

Energy Developments Limited (ASX: ENE)

Friday, 14 November 2014
For Immediate Release



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ASX Release

2014 Annual General meeting – Speech and Presentation

Attached are:

- the Chairman's speech; and
- the slide presentation

for Energy Developments Limited's 2014 Annual General Meeting to be delivered today.

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About Energy Developments

About Energy Developments

Energy Developments Limited ABN 84 053 410 263 (EDL) is an international provider of safe, clean, low greenhouse gas (GHG) emissions energy and remote energy solutions. EDL 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:

- EDL's worldwide operations produced approximately 3.7 million MWh of energy, enough to power over 600,000 homes; and
- EDL'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.

Energy Developments Limited (ENE)

2014 Annual General Meeting – Friday, 14 November 2014

Chairman's Address

It is with pleasure that I welcome you to the 2014 Energy Developments Limited Annual General Meeting.

FY14 Highlights

Today, I would like to report on EDL's financial performance for 2014, our current expectations for dividends and earnings for 2015 and discuss our growth strategy for the future.

But first, safety. The safety of our people is our number one priority, and I am pleased to report that EDL has now operated for 21 months with no lost time injuries, and EDL's lost time injury frequency rate has remained at zero. We will maintain our continued focus on our Zero Harm target.

EDL's financial results for 2014 were positive and show good progress in important areas such as investment, profitability and balance sheet strength.

Just to recap, in the 2014 financial year:

- Revenue increased 5% to \$422.8m
- EDL generated \$136m of net operating cash flow
- EBITDA increased to \$182.2m
- Installed generating capacity increased from 742 MW last year to 883 MW at 30 June 2014 – and this is on track to grow to more than 900 MW by December 2014; and
- EDL returned \$47.8 million to shareholders with the 28 cent final dividend

All of these factors give your Board confidence that EDL can increase the total amount of FY15 dividends for EDL shareholders in line with the progressive dividend policy we announced earlier in the year.

EDL – Market Leaders in Distributed Generation

EDL is a market leader in distributed generation. As it stands today, EDL is the largest independent remote energy provider of generation up to 100MW in Australia.

It is the largest waste coal mine gas and landfill gas energy generator in Australia, and the Company is also a leading landfill gas to energy generator of scale in the United States and the United Kingdom.

EDL enjoys highly predictable cash flows and has a strong balance sheet backed up with a diversified, low risk business profile and a blue chip customer base.

All of this means that EDL is in a great position to take advantage of attractive and profitable growth opportunities in the near term. We see these growth areas including:

- contract extensions
- brownfield expansions

-
- new projects
 - and also selective acquisitions in core markets

Distributed Generation Themes

We are seeing increasing demand for distributed generation here in Australia. It is driven by the ever increasing costs of transmission and distribution networks and the big effect they have on electricity prices.

It's in the news all the time – gold plated expensive power networks adding to power bills.

But this presents great opportunities for EDL – because we have the expertise and capability to give power to customers right on their doorstep. We are able to offer cost-effective solutions with lower distribution costs, and usually quicker and with better reliability, than conventional poles and wires network solutions.

Remote Energy

We also continue to see solid growth opportunities in our Remote Energy business, with continuing demand for remote and off-grid energy supply.

Our remote energy and off-grid customers are continually looking for new solutions to displace existing diesel generation with more cost-effective gas or renewable solutions. EDL is well placed to deliver on these growing demands, given our strong experience in providing innovative remote energy solutions.

As an example of this, we were pleased to announce EDL's first solar and wind project during the year – at Coober Pedy.

This project is supported by more than \$16 million from the Australian Renewable Energy Agency – an independent agency supported by \$2.5 billion of federal government funding and a mandate to drive innovation and commercialisation of renewable energy. It is an exciting and ambitious remote energy project, designed to reduce Coober Pedy's reliance on diesel generation.

It also represents an important first example of the potential for EDL to integrate renewable technology into our Remote Energy portfolio.

Waste Coal Mine Gas

The Waste Coal Mine Gas business also continues to flourish, with 254MW of installed capacity across 9 projects here in Australia.

Our Waste Coal Mine Gas projects largely support underground metallurgical coal mine operations and are underpinned by long-dated gas-supply contracts with blue-chip global mining houses such as Anglo American, BHP Billiton and Glencore.

We were very pleased to have acquired the Envirogen 43MW Waste Coal Mine Gas business during the year and I am happy to report that the Envirogen projects are performing well. Daily generation from these projects is up by 60% under EDL's ownership.

New Growth Opportunities and Adjacencies

The Company continues to explore other growth opportunities and adjacencies.

During the year, EDL successfully acquired 51MW of upstream LNG generation assets in the Bowen Basin for the temporary supply of power. After these temporary supply arrangements conclude, the Company will redeploy the assets for use in prospective growth projects.

Summary of FY14 Growth Investment

During 2014, I am pleased to report that 175MW of new projects were safely completed on time and on budget. The new projects include:

- the 53 MW McArthur River Mine Expansion which started commercial operation in January 2014;
- there is the 18 MW Moranbah North Waste Coal Mine Gas Power Project Expansion, which was commissioned in July 2014; and
- the 5 MW Sand Valley LFG Project in the United States. This project was successfully constructed and commissioned and started generation in October 2013.

