

**KLEENAIR SYSTEMS INTERNATIONAL PLC (the “Company”)
Unaudited Interim Accounts for the six months ended 31 December 2011
CHAIRMAN’S STATEMENT**

Introduction

The last Chairman’s Statement was issued in November 2011 and accompanied the annual report and accounts for the year ended 30th June 2011. These accounts relate to the 6 month period ended 31st December 2011.

Financial Results

The accounts for the period to 31 December 2011 show an operating loss of £79,000.

Changes to the Board of Directors

On 31 December 2011, Jubeenh Nazhat, a qualified solicitor was appointed as company secretary following the resignation of Sarah Posner. Miss Nazhat was further appointed non-executive director to the board on 12 January 2012.

Business and Corporate Strategy

The Company’s new policy of investing in environmental and renewable energy sectors in the UK and Europe has been successfully adopted and the Company’s investment in Inspirit Energy continues to perform in line with management expectations.

The Company is evaluating a number of additional opportunities with a view to making a recommendation to shareholders in due course. In the meantime, the Company’s working capital requirements have been pared back to a minimum until an appropriate opportunity can be presented to shareholders.

Commenting on the Company’s development, The Chairman John Gunn commented:

“This has been another eventful year for the Company and we hope to strengthen our equity position in the market and plan to invest into a second company in due course”.

John Gunn
Chairman
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