



NEWSLETTER

Welcome to the SkyJuice Foundation e.newsletter where we keep our friends and stakeholders updated

Highlights for 2006

2006 was a busy year again and our team has adopted a strong advocacy role to highlight the issue of safe affordable drinking water. Our achievements would not be possible without the ongoing support of our committed volunteers, friends and associates.

SkyJuice has attempted to further develop stakeholder relations with global agencies and NGO's this year and build on the extensive installation base and experience gained in 2005. Everyone has been busy and production of new generation self contained SkyHydrant by Larry James was a significant improvement on our initial prototypes. Well done Larry

We have presented technical papers exhibited at all the major global forums in 2006 in order to consolidate the opportunities and



Rhett Butler with Australian Ambassador Mexico City

relations for the Foundation. This has included:

- ◆ The World Water Forum (WWF) in Mexico City
- ◆ IWA World Water Congress in Beijing
- ◆ Enviro 06 in Melbourne
- ◆ ACE 06 in San Antonio, USA
- ◆ International River symposium – Brisbane
- ◆ Business Council for Sustainable Energy Expo

and

In addition, Oxfam GB completed their 12 month evaluation of SkyJuice technology as part of the Tsunami response and MOU agreement. This has enabled us to gain valuable long term feedback on system operation, cleaning and maintenance. The dialogue is continuing with Oxfam on further projects as well as a larger capacity system to meet extended Internally Displaced Persons requirements. This has lead to an exciting new project (again Larry is our lead) to develop our SkyBank larger capacity unit which will be released in 2007and offer additional flexibility in delivery solutions for our stakeholders

As we go forward into 2007 we are looking at projects in Tanzania, Kenya, Indonesia, Mexico and Fiji. We continue to foster key relationships with NGO's and international agencies in an effort to expand the availability of clean safe potable water for children and communities throughout the world.

Chairman's report

After 2005 and the sensational efforts of volunteers and friends it is hard to imagine how we could continue the momentum. I am amazed at the incredible energy and commitment of our core team and long hours they put into the Foundation. SkyJuice's results really are a result of a special team of people. Again I am humbled at their efforts during the year. Thanks to you all most sincerely.

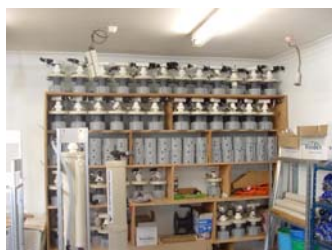
In particular, our key partners have continued to support us and Mission Australia is singled out again for special thanks for production throughout the year.

My personal thanks to Marcia, Wendy, Jann, David and Larry who have contributed generously with time and effort in 2006, we would not be where we are without your efforts.

The primary objective in 2006 was to raise the level of advocacy and seek real feedback on in-field performance of SkyJuice technology. Our field projects have been sidelined this year due to ongoing civil disturbances in Sri Lanka. We would have hoped to have undertaken a thorough follow-up on the Tsunami project installations. Unfortunately, this looks as if it will be indefinitely on hold. This had stalled our project but the redeployment of units from Sri Lanka has begun and Larry James was in Pakistan in December to assist Oxfam with installations for new and used units in earthquake communities.

Apart from continuing efforts to improve our technical capabilities and support of partner NGO's, another milestone has been the appointment of Jann Hughes as our full time Executive Officer in October this year. Jann has already proven to be a great asset and her energy and enthusiasm is warmly welcomed and appreciated by all. No doubt you will all be hearing more from Jann in 2007 as she manages our operations and administration.

My thanks again go to our friends and supporters who have contributed in many ways throughout the year. There are plenty, but again we thank:



SkyJuice stock at Mission Australia Mt Druitt

- ◆ Memcor
- ◆ Mission Australia
- ◆ Tresscox Lawyers
- ◆ Guyco Pty Ltd
- ◆ Qantas
- ◆ Austrade (Indonesia & Mexico)
- ◆ Kennard's Self Storage
- ◆ Clean Up Australia
- ◆ Crown Project Services
- ◆ International Water Association

Rhett Butler
Chairman

Executive Officer's comments

I welcome the opportunity to work fulltime for the SkyJuice Foundation and continue to be supported by the enthusiastic, professional team of dedicated volunteers and partners who share in the vision of 'Pure water for every Child'.