Successful Refinancing

Of course, a strong growth pipeline requires a strong balance sheet.

I am pleased to note that EDL recently increased its corporate debt facility to \$563 million with a revised and repriced debt facility which is forecast to deliver relative annual savings of at least \$8 million.

This refinancing allows EDL to further improve its financial returns and positions the Company for continued growth.

Guidance, Growth and Dividends

Now to guidance, growth and dividends.

We have begun FY15 in line with expectations. I can confirm EBITDA guidance remains at between \$192 million and \$202 million which represents a 10% year on year increase and reflects the successful investments made in FY14.

Under the Company's progressive dividend policy the Company intends to pay regular franked dividends at a sustainable level which will be maintained or increased each period. The Company will commence paying both interim and final dividends and these are expected to remain 100% franked.

I am pleased to provide dividend guidance today that the Company intends to build on the final FY14 dividend of 28c and expects to be able to declare a 15c fully franked interim dividend for the first half of FY15 subject to continued performance.

Regulatory Update – Direct Action and RET

The contribution of EDL's clean energy and abatement projects to meeting emissions reduction targets is recognised under various Australian and international schemes, including the Renewable Energy Target (RET) and the Carbon Farming Initiative (CFI).

The Company is well placed to manage the changes arising in the Australian regulatory environment. Bipartisan support remains to achieve Australia's target to reduce greenhouse gas emission by 5% below 2000 levels by 2020.

The RET, which is legislated until 2030, has been subject to a Federal statutory review with the Report of the Expert Panel released in 2014. EDL's qualifying projects under the RET would remain eligible under the recommendations put forward by the Panel.

The \$2.5 billion Emissions Reduction Fund is the centrepiece of the Government's Direct Action policy and was recently passed by the Senate. Based on current Government announcements on the intended structure of the Direct Action policy, the Company expects that current projects under the CFI, and expansion/greenfield WCMG projects, will be eligible to participate in the ERF.

EDL will continue to work with the Government and the regulators on the details of the ERF and potential outcomes for the RET.

Commitment to Communities

The Company works closely with the communities within which we operate, particularly those in remote locations who often do not have the same advantages as urban dwellers.

EDL is proud to be involved in the initiatives which support our communities. These include:

- The West Kimberley Community Benefit Fund which is delivering \$1 million to not for profit indigenous, cultural and sporting groups throughout Broome, Derby, Fitzroy Crossing, Halls Creek, Camballin and Looma.
- The CareerTrackers program which is providing work placement experience in our Company to indigenous undergraduate students.

Closing Remarks

I would like to acknowledge those who have contributed to the Company and made the past year such a success.

Thanks also goes to my fellow Directors for their wise counsel during a very busy year.

I would also like to thank Greg Pritchard, our Managing Director, the executive management team and all our 400 employees for their outstanding efforts during the year. And of course, to our shareholders, thank you for being here today and for your ongoing support and confidence in the Company.

In closing, 2014 capped off another pleasing year for EDL, and we look to the 2015 financial year with relish.

With the refinance now complete, EBITDA guidance confirmed and a strong balance sheet underpinning our dividend expectations, EDL is well positioned to realise continued profitable growth for the benefit of all shareholders.

Energy Developments (ASX: ENE)

Annual General Meeting

14 November 2014



Leaders in Remote and Clean Energy



Disclaimer

Important Notice and Disclaimer

This presentation:

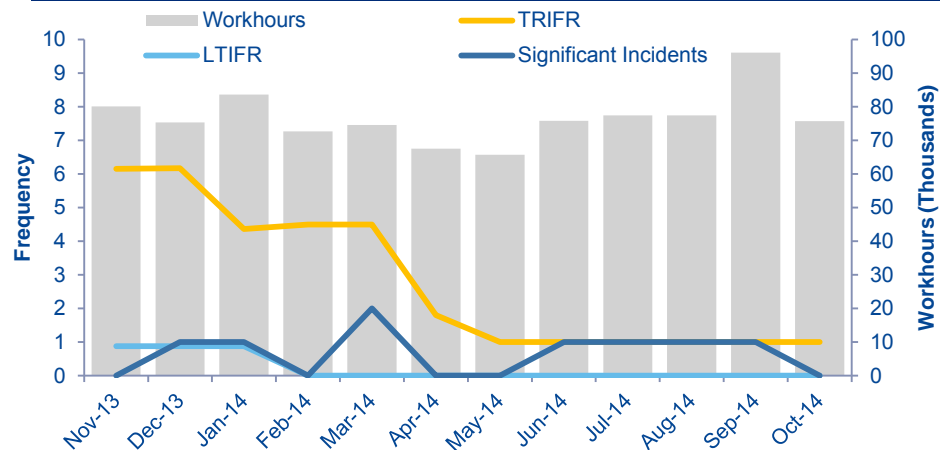
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- Is limited in scope and covers only part of EDL's operations
- May contain forward looking statements, all of which are predictions only, and are subject to inherent risks, changes and uncertainties, including factors and risks specific to the industry in which EDL operates, as well as Government policy, general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results anticipated, expressed or implied in any forward looking statement

