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Australian Securities Exchange
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Corporate Update

AnaeCo Limited (AnaeCo) advises that due diligence has commenced in relation to a potential corporate transaction.

The potential transaction involves a Chinese based company becoming a major shareholder in AnaeCo by purchasing the major portion of a loan owing by AnaeCo to Monadelphous Group Limited, and conversion of this loan to equity in AnaeCo.

A non-binding term sheet has been executed by Monadelphous as seller and the Chinese based company as purchaser, outlining the terms of the potential transaction. The potential transaction is subject to the satisfactory outcome of legal due diligence to be conducted by the Chinese purchaser, the finalisation of a binding agreement for sale and purchase of the loan, and final Board approvals of all three companies.

The transaction will also be subject to AnaeCo shareholder approval in relation to the conversion of the loan to equity and a shareholder meeting for this purpose will be convened as soon as the above steps have been completed.

Further details regarding the terms and anticipated timing for the transaction will be announced when appropriate.

ENDS

For further information, please contact:

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About AnaeCo

AnaeCo delivers waste resource recovery 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™ facilities.

For further information go to www.anaeco.com