My family and I experienced first hand the devastating affects of the tsunami and consequently the dire need for potable water in disaster relief and in developing nations. This experience resulted in becoming one of the founding members of SkyJuice in 2005. My formal background is in the Social Sciences and Resource and Environmental Management and my previous experience with Commonwealth Government, private enterprise and community organisations will



Jann Hughes at BCSE Expo in Melbourne

assist in maintaining the relationships with key stakeholders as well as develop further partnerships.

I look forward to the challenges and opportunities in 2007.

Jann Hughes

Partnership initiatives

SkyJuice has MOU's for major projects with Oxfam and World Vision. We highlight on the next page details of installations with other partners.

NEPAL: SkyJuice in partnership with the Centre of Integrated Urban Development of Nepal (CIUD), supplied three SkyHydrant units for peri urban re-developments in the outskirts of



Installation in Kathmandu Kathmandu in August 2006.

This is an excellent example of appropriate technology for urban poor who are without access to reliable or clean municipal water.

The communities involved in this project now have documented results that verify removal of bacteria and urban households now have access to continual safe water. CIUD will now assess SkyHydrants in simulated emergency situations with high turbidity and bacterial contamination in the water.

MELAUBOH, INDONESIA: SkyJuice in partnership with SHOROC (consortium of North Shore Councils), Crown Project Services and Aid4Aceh installed a solar powered SkyStation (solar powered SkyHydrant) in a community school in Melauboh, Aceh Province. The SkyStation is an example of a low cost world's best "environmentally sound" water solution for sustainable potable water. The students now have an automatically regulated SkyHydrant system. Apart from monthly cleaning of the filter, the plant



Solar powered SkyStation in

Melauboh, Aceh Province

requires no manual operation or chemicals. The feed water is a shallow bore which can now be safely and reliably used without the concern of immediate fecal contamination from surrounding latrines. This SkyStation has become a benchmark design and is currently being evaluated as a unit for the Millennium Development Goal (MDG) design.

TWEED COUNCIL - KENYA: Safe Water Project

Employees of the Tweed Shire Council in conjunction with SkyJuice and the Gallamoro Network in Kenya will provide a bank of SkyHydrants for the Obambo community in the outskirts of Nairobi in Kenya. The community currently extracts untreated drinking water from a contaminated source which results in water borne disease outbreaks such as cholera, typhoid and dysentery.



The project was officially launched at the International River Symposium in Brisbane and will be finalized in February 2007.

Rhett Butler, Tweed Shire Council Representative and member of the Obambo community at the River Symposium Brisbane



International Stewardship

In 2007 SkyJuice plans to continue our international lobbying and promotion of the Millennium Development Goals targets. We firmly believe that a major stewardship program can be mobilised that we focus on the need to lead on the issue.

Our role will be to participate and contribute as part of a pro-active team to ensure that low cost "real" solutions are immediately evaluated and deployed for global assessment. The target is pure water for less than \$0.50 cents per person per annum. You can expect to see more from SkyJuice and its partners on this issue in early 2007.

Hopefully we can convince agencies that low cost gimmicks and "low level treatment" are not acceptable. Short term narrowly focussed treatment options need to be set aside.

Technology is now advanced to a level where affordable options are a reality. All communities deserve world's best WATERSAN

We are hopeful that a major global organisation will join with us in 2007 on the Global Water Initiative for low cost water and sanitation. Our continued efforts towards a global water initiative will be elevated in the coming year .

Global Water initiative (GWI)

The Global Water Initiative is a major policy platform of our Foundation. Stated simply, our founding members feel very strongly about global leadership on the issue of water and sanitation for developing countries. In particular, the need for wealthy societies, nations and corporations to take a leading role in bringing humility and simple living standards to all communities. We as wealthy citizens and

nations can afford to finance and support better living standards for all and we need to do it now. The level of wealth in the developed world is embarrassing and there is no excuse to allow the obvious gap in watersan standards to continue.

SkyJuice has achieved remarkable success in emergency water supply and this has showcased within the international arena how technology, when applied simply and effectively, can have enormous impact of peoples lives. Pure drinking water can substantially affect so many lives, yet it remains elusive for 1.2 billion people.

Our objective in 2007 is to formally launch our GWI program. The GWI program will partner with major international organisations to showcase at multiple sites and countries how an affordable solution to provide potable water treatment can be seeded. By showcasing our technology in multiple locations with critical assessment and evaluation we can truly gauge the economic practicality of the MDG targets for potable water outcomes.