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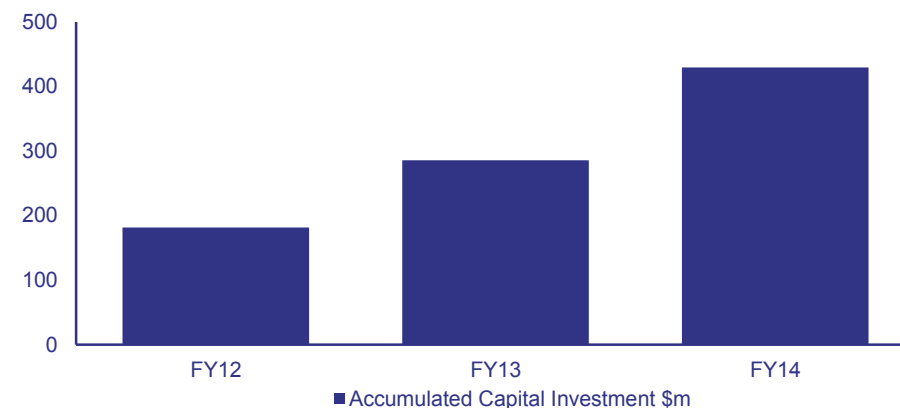
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FY14 Highlights

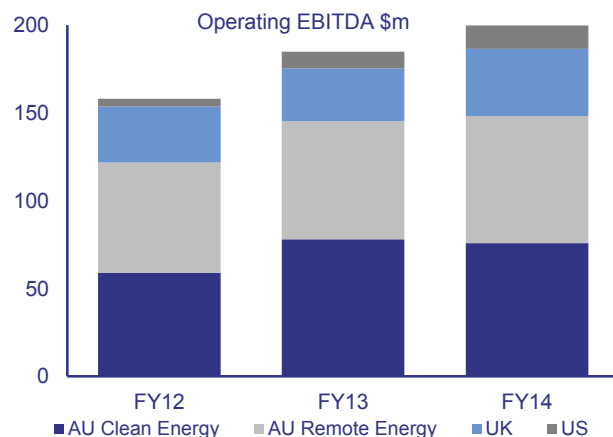
Safety Improved



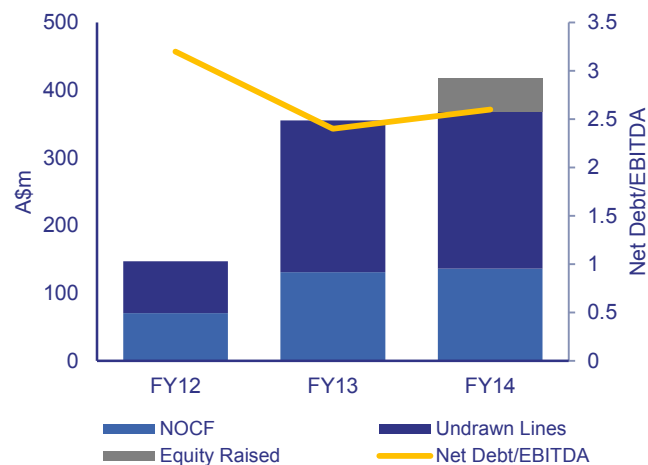
Significant Investment over 3 years



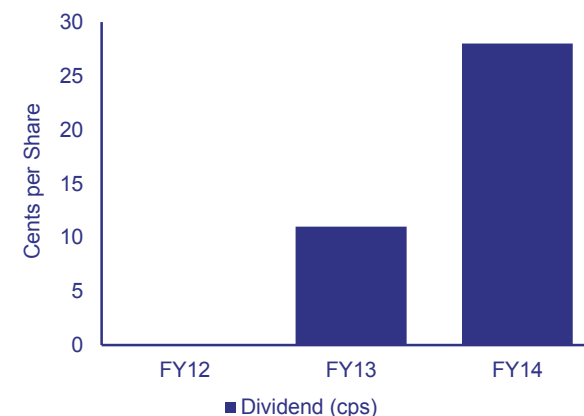
Profitable Growth



Well Capitalised



Dividend Increased



EDL's power infrastructure business delivers growth and a strong result

EDL - Market Leaders in Distributed Generation

- Own and operate **safely** and **reliably**
- **25+ year** operating **track record** with **blue chip** customers
- **Strategy** is to
 - Deliver **continued growth** and **superior operational performance** in our **core businesses**
 - Pursue **adjacent growth**

REMOTE ENERGY

- Market leader
- 389MW
- 33 Projects

WCMG

- Market leader
- 253MW
- 9 Projects

ADJACENCIES

- Network Support
- Diesel Displacement
- Upstream LNG

LFG

- Market leader
- 262MW
- 40 Projects

- ✓ 905MW
- ✓ 84 Projects
- ✓ 3 continents
- ✓ #1 market positions
- ✓ > 80% contracted

