

EcoQuest Limited



Steve Moncur MD
 Sylvia Tulloch Chairman
 Matthew Hiscox GM

Corporate Information

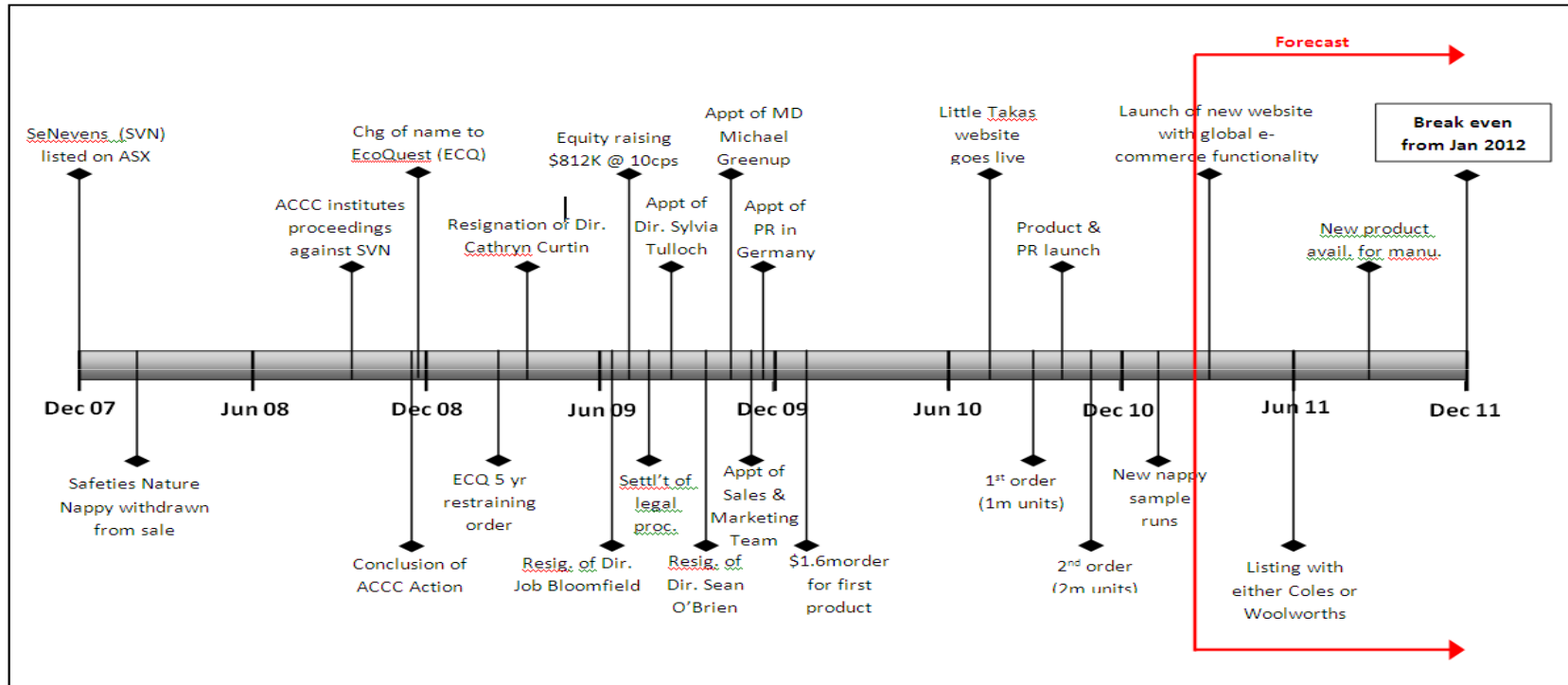


Our Vision: A future where disposable personal care products finish up as compost instead of landfill

Our Mission: Create a globally recognised brand of biodegradable disposable personal care products based on proven and tested principles of sustainability

Our Byline: Sustainable personal care that performs

Company History & Major Milestones



- ❑ During FY10 and FY11, ECQ's focus has moved from development to market entry
- ❑ ECQ expects to achieve break even from January 2012

Major Financial Milestones (short term)

- Break even from January 2012
- Achieved by higher sales and lower COGS
- Higher sales:
 - From existing retailers, including IGA, Baby Kingdom, Toys R Us and various website retailers
 - From new customers, including Metcash and either Coles or Woolworths by June 2011
- Lower COGS:
 - From improved manufacturing terms
 - Use of cheaper raw materials that do not compromise performance

Major Financial Milestones (medium term)

