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Australian Stock Exchange
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\$4.6 million Funding Facility

AnaeCo is pleased to advise it has agreed terms for a \$4.6 million loan facility to fund remaining expenditure on the WMRC Project.

The WMRC Project is at an advanced stage of operational and biological ramp-up but has suffered delays due to a series of mechanical equipment and process water storage tank defects. These delays have been reported since August 2014 and are now almost completely rectified. All up the ramp-up programme has suffered approximately six months of delays as a result of these defects. None of these defects represent a fundamental issue with the AnaeCo technology.

Whilst the defective equipment has been mostly rectified at suppliers' cost AnaeCo has suffered substantial costs because of the prolongation. Where possible AnaeCo is seeking to recover these costs.

Throughout the delay period ramp-up has progressed but at a slower pace than planned because at any one time key parts of the plant (process water storage tanks and DiCOM™ bioconversion vessels) have been taken offline for removal or re-installation of equipment. With this rectification work now virtually complete the plant is being prepared to commence continuous batch processing in the next few weeks. This will allow an acceleration of biological and operational ramp-up.

The loan facility is provided by Monadelphous Group Limited, AnaeCo's joint venture partner in the Design & Construct Contract to deliver the WMRC Project. The loan is secured by a first ranking charge over the Company's assets and undertakings, bears interest at 12% p.a. and is due for repayment at the earlier of 31 December 2015 or the date upon which AnaeCo receives a tax refund for eligible R&D expenditure in the 2015 income tax year. The loan may be repaid by conversion to equity at the lender's election, subject to compliance with ASX Listing Rule requirements and shareholder approval.

ENDS

For further information, please contact:

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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 4,000m².



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