- ✓ Scale
- ✓ Diversified
- ✓ Long life assets
- ✓ Long dated contracts
- ✓ Blue chip counterparties
- ✓ Capability
- ✓ Continuing growth
- ✓ Well capitalised

EDL – Distributed Generation Themes

Remote Energy

- Increasing power demand
- Production phase with a focus on costs
- Long-dated take or pay contracts on long dated assets
- Displacement of diesel with gas/renewables
- Virtual pipelines

Recent Examples:

- MRM extension and expansion
- Sunrise Dam extension and expansion

Adjacencies

- Alternatives to costly networks
- Experience to deploy and integrate technology
- Integrated fuel/ power solutions
- Renewable hybrids
- Leverage existing customer relationships and operating facilities

Recent Examples:

- Upstream LNG power assets
- Coober Pedy



WCMG

- Global mining counterparties
- Production phase with a focus on efficiency and reliability
- Steel production growth ~ 3% pa
- >300 PJ of contracted gas
- Direct Action
- Value beyond generation: network support, islanding, direct sales, upstream services

Recent Examples:

- Envirogen acquisition
- Moranbah North expansion

LFG

- Regulatory support
- Long-dated assets
- Consolidation of competitors
- Ancillary services

Recent Examples:

- Sand Valley in US
- Aust. LFGA extensions in last 6 months (25MW: average extension of 12 years)
- Passing of Direct Action legislation

Summary of FY14 Growth Investment

175MW of additional generation commissioned or in development

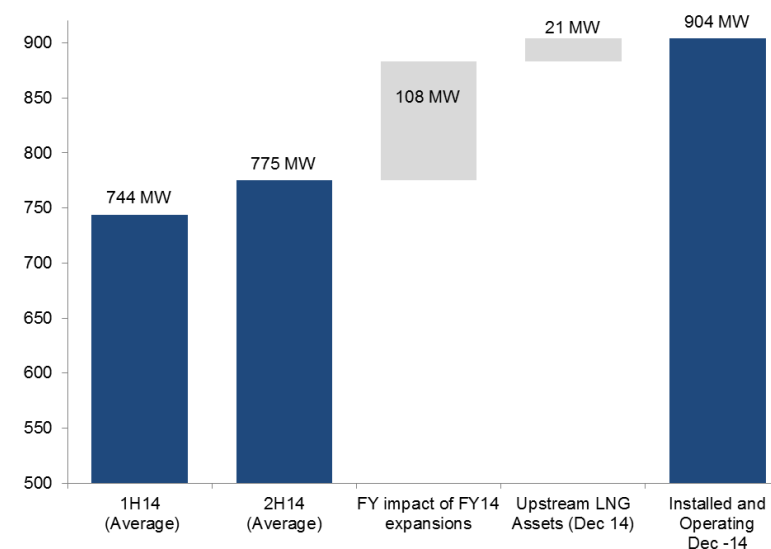
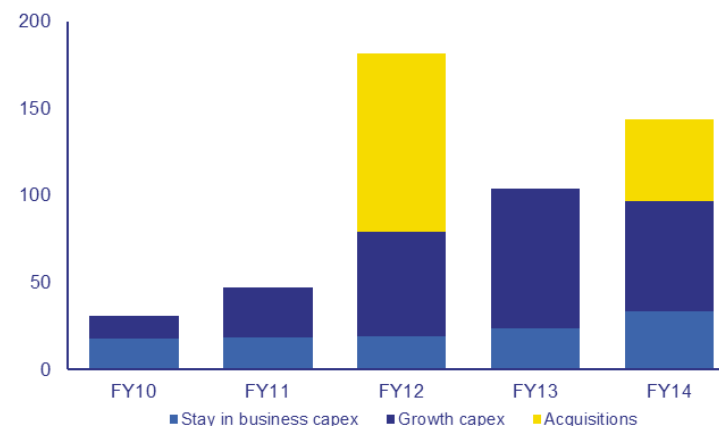
FY14 Expansion Capex

COD	Project	MW	Comments
Oct-13	Sand Valley (US)	5	Leveraging existing landfill operator relationship
Jan-14	McArthur River	53	Expansion and extension at existing Remote Energy project
Apr-14	Envirogen	43	Acquisition of WCMG assets
Jun-14	Moranbah North	18	Expansion of existing Clean Energy project
Jul-14	Upstream LNG Power Assets	30	Purchase and leaseback of Upstream LNG power assets

Committed expansion and acquisition projects

COD	Project	MW	Comments
Dec-14	Upstream LNG Power Assets	21	Purchase and leaseback of Upstream LNG power assets