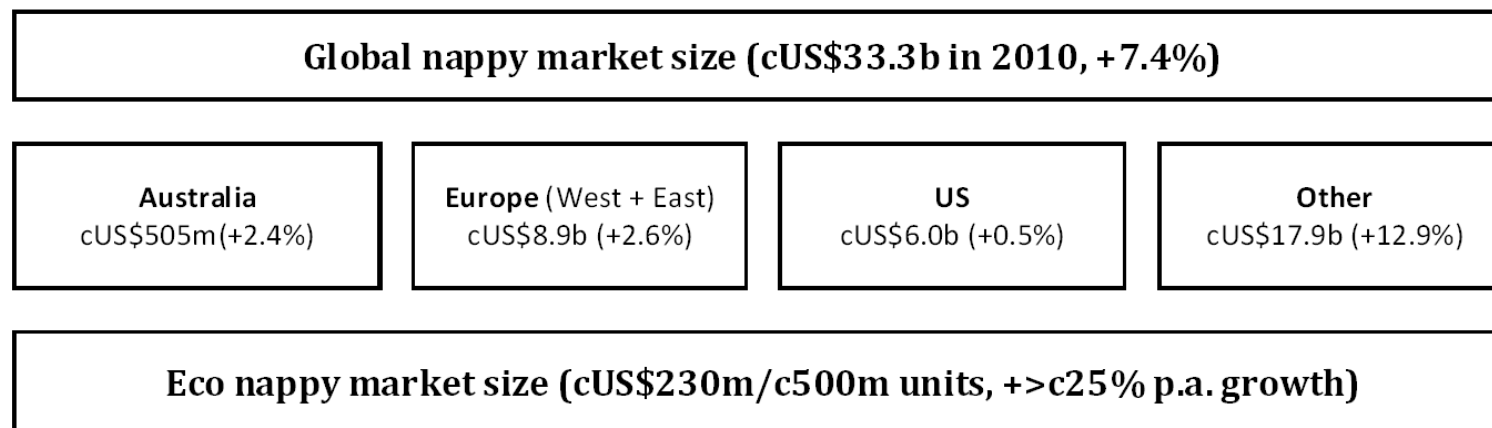
Australia

- Market share of 1-5% = the sale of 10-50m nappies
- The sale of 50m nappies, implies revenue of \$20-25M pa and depending on reinvestment, profit of \$3.0-3.5M pa
- How?
 - ECQ aims to largely replace its major competitor “Nature Baby Care” due to superior sustainable content, higher total product biodegradability, better margin to retailers and lower retail price (but still small premium to Huggies)
 - Eco nappy segment also expected to grow at >25% p.a.

Major Financial Milestones (medium term)

Offshore

- ❑ ECQ also expects to enter Europe, initially via internet sales by June 2011 and this is currently a major focus
- ❑ Approach US brokers in 4Q11
- ❑ The size and financial opportunity of the international market vs Australia is very significant



Source: Euromonitor and ECQ estimates

Australian Market Volume



- ❑ Australia 2010e - 301,000 babies born
- ❑ Babies wear nappies for c. two years and wear 6-8 nappies per day
- ❑ Full year volume estimate = 1bn nappies p.a., market Value cA\$500m
- ❑ 5% volume share = 50m nappies
- ❑ Australian market dominated by Kimberly Clark (Huggies brand)
- ❑ Eco nappies sales currently represent only c1.5% of total nappy sales BUT eco nappy volumes are growing at >25% p.a. vs 2.4% for total nappy volumes

Market Drivers - Green is Growing



- ❑ Acute awareness of Global Warming driving consumer demand
- ❑ Product eases consumer conscience, but fits into modern lifestyles
- ❑ Media focused on green issues
- ❑ National and Local Government have “waste” on their agenda
- ❑ Consumers willing to pay a premium for Green products that perform
- ❑ Mainstream retail wanting green product lines
- ❑ Concern over landfill that standard oil based nappies cannot address

Australian Eco Competitors



- ❑ Naty (Nature Baby Care)
 - Swedish company sold throughout Europe, Australia and North America
 - Nature baby care is sold through supermarket chains, internet and specialist outlets
 - Nature baby care sells a whole range of baby ECO products and feminine hygiene products. Nappies represent 80% of their turnover.

