

28 January 2009

Australian Securities Exchange
20 Bridge Street
SYDNEY

Cash Flow Sufficient - App 4C commentary

The Quarterly 4C report discloses the company cash as at 31 December 2008 was \$1,378,698.

Funds from the IPO have been used to fund the acquisition of The Gel Company business in the USA, to meet one off IPO costs and to fund the business in expanding our production capacities and to meet our other expansion operating costs. Accordingly, the cash flow for the last quarter is not a reliable indicator of future cash outgoings and receipts.

The company updated its sales projections on 18 December 2008 as advised to the market and at the same time projected forward its cash position. This projected that the Fluorotechnics group should have positive cash balances throughout the remainder of the 2009 financial year and expects to have increasing monthly cash balances starting early in the 2010 financial year.

Yours sincerely

Rick Taylor
Chairman
Fluorotechnics Limited

