

Energy Developments Limited (ASX: ENE)

Monday, 14 July 2014
For Immediate Release



Energy Developments

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ASX Release

Funding Agreement for Coober Pedy hybrid renewable power station

Energy Developments Limited (ENE or the "Company") is pleased to announce \$18.5 million of support from the Australian Renewable Energy Agency (ARENA) under a newly signed funding agreement.

The funding will assist ENE in upgrading and expanding the Company's existing 3.9MW diesel power station at Coober Pedy in South Australia ("Project") into a hybrid renewables focused power station with up to 2MW of solar PV and 3MW of wind generation. The first stage of the funding agreement process involves ENE undertaking a detailed Project assessment, and key funding agreement commitments are conditional on and subject to ENE's final investment decision, execution of project agreements and satisfaction of other Project conditions.

The existing Coober Pedy power supply arrangements are due to expire in 2019.

This advanced hybrid renewables Project is intended to be underpinned by a new 20 year power purchase agreement, which is yet to be finalised but which is the subject of an in-principle agreement between ENE, the District Council of Coober Pedy and the South Australian Department of State Development.

ENE Managing Director Greg Pritchard said "ENE is the market leader in remote energy in the 1 to 100MW sector, and currently owns or operates 368MW of remote, off grid energy generation across 33 projects in Australia. This Project highlights the Company's potential to implement renewable hybrid systems in off grid applications to provide customers with innovative energy solutions. It also strategically positions ENE to be a leader in renewable hybrid systems in the remote off grid sector."

Mr Pritchard said "We see this ARENA supported project as the precursor to other renewable hybrid projects that we are keen to implement throughout Australia to meet our customer's growing interest in these energy solutions, and to significantly displace existing diesel generation."

Subject to final investment decision and execution of project agreements, currently expected in mid-2015, ENE is targeting Project completion and commencement of commercial operations in Q2 2017.

A copy of ARENA's announcement regarding the funding agreement is attached.

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For additional information please contact:

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About Energy Developments

Energy Developments Limited ABN 84 053 410 263 (ENE) is an international provider of safe, clean, low greenhouse gas (GHG) emissions energy and remote energy solutions. ENE currently owns and operates a diversified international portfolio of power stations in Australia, the United States, the United Kingdom and Greece from a range of fuel sources including landfill gas, waste coal mine gas, natural gas and liquefied natural gas.

In the year ended 30 June 2014:

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- ENE's worldwide operations produced approximately 3.8 million MWh of energy, enough to power over 600,000 homes; and
 - ENE's landfill gas power stations around the world, and waste coal mine power stations in Australia abated and avoided approximately 12 million tonnes of carbon dioxide equivalent of GHG emissions, equivalent to removing 3.5 million cars from the road

Note: in this release, all amounts are Australian dollars unless otherwise specified, and all numbers are approximate unless otherwise specified.

About ARENA

ARENA was established by the Australian Government as an independent agency on 1 July 2012 to make renewable energy technologies more affordable and increase the amount of renewable energy used in Australia. ARENA invests in renewable energy projects, supports research and development activities, boosts job creation and industry development, and increases knowledge about renewable energy.

Media Release

14 July 2014

Harnessing the elements for combined off-grid renewables

The Australian Renewable Energy Agency today announced \$18.5 million of support for a renewable energy, diesel hybrid project at Coober Pedy in South Australia.

ARENA CEO Ivor Frischknecht said Energy Developments Limited (EDL) is proposing to combine wind, solar and diesel to provide the town with 70 per cent renewable energy over the life of the project.

“With ARENA’s support, EDL is seeking to integrate up to 2 MW of solar PV, 3 MW of wind generation and enabling technologies into its existing 3.9 MW diesel power station at Coober Pedy,” Mr Frischknecht said.

“This ambitious project may demonstrate a combined approach for powering off-grid Australian communities that currently rely solely on expensive trucked-in diesel.

Mr Frischknecht said the project will include short-term energy storage, fast start diesel engines and an advanced control system to enable smooth operation.

“These enabling technologies have been successfully tried and tested by Hydro Tasmania at the ARENA-supported King Island Renewable Energy Integration Project and this represents an opportunity to see them evolve for use on the mainland and in an outback community that has few alternative energy options,” Mr Frischknecht said.

“Further demonstration of these technologies is expected to reduce costs over time and improve opportunities for future deployment without subsidies.

“EDL has identified a long-term pathway to commercialisation by demonstrating the potential to progressively deploy renewable solutions at off-grid locations as technology costs reduce and fossil fuel costs increase.

“EDL intends to restructure its existing power purchasing agreement with the District Council of Coober Pedy with a new 20-year agreement, providing a long-term customer base to support the renewable energy project.

“Australia’s energy demand is growing off the grid and this landmark project will show how high penetration renewable energy projects can deliver safe, reliable power to off-grid communities.”

The project is now subject to final investment decision by EDL, along with approvals and agreements. If approved, completion is anticipated in mid-2017.

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About EDL

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In the year ended 30 June 2014:

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- ENE's landfill gas power stations around the world, and waste coal mine power stations in Australia abated and avoided approximately 12 million tonnes of carbon dioxide equivalent of GHG emissions, equivalent to removing approximately 3.5 million cars from the road