- ❑ Other environmentally friendly disposable nappy brands include:*

 - EcoBots, Baby Love (68% biodegradable)
 - Bamboo (partially biodegradable)
 - gDiapers (washable cover with removable flushable liners)
 - Moltex
 - Private label variants
 - Market share not known prices range from \$18 to \$32-

The Value Proposition



- ❑ Consumers want green products, but not at the expense of performance
- ❑ Little Takas nappies score highly on absorbency, softness and comfortable fit
- ❑ Market research confirms consumers will pay a premium for a genuinely environmentally friendly Brand “Purchase of Conscience”

International Market Volumes

- Global nappy/diaper market size = US\$33.3bn
- European (East + West) market size = US\$8.9bn, US market size US\$6bn vs Australia's US\$505M
- Significant eco nappy volumes already exist in multiple UK distribution channels, for eg Boots, Waitrose, Sainsbury, Mothercare...
- Global eco nappy volumes = c500m (directors estimate), with growth >25% p.a..
- Brand Shares:

P&G (Pampers)	31.5%
Kimberly Clark (Huggies)	22.3%

Science and Technology

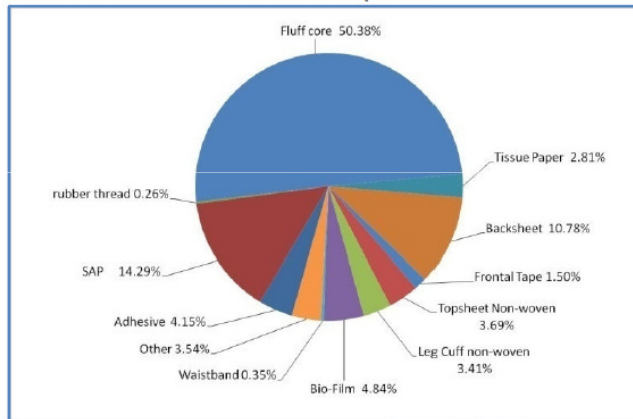


- ❑ Standard disposable nappies can take up to 100 years to decompose in landfill - made from non-biodegradable materials derived from fossil fuel sources
- ❑ Little Takas nappies replace environmentally unfriendly materials with:
 - ❑ Polylactic acid (PLA)– biodegradable (Non GM modified corn)
 - ❑ Corn based bio film certified for biodegradability and compostibility
 - ❑ Fibrous pulp
 - ❑ Viscose
- All from certified sustainable sources**
- ❑ Other eco nappies present a less compelling case claiming such things as: chlorine free, biodegradable back sheet, free from harsh chemicals, measurably low eco footprint; made from renewable resources; fragrance free; latex free.

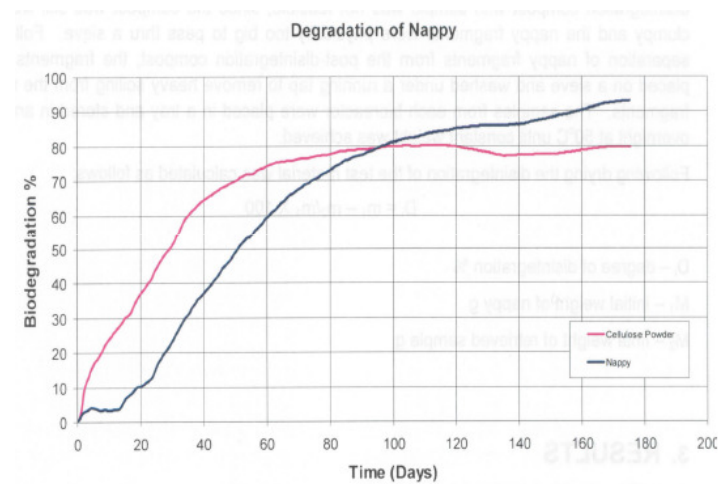
Science and Technology



Exhibit 1: Little Takas Product Composite



Source: ECQ



Representation of percentage degradation of nappy and cellulose following 6 months biodegradation testing.

Source: NATA report on biodegradation testing, 7 January 2010

Australian Branding Strategy



Little Takas



- ❑ An Aussie name will resonate in Australia
- ❑ Elements used in production are from sustainable sources – not oil based materials
- ❑ Globally, the Australian image of clean open spaces and healthy outdoor people will be a background to market acceptance
- ❑ Distinctive personality, memorable with high Shelf Impact

