

HiTec Energy

Electrofuel™ for Portable Energy

Quarterly Report – 31 December 2006

COMMERCIALISATION OF PATENTED TECHNOLOGY

Our efforts continue to be directed towards securing arrangements that will allow the commercialisation of the company's patents. Good progress has been made during the quarter under review and discussions with interested parties are continuing. As previously stated, achieving the right result may take some time, but we remain convinced that taking the time to get the right arrangements will provide the best outcome for shareholders.

LIQUIDITY

As at 31 December 2006, HiTec had cash and current receivables of \$1.8m and creditors and accruals of \$0.0m, giving net liquid funds of \$1.8m. As the Company has no outstanding debt it is well placed to fund its current activities.



Alan Scott (MD/CEO)

HiTec Energy Ltd (ABN 38 009 113 160)

(HiTec Energy Ltd is alternatively referred to in this document as "HiTec" or "the Company")

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