\$500m successfully invested last 5 years
283MW increase in capacity





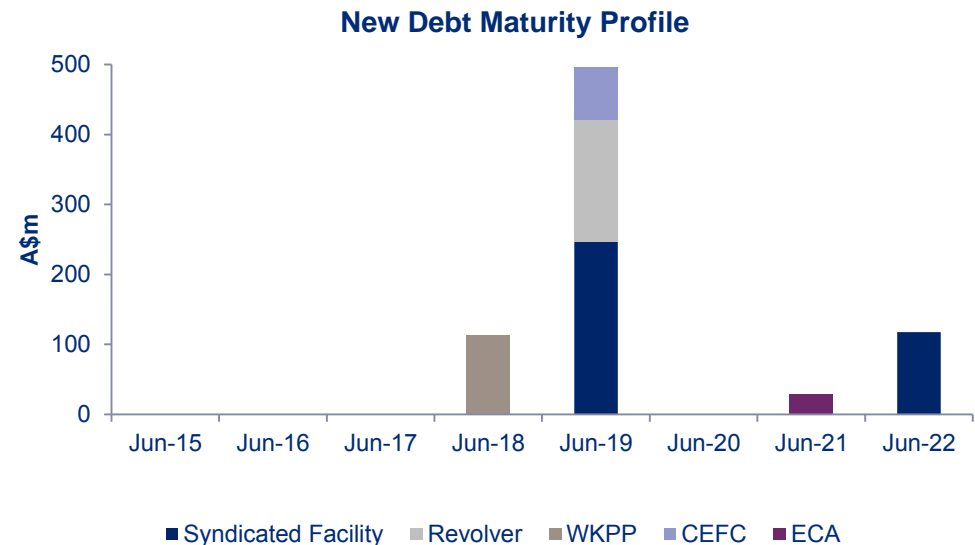
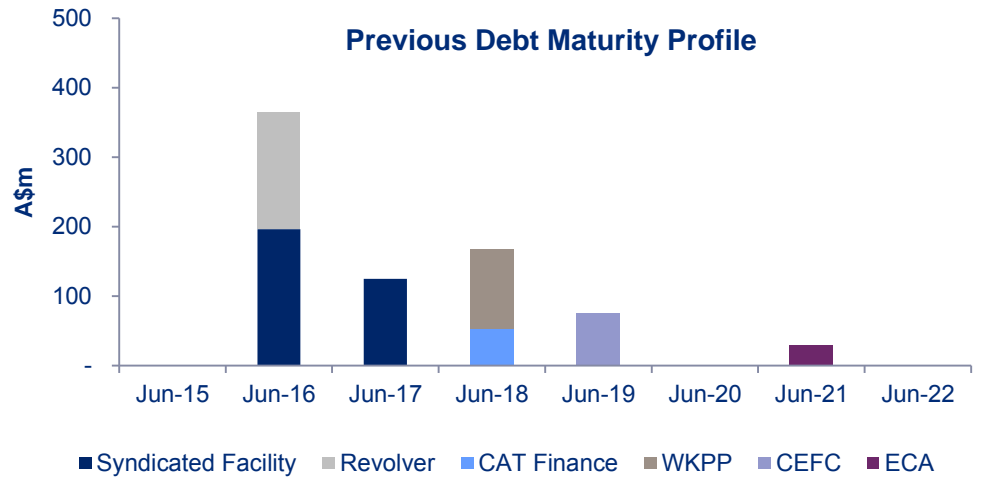
Successful Refinancing

Refinancing of \$536 million Corporate Banking Facilities was completed in October

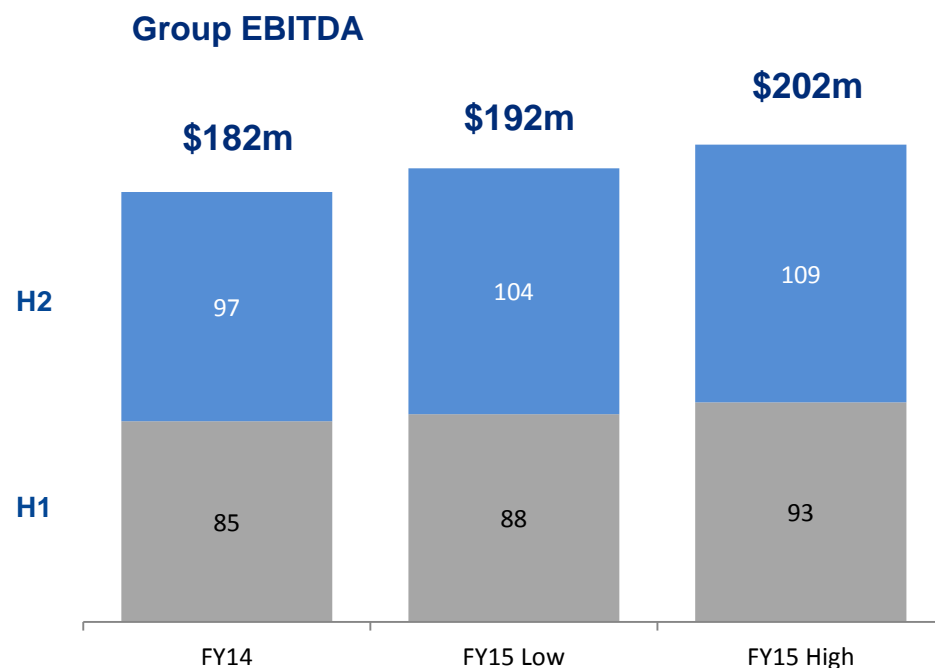
- Lender feedback was positive with facilities oversubscribed
- New syndicate: NAB, ANZ, Westpac, UOB, Mizuho, SMBC, ICBC, BTMU, GE and funds managed by Hastings