Australian Launch Strategy

PR Campaign



Big bang media launch held 14th October

Ongoing editorial campaign in woman's and pregnancy magazines

Celebrity ambassador Elka Whalan (nee Graham) Olympic swimmer, Silver medallist

Monthly online video blog and fortnightly written blog

Appearances at specific industry events

Facebook Engagement



Sales Channels



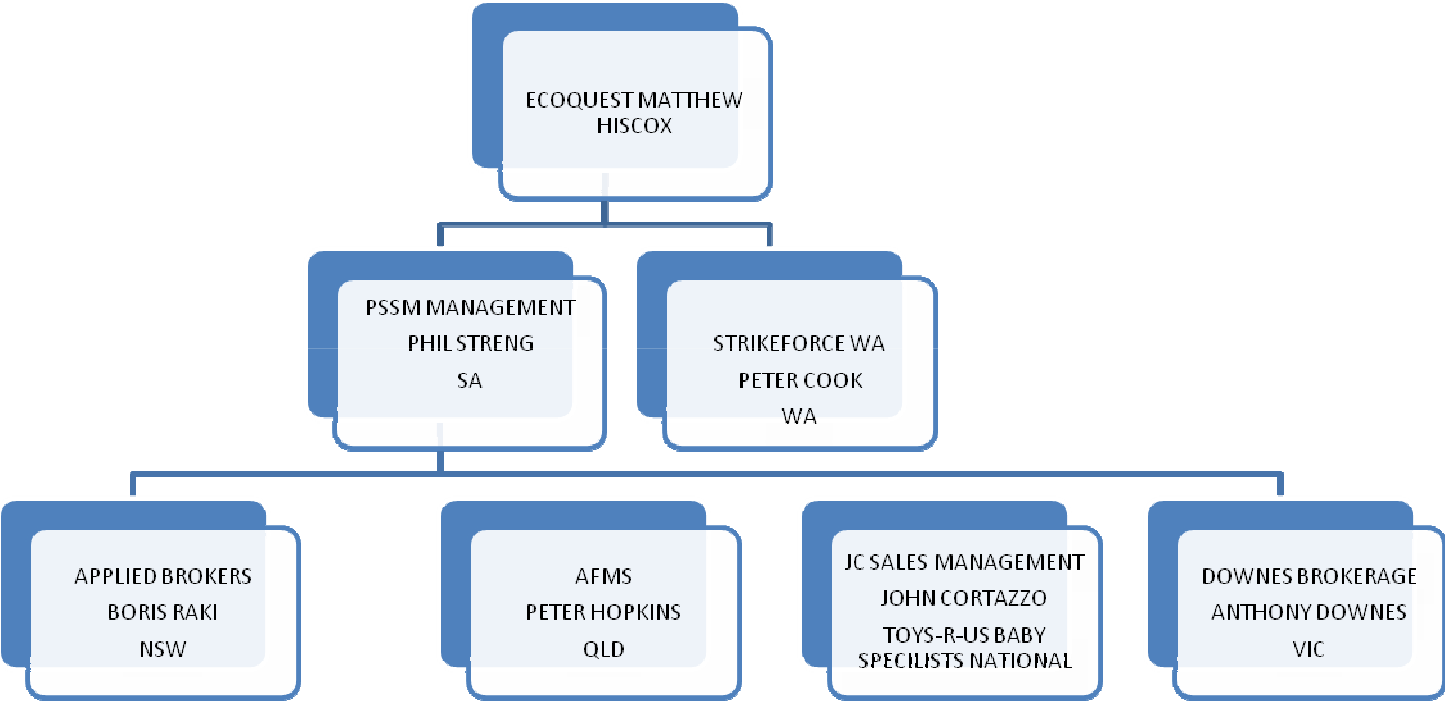
□ Revenue model

- Mass market retail
- Internet
- Independent Grocers
- Pharmacy

□ Revenue streams

- Nappy 80%
- Wipes 20%

Australian Distribution Model



Australian Little Takas Rollout



- IGA state based groups
 - Drakes
 - Romeo's
 - Ritchie's

- Toys-R-Us National pharmacy groups
- Franklins Independent grocery stores
- One or both of the 2 major grocery retailers
 - 1st within the next six months
 - 2nd major within one year

Future Product Developments



□ Product Extensions

- Range extension- increase sizes, larger consumer packs
- Travel pack size wipes

□ New market entries

- Nappy sacks
- Nappy Inserts
- Feminine hygiene
- Adult incontinence

Historical Milestones



Little Takas Website goes live	August 2010	√
1 st order (1 million nappies) distributed to independent supermarkets	September 2010	√
Launch – Media and PR	October 2010	√
First Order from Toys R Us	November 2010	√
Nappies and wipes on now on shelves in 249 stores	December 2010	√
2 nd order of nappies arrive in Australia	January 2011	√
First revenue into EcoQuest bank	February 2011	√

Directors and Management



Sylvia Tulloch - Chairman

- Track record in building value in the ASX Technology Space
- Experienced in IR in both Australia and Germany
- On government and industry Boards
- Respected scientist, with strong commercialisation credentials

Matthew Hiscox –General Manager, Australia, Sales & Marketing Director

- Over 18 years experience in the sales and marketing industry, including the FMCG & Pharmaceutical sector, most recently, as a consultant for Cosmax Prestige Brands Australia, the nation's leading independent importer and distributor of prestige fragrances and cosmetics.

