

30 April 2010

The Manager
Company Announcements Office
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Fluorotechnics Rights Issue - Cleansing Notice

This notice is given by Fluorotechnics Limited ACN 099 098 192 (**Fluorotechnics or Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by ASIC Class Order 08/35.

On 30 April 2010, Fluorotechnics Limited (**Fluorotechnics or Company**) announced a non-renounceable 2:5 rights issue of fully paid ordinary shares in Fluorotechnics at an issue price of \$0.15 per new share (**Rights Issue**). Fluorotechnics shareholders registered at 7.00pm (Sydney time) on Monday, 10 May 2010 (**Record Date**) with a registered address in Australia or New Zealand will be entitled to participate in the Rights Issue (**Eligible Shareholders**).

The Rights Issue is partially underwritten by Hunter Hall Investment Management Limited (**Hunter Hall**), an existing shareholder of Fluorotechnics. Hunter Hall's total commitment under the Rights Issue is a maximum of \$1,200,000. No underwriting fees will be payable by the Company. Together with the underwriting by Hunter Hall, the Company has received commitments for \$1,365,000.

Eligible Shareholders may also elect to participate in the Shortfall Facility to apply for new shares in excess of their pro rata entitlement. The shortfall may also be placed with third parties at the Board's discretion.

If taken up in full, the Rights Issue will raise approximately \$2.183 million before costs. The proceeds of the Rights Issue will be used to strengthen the Company's balance sheet and fund ongoing sales and marketing costs.



In accordance with section 708AA(2)(f) of the Corporations Act, Fluorotechnics gives notice that:

- (a) the New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Corporations Act as modified by CO 08/35;
- (b) this notice is being given under section 708AA(2)(f) of the Corporations Act as modified by CO 08/35;
- (c) as at the date of this notice, Fluorotechnics has complied with:
 - (1) the provisions of Chapter 2M of the Corporations Act as they apply to Fluorotechnics; and
 - (2) section 674 of the Corporations Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act as modified by CO 08/35; and
- (e) the issue of New Shares pursuant to the Rights Issue is not expected to have any material effect or consequence on the control of Fluorotechnics. If no New Shares are issued to shareholders under the Rights Issue other than to Hunter Hall and its associated entities, then Hunter Hall will increase their total shareholding in the Company from 35.4% to 47.0%. Hunter Hall have indicated that it is their preference that the Rights Issue is taken up in full by all shareholders and its total shareholding does not increase above 35.4%. In the event that Hunter Hall's total shareholding does increase above 35.4% as a consequence of the Rights Issue, Hunter Hall has confirmed that, by taking up its entitlements in full and partially underwriting the Rights Issue, it is not seeking to exercise any control over the Company, and does not intend for its increase in shareholding to have any material effect or consequence on the control of Fluorotechnics. If the Company becomes aware that these stated intentions of Hunter Hall have changed, it will ensure shareholders are fully informed, as required by the law.

Signed for Fluorotechnics Limited

A handwritten signature in black ink, appearing to read 'I Gilmour', with a long horizontal flourish extending to the right.

Mr. Ian Gilmour
Company Secretary