Outcomes

- Extension of term, revolver and working capital tranches over 5 and 8 year maturities to 2019 and 2022
- Reduction in average interest margin and commitment fees: savings > \$8m per annum
- Extension of AUD interest rate swaps to 8 years



Guidance, Growth & Dividends



- FY15 EBITDA guidance reconfirmed: \$192-202m
 - Uplift in earnings from new projects
- \$136m of Net Operating Cash Flow in FY14
 - \$151m capex; \$47m FY14 dividend
 - \$200m+ committed funding and cash
- Strong cash flow and funding enables
 - investment in future growth
 - strong cash returns to shareholders
- Dividend guidance
 - EDL expects to be able to declare a 15cps fully franked interim dividend for the first half of FY15 subject to continued performance
 - EDL intends to build on the final FY14 dividend of 28cps
 - Progressive dividend policy: dividends maintained or increased

Strength & Stability of Earnings
Commitment to progressive dividend policy: 15cps interim dividend expected



Regulatory Update – Direct Action & RET

- EDL has long history of working with Governments
- Bi-partisan support for a 5% reduction in Australia's emissions by 2020
- Private sector certainty: managed through grandfathering in the event of policy change

Direct Action – Emissions Reduction Fund (ERF)

- Parliamentary support to legislate Direct Action achieved; has now passed the Senate
- ERF \$2.5 billion fund – EDL to monetise ACCUs through reverse auction process
- EDL expected to generate ACCUs from:
 - Grandfathering of existing CFI projects into ERF
 - New WCMG expansions/greenfield projects
- Ongoing consultation with Government/Regulator on detailed design
- **Commencement expected early 2HFY15**

Renewable Energy Target (RET)

- Currently legislated until 2030 – 45,000GWh to be supplied from renewable sources by 2020
- Report of Expert Panel released in August 2014 recommendations, either:
 - No new large scale renewables into RET, but existing participants continue; or
 - RET target is frozen and grows only with demand
- Current eligible EDL projects would remain under either recommendation.

EDL expects to benefit from continuing regulatory support for cleaner energy and emissions reduction policies

Commitment to Communities

West Kimberley Community Benefit Fund

- The fund is delivering \$1 million in funding to not-for-profit indigenous, cultural and sporting groups throughout Broome, Derby, Fitzroy Crossing, Halls Creek, Camballin and Looma
- The Fund principles are:
 - Support social cohesion, inclusiveness, equal opportunity and the well being of the community
 - Support long term community development
 - Be genuinely community-driven initiatives
 - Address community needs in towns where EDL operates

CareerTrackers

- National non-profit organisation creating private sector internship opportunities to Indigenous students
- EDL proud to participate in program, offering work experience placements to undergraduate students in FY15



\$1m Community Benefit Fund and CareerTrackers, helping to support the local communities in which we operate



