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Australian Stock Exchange
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ASX Waiver Granted

As advised to the market on 6 February 2015, AnaeCo has agreed terms for a \$4.6 million loan facility with Monadelphous Group Limited to fund remaining expenditure on the WMRC Project.

The Company has now received a waiver of Listing Rule 10.1 from ASX. The waiver permits the Company to grant security over the Company's assets without the need to seek shareholder approval under Listing Rule 10.1, subject to certain conditions. The terms of the ASX waiver are below:

"1. Based solely on the information provided, ASX Limited ("ASX") grants AnaeCo Limited (the "Company") a waiver from listing rule 10.1, to the extent necessary to permit the Company to:

- 1.1. *Grant security over the Company's assets in favour of Monadelphous Group Limited ("Monadelphous")("Monadelphous Security") pursuant to an existing extended secured loan facility of \$3,000,000 and an extension of the loan facility agreement under which Monadelphous may provide a further \$4,600,000 (together "the Monadelphous Facility") to assist with expenditure in connection with the project to design and construct a DiCOM waste processing plant without obtaining shareholder approval on the following conditions:*
 - 1.1.1. *The Monadelphous Security document include a term that if an event of default occurs and Monadelphous exercises its rights under the Monadelphous Security, neither Monadelphous nor any of its associates can acquire any legal or beneficial interest in an asset of the Company in full or part satisfaction of the Company's obligations under the Monadelphous Facility, or otherwise deal with the assets of the Company, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver and manager (or any other person acting on behalf of Monadelphous) appointed by Monadelphous exercising its power of sale under the Monadelphous Security and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing the cash proceeds to Monadelphous in accordance with its legal entitlements.*
- 1.2. *A summary of the material terms of the Monadelphous Facility and Monadelphous Security documents are made in each annual report of the Company during the term of the Monadelphous Facility and Monadelphous Security.*



- 1.3. *Any variations to the terms of the Monadelphous Facility or Monadelphous Security which is:*

 - 1.3.1. *not a minor change; or*
 - 1.3.2. *inconsistent with the terms of the waiver,*

must be subject to shareholder approval.

- 1.4. *The Company must seek to discharge the Monadelphous Security when the funds under the Monadelphous Facility are repaid, or if it is not discharged, seek shareholder approval for the continuation of the Monadelphous Security for any further loan facility amount.*
- 1.5. *The Company immediately releases to the market an announcement which sets out the terms of the waiver, and the Company's plans with respect to the repayment of the funds advanced under the Monadelphous Facility and the discharge of the Monadelphous Security, including the timeframe within which it expects the repayment and discharge to occur.*
2. *ASX has considered listing rule 10.1 only and makes no statement as to the Company's compliance with other listing rules."*

The loan 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 Company intends that the security provided to Monadelphous will be discharged in due course upon the repayment of the amounts owing by the Company to Monadelphous. 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:

Tim Hinton – Company Secretary

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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