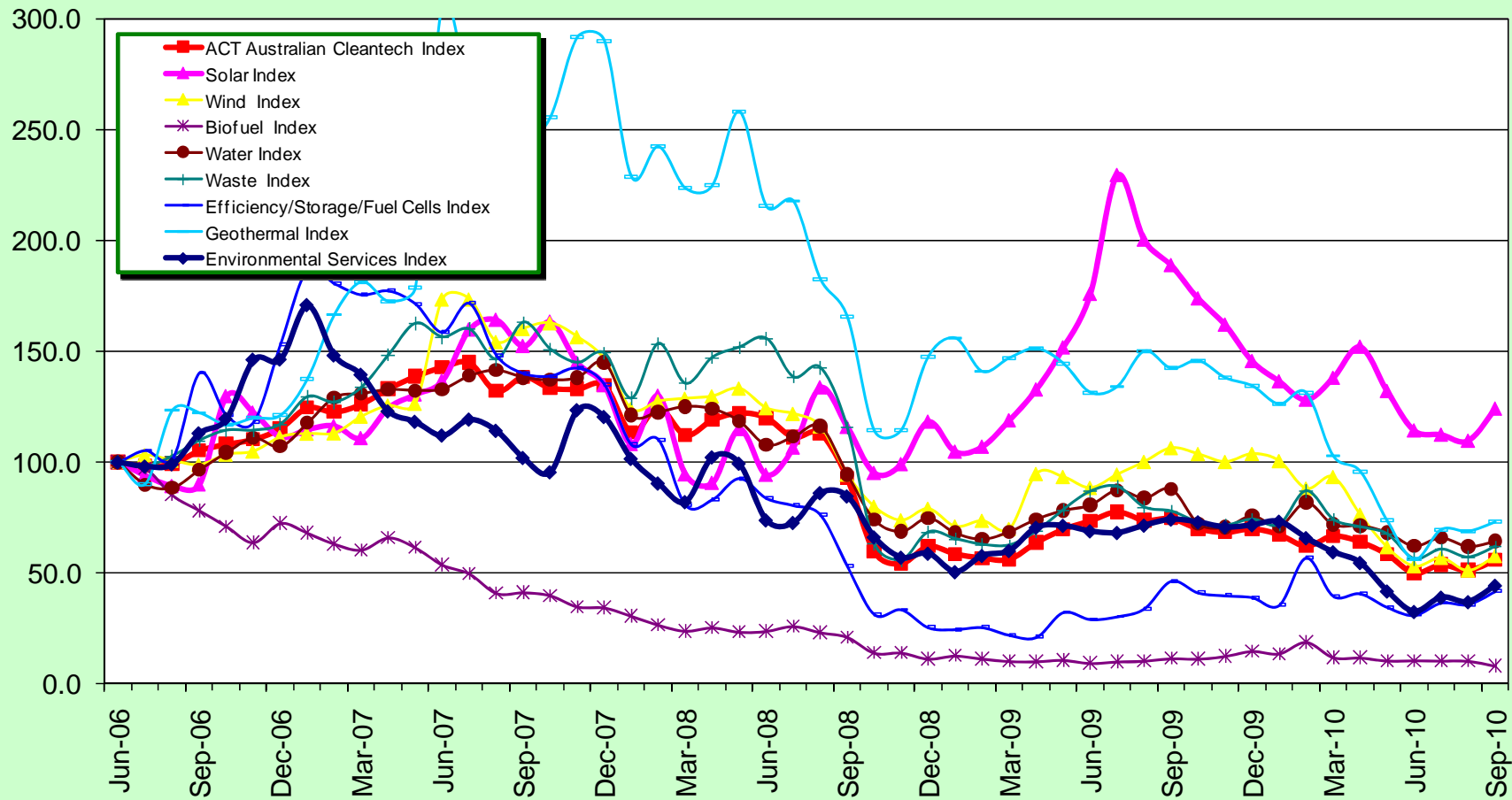
ACT Australian CleanTech Sub-Indices

	FY07	FY08	FY09	FY10	1Q FY11
ACT Solar Index	36.5%	-31.1%	86.7%	-35.1%	8.6%
ACT Wind Index	73.3%	-28.3%	-29.0%	-40.1%	8.7%
ACT Biofuel Index	-46.2%	-55.5%	-60.4%	12.8%	-22.7%
ACT Water Index	32.9%	-18.9%	-25.2%	-22.8%	3.5%
ACT Waste Index	56.3%	-0.4%	-44.3%	-35.0%	9.8%
ACT Efficiency/Green Buildings/Biomaterials/ Energy Storage/Fuel Cells Index	58.5%	-47.1%	-65.1%	6.2%	34.6%
ACT Geothermal Index	205.9%	-29.6%	-38.9%	-57.3%	30.2%
ACT Environmental Services Index	12.1%	-34.1%	-6.7%	-52.6%	36.1%



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 30 September 2010

The largest 20 largest Index constituents by market capitalisation on 30 September 2010 are provided in the Table below.

Market Cap Ranking	Company
1	Sims Metal Management Ltd
2	Transpacific Industries
3	Sylex Systems
4	Crane Group
5	Infigen Energy
6	Energy Developments
7	Transfield Services Infrastructure Fund
8	Galaxy Resources
9	Ceramic Fuel Cells
10	Tox Free Solutions
11	Orocobre
12	Nanosonics
13	Geodynamics
14	Coffey Environments
15	Dyesol
16	Quantum Energy
17	CMA Corp
18	Novarise Renewable Resources Ltd
19	Carnegie Wave Energy
20	Vmoto

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