Michael Greenup – Operations Director

- 35 years experience of owning and operating successful businesses
- a long-standing EcoQuest shareholder
- 12 years consulting and sourcing in China and Malaysia, responsible for EcoQuests subcontractor manufacturers.

Steve Moncur – Managing Director

- Qualified as a chartered management accountant in the UK
- a career with widespread commercial, strategic and operations management experience in the FMCG sector.
- in the eco-nappy industry since 2002, and is credited with launching the first private label eco-nappy in the UK
- Was Operations Director for Swedish-based Naty AB, the largest eco-disposable nappy seller in Europe and Australia.

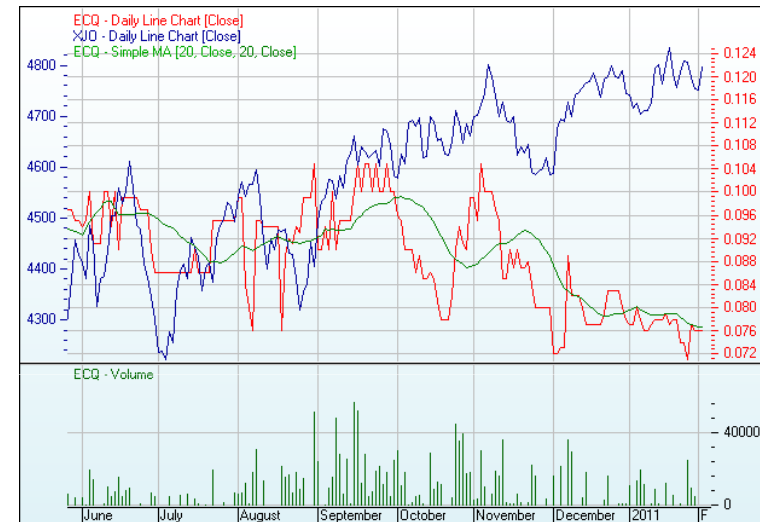
Stewart Pyrah – International Sales & Marketing Consultant

- highly successful leader of international fmcg business and brands.
- has held leadership roles with PZ Cussons (Imperial Leather, Morning Fresh), Boots The Chemist and most recently Foster Grant as MD of the European operation pre and post the recently successful NASDAQ ipo.

Corporate Information



- ❑ 52 week high = 0.145 – low = 0.055
- ❑ Cash 31 December \$440k
- ❑ Ecoquest has zero third party debt
- ❑ Current total shareholders = 740
- ❑ Top 3 shareholders hold 22%
- ❑ Top 20 shareholders hold 52%
- ❑ Successful SPP November (\$970K)



- ASX Ticker ECQ
- German 3rd Market Ticker 51S.BE

Corporate Information



Share Price March 2011	\$0.058
Market Cap	\$6m
Total Shares on Market	104,634,612
Options	22,602,749 listed (expiring 31 March 2011) 26,500,000 unlisted

Summary of Growth Strategy



- Positive cash flows to be driven by:
 - Change of credit terms from suppliers
 - Lower purchase costs
 - Factoring & asset finance

- Growing sales to be driven by:
 - Price promotion
 - Sampling
 - PR activities

Summary of Growth Strategy



- Replacing Current Eco product on shelf
 - Little Takas has better sustainable content
 - Higher Biodegradability
 - Better margin to the retailer

- European & US market entry by end of June 2011
 - Initially Internet retail
 - Specialised baby store

- Acquisition or JV of complimentary businesses

- Achieve 5% market share in Australia

Summary of ECQ business model



- ❑ **Highly skilled and experienced management team with proven track record of successful delivery**
 - Nappy market expert with specialised knowledge of green disposable product and other green products, including toiletries, wipes, pull-up pants and feminine hygiene.
 - Sylvia Tulloch at the helm with past green technology commercialisation success with Dyesol.
- ❑ **Leading edge technology and market leading claim**
 - 90% biodegradable nappy best in supermarkets globally
 - Product development identified highest sustainable content
 - Introduction of novel & patentable nappy
- ❑ **Product within massive total global market and growth market segment**
 - \$33bn market value
 - Green disposable market growing circa 25% p.a. (NBC growth rate)
 - Large growth in demand in Europe and USA.
- ❑ **Business plan built on low break even volume**
 - Driven by reducing cogs already identified and costed
 - Break even anticipated from January 2012
 - Will deliver better than average profitability