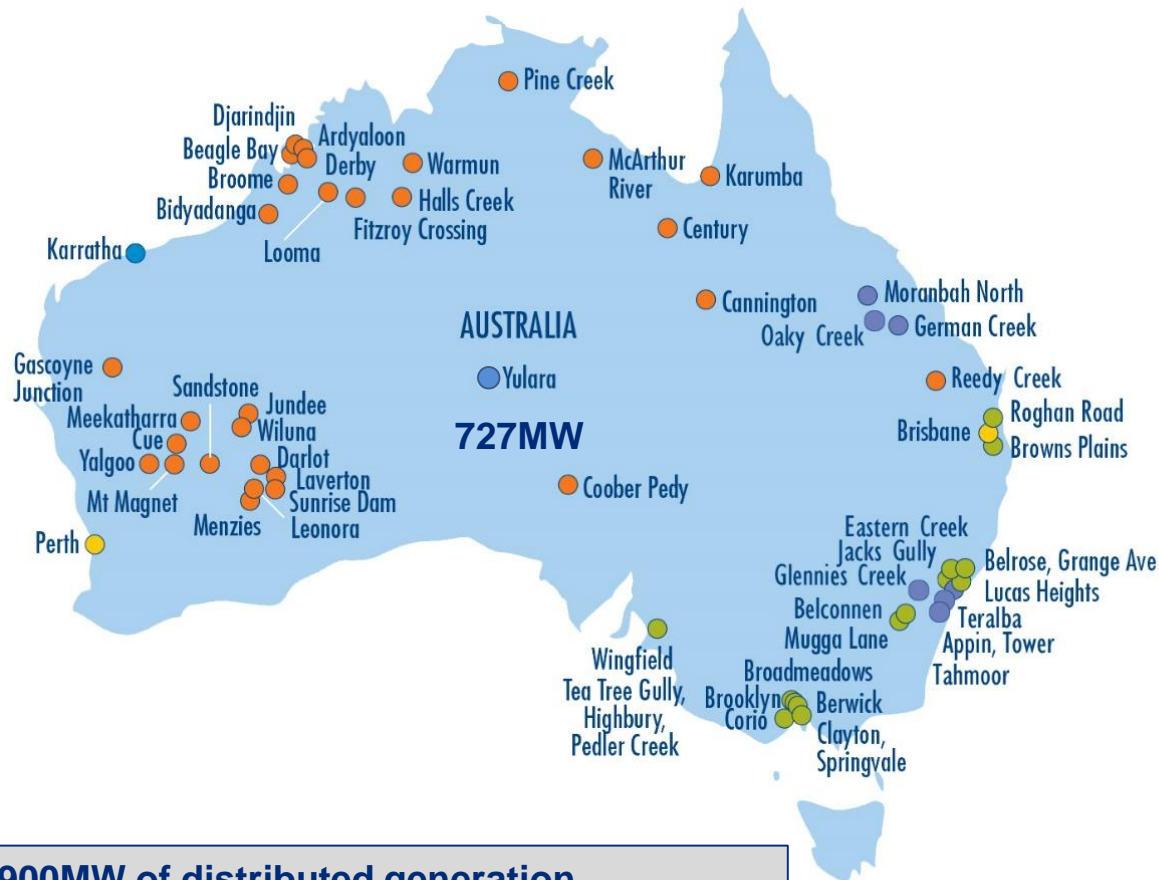
Summary

1. **Market leaders** in distributed generation
2. **Differentiated and diversified** business in a dynamic energy market
3. **Proven capability** to deliver and operate bespoke distributed power solutions for our customers, safely and on time/ budget
4. **Long life assets** and **contracts** with **blue chip counterparties**
5. **Deep pool of growth options**
6. **Strong profitability** with **growing dividends** and **well capitalised**



Appendices

EDL – Market Leaders in Distributed Generation



>900MW of distributed generation

- Remote Energy 389MW
- Waste Coal Mine Gas (WCMG) 253MW
- Landfill Gas (LFG) 262MW

KEY: ● Landfill Gas ● Waste Coal Mine Gas ● Remote Energy ● Liquefied Natural Gas / Compressed Natural Gas ● Office



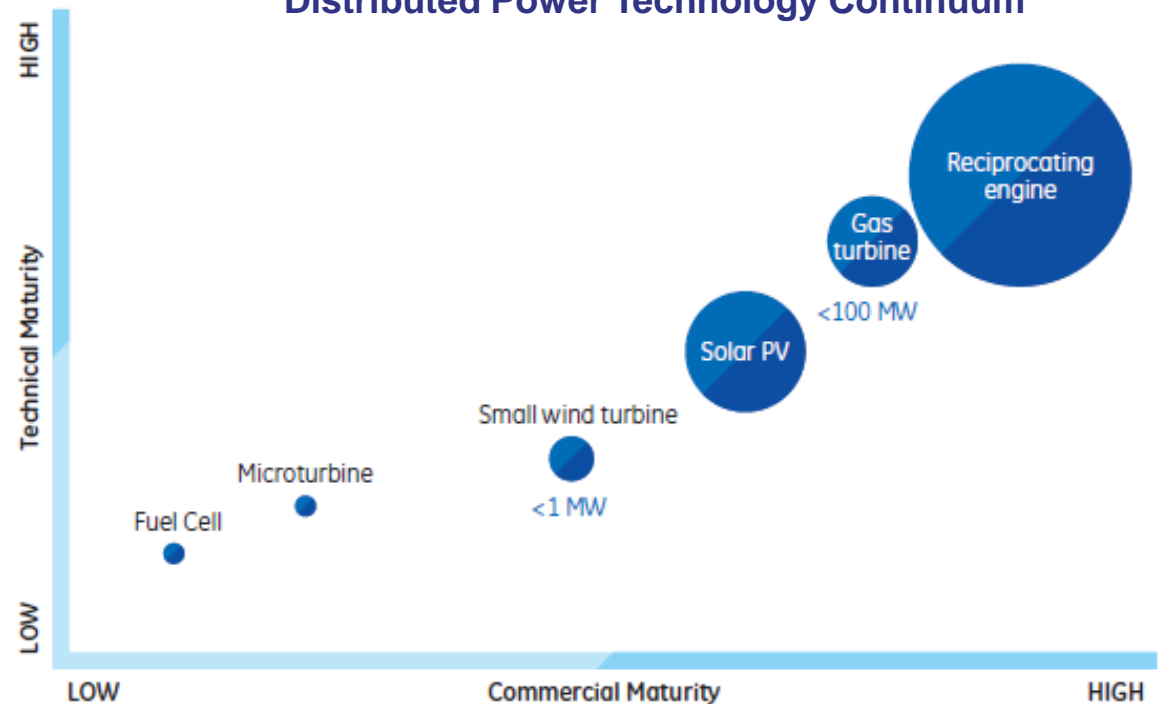
Distributed Generation

Distributed Power Generation driven by same forces propelling broader de-centralisation

