

TECHSTAR INITIATIVES IN THE ENVIRONMENTAL REMEDIATION INDUSTRY

Techstar today announced that it has signed its first international commercial agreement in the environmental remediation sector since acquiring the Ipoh Group of companies in December 2005. Following the acquisition, Techstar owns intellectual property and global marketing rights to environmental technologies based on the use of Bentonite clay.

Techstar has executed a heads of agreement with Green Holdings Limited, a Dubai-based corporation, to provide soil remediation products throughout the Middle East. Green Holdings already has a large-scale landscape development joint venture business in the UAE with Australian multinational GRM International Pty Ltd.

The agreement provides for the development of markets in the UAE and the rest of the Middle East of products under the control of Techstar Limited, and the exclusive right to supply these products to Green Holdings.

The products include Techstar's soil conditioner developed in association with CSIRO, as well as Techstar's other environmental clean-up technologies designed for the petroleum and other industries.

The UAE in particular, and the Middle East in general, is going through a massive expansion phase with land re-clamation from the desert for agriculture, and "greening" in the UAE, becoming major industries.

Techstar's remediation products require substantial amounts of Bentonite as the base, and in the agreement, Green Holdings plans to lift annual sales in the UAE to 200,000 tonnes per annum within 5 years, and to around 1,000,000 tonnes per annum within the Middle East region. These sales would be achieved following the commencement of the joint venture.

Techstar has received other several approaches for its Bentonite products, and, with this Green Holdings agreement, strongly underpins the development of its world class Mantuan Downs Bentonite resource over which Techstar holds development and marketing rights. The resource is considered by independent mining experts to produce extremely high quality Bentonite, capable of meeting global demands.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Brian Jones', written in a cursive style.

Brian Jones
Director/Secretary