The GWI initiative will be a joint program involving mutual stakeholders. In collaboration with major international NGO agencies, communities will be selected that require low cost, sustainable water supplies in semi-urban, peri-urban and rural communities. We are hopeful that an announcement can be forthcoming in the next few months outlining our key partners.

We expect the GWI will also involve a cross section of community groups and be funded from a variety of organisations to ensure a unilateral inclusive evaluation. This work carries on from the initial groundwork undertaken during the World Water Forum 4.

Installations –Case Study Pakistan

Following on from our partnership in Pakistan with Australian Aid International (AAI) in December 2005, SkyJuice has returned to Pakistan in association with Oxfam International to the earthquake devastated area of northern Pakistan.

.In December 2006 the SkyJuice Foundation in partnership with Oxfam International undertook drinking water programs to install SkyHydrant water filtration units in badly affected areas. Located some 100 km North East of Islamabad, the capital of Pakistan, lies the most devastated earthquake areas of Bagh, Muzaffarabad and Balakot.

At Bagh, the Sarsaydan Community of 4,000 suffered many casualties and lost of infrastructure and housing. A joint Oxfam SkyJuice program to restore and supply safe drinking



SkyHydrant Installation Bagh

water using SkyHydrant water filtration units was undertaken in December 2006 as part of a water-pumping scheme on the Jhelum River where some 60,000 litres of drinking water is now supplied each day.

Further north in Muzaffarabad area, some 10,000 people still live in tented communities of displaced persons on the Kishanganga River where a SkyHydrant water filtration program was installed to supply 150,000 litres per day of safe drinking water.



Kishanganga River tented village

Further north lies the town of Balakot in the so called 'red zone', the most area most devastated area. Three nearby communities, numbering about 9,000 persons were incorporated in a program to supply 140,000 litres of drinking water per day from the Kunhar



Devastated town of Balakot

River using SkyHydrant water filtration units.

With the massive loss of school buildings in these areas, many hundreds of schools hold their lessons in the open where portable blackboards and chairs are used and when its raining or snowing the children huddle in makeshift shelters and tents for protection.

Poor quality drinking water is commonplace and the SkyJuice Foundation together with UNICEF, is currently planning programs to provide SkyHydrant water filtration units for many of these temporary schools so that the children will have access to continual safe drinking water.

Technical developments – SKYBANK

The platform of capabilities for SkyJuice technology spans from emergency relief to medium term water supply scenarios. Recent feedback from agencies including Oxfam GB has suggested that we consider a larger capacity version of the SkyHydrant unit. Higher capacities and output is normally achieved by connecting SkyHydrant units in parallel (used for multiple



Multiple SkyHydrants sites Displaced Persons camps in Sri Lanka). With up to twenty units in a “multiple unit” configuration the requirement for operator input becomes more critical.

To address this request, SkyJuice has collaborated with Memcor for two variants of the existing design. The SkyBank is a new multiple membrane design that can be configured to operate up to 10,000 litres per hour capacity (equivalent to 10,000 - 12,000 people per day supply of potable water at less than \$0.20/per annum per person treatment cost). We are about to commence field trials and further evaluation of the initial design variants.



At this stage it would appear that the SkyBank is a robust flexible system that has a very

Freestanding SkyHydrant Unit clear niche for potable water supply for medium size communities. A clear objective of SkyJuice is to

bring the real cost of potable water well below all existing technical options. The SkyBank unit promises to be a platform to achieve this goal. We hope to bring you more updates on progress after the initial units have been evaluated this year.

The exciting year ahead

SkyJuice has come a long way in the past 12 months, but the task is immense. Our goals and objectives remain constant, ‘Pure Water for every child’. SkyJuice will continue our strong advocacy role to lobby government and non-government organisations to raise the profile of water and sanitation issues in relation to sustainable development and poverty reduction and to take the necessary action to provide access to safe and affordable potable water for people of all nations.

We continue to foster key relationships with NGO’s and international agencies in an effort to expand the availability of clean safe potable water for children and communities throughout the world.

The ongoing enthusiasm of our members, volunteers and supporters will assist us to continue our efforts.

The overall challenge is enormous but the answer is simple. We look forward to your continuing interest in SkyJuice in the coming year. We are not going away, and need your critical feedback, support and encouragement.