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WMRC Project Update – Ramp up

Highlights

- **Process Water Storage Tanks now returned to service.**
- **Faulty mechanical equipment scheduled to be rectified in seven weeks.**
- **Normal consecutive cycle of bioconversion operations will resume thereafter.**

We have previously reported on the delay to Biological Ramp-up caused by the minor biogas leak on two Process Water Storage Tanks. These leaks have been rectified and the tanks are now returned to service.

The delay to Biological Ramp-up has been compounded by manufacturing faults in mechanical equipment, as reported on 28 November 2014. This means Biological Ramp-up continues in series (in a single vessel at any one time, rather than in three vessels in consecutive sequence) until the faults are rectified.

The mechanical equipment in question is within the conveying systems which are an integral part of the DiCOM bioconversion vessels, specifically:

- a motor drive seal arrangement on a high vertical lift conveyor which failed and requires replacement, and
- dewatering presses on two of the three DiCOM bioconversion vessels which are misaligned and require straightening.

We are working with JV partner Monadelphous to rectify these faults as quickly as possible and have been advised all items should be rectified and back in service in approximately seven weeks time.

Once this is completed Biological Ramp-up will resume on the consecutive sequential cycle involving all three bioconversion vessels under which the facility is designed to operate.

In the meantime Ramp-up has progressed with six Batches now completed and Batch #7 loaded. With the repairs to mechanical equipment in process, and due to the Christmas holiday period Batch #8 will commence loading in early January 2015.

We continue to examine our options for compensation as a result of the delays to Ramp-up caused by these faults.

Despite the delayed Ramp-up no fatal flaws have been identified in the DiCOM™ bioconversion technology which has operated as expected to date.

ENDS

For further information, please contact:

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Notes

*1 Biological Ramp-up is the phase in commissioning operations whereby the stock of anaerobic process water containing the bacterial inoculum that performs anaerobic digestion is expanded from an initial batch of 10m^3 to a full facility stock level of 1,500m^3. This cultivated expansion occurs in a natural process whereby the bacteria multiply as a result of consuming organic matter. The anaerobic bacterial inoculum are fed with a mixture of organic matter harvested from MSW processed at the AnaeCo™ AWT Plant, and organic rich water taken from the WDS. The expansion of the inoculum occurs at a rate determined by their inherent rate of multiplication and the rate of feeding.

*2 Bioconversion Cycle – a period of nominally 21 days comprised of:

- 5 days loading a DiCOM™ vessel with organic material harvested from MSW, with pressurised aeration occurring during this period,
- transition from aerobic conditions to anaerobic by the removal of oxygen and the introduction of process water containing bacteria active in the thermophilic range,
- 11 days anaerobic digestion, producing biogas,
- transition from anaerobic conditions to aerobic by the removal of process water and biogas, reintroduction of oxygen,
- 4 days aerobic conditioning under pressurised aeration.
- 1 day unloading of compost/soil conditioner.

About AnaeCo

AnaeCo delivers Alternative Waste Technology (AWT) facilities based on the AnaeCo™ System, incorporating the patented DiCOM™ bioconversion process. The AnaeCo™ System includes advanced sorting, recycling, anaerobic digestion and aerobic composting to recycle municipal solid waste (MSW) into renewable energy from biogas, organic fertiliser and recyclables such as steel, aluminium, glass and plastics, thus maximising diversion from landfill and ensuring social, economic and environmentally sustainable management of MSW.

The AnaeCo™ System enables resource recovery intervention closer to source, with enhancement of existing waste transfer stations now a viable waste management option. AnaeCo's experienced team provides design, and commissioning services for AnaeCo™ AWT facilities.

For further information go to www.anaeco.com

About the WMRC Project

The WMRC Project involves the construction and commissioning of an AnaeCo™ AWT Plant at the JFR McGeough Resource Recovery Facility in Shenton Park, Western Australia.

The JFR McGeough RRF is a solid waste transfer station owned and operated by the Western Metropolitan Regional Council.

The AnaeCo™ AWT Plant is an asset owned by Funds managed by Palisade Investment Partners Ltd and is contracted to receive 55,000tpa of MSW.

The WMRC Project is the first full operational scale installation of the AnaeCo™ System and is a transfer station retro-fit occupying less than 4,000m^2.

Figure 1: AnaeCo™ AWT Plant at WMRC JFR McGeough Resource Recovery Facility, Shenton Park, Western Australia