Advantages of Distributed Power

- Widely available, smaller, more efficient and less costly
- Overcomes capital constraints of larger projects and transmission/distribution lines
- Built and become operational faster and with less risk than large power plants
- Increased reliability generating power close to customer
- Digital control systems - can be controlled from a smartphone
- Incrementally added to meet growing energy needs
- Greater gas abundance creates opportunities for gas-fired distributed power systems

Distributed Power Technology Continuum



Source: General Electric 2014

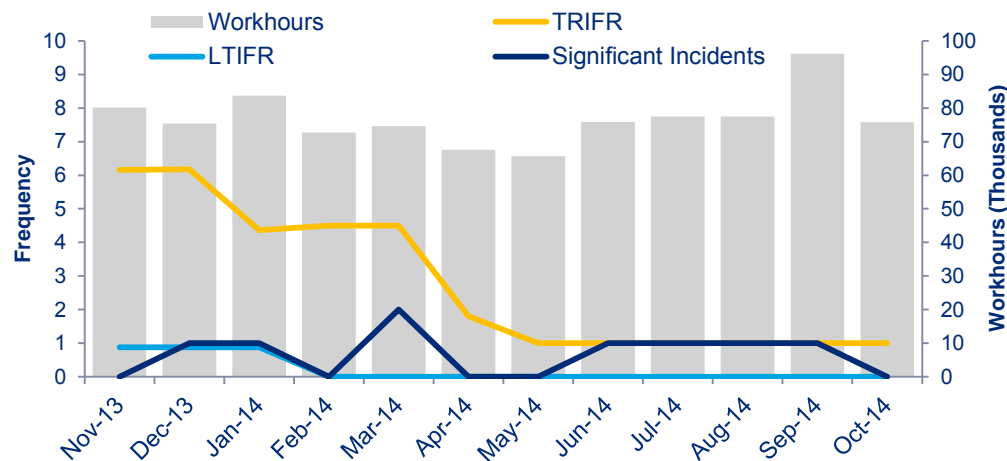
“Distributed Power is the dominant structural driver”
UBS Oct 2014



Safety and People

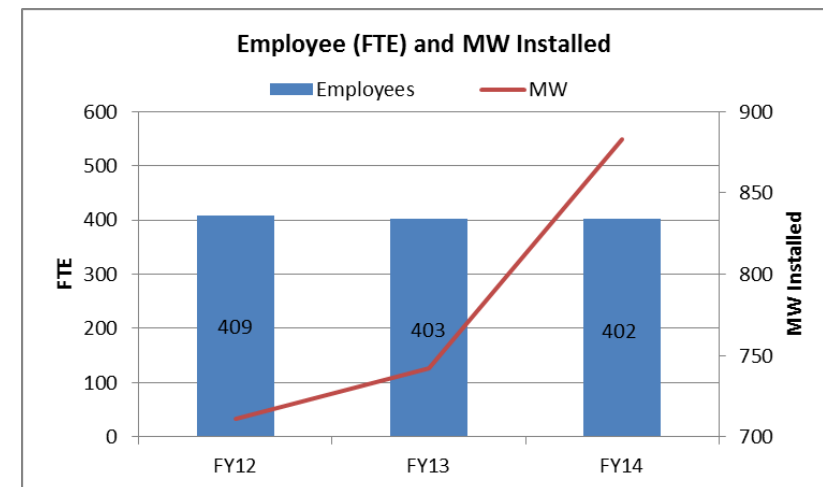
Highly experienced team with a strong track record of safely managing and growing the business

Safety



- ✓ Target Zero Harm
- ✓ Industry-leading safety performance
- ✓ LTIFR at 31 October is nil
- ✓ Zero LTIs in past 21 months (in excess of 1.8 million hours worked)
- ✓ TRIFR (total reportable injury frequency rate: LTIs + MTIs) at 31 October is 1.0.
- ✓ Strategies in place to attract and retain key talent
- ✓ Improved MW / FTE from 1.7 in FY12 to 2.2 in FY14

People



Safety Initiatives

- Human Error Prevention
- Frontline Leadership Training
- Journey Management
- Bump caps
- Mandatory gloves policy
- Electronic Visitor Induction

Long Dated Contracts with Blue Chip Counterparties

Asset capacity (MW)

Weighted average contractual years and asset life

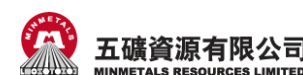
Blue Chip Counterparties

Remote Energy (389 MW)

2030+

Clean Energy (515 MW)

2030+





Resolution 1 – Remuneration Report

Total valid and available proxies

For	151,634,985
Open*	73,346
Against	52,249
Abstain	9,518

* Proxy's discretion



Resolution 2 – Re-Election of Greg Martin

Total valid and available proxies

For	151,674,190
Open*	73,346
Against	20,312
Abstain	6,279

* Proxy's discretion



Resolution 3 – Approval of New Incentive Plan

Total valid and available proxies

For	151,610,097
Open*	67,629
Against	89,769
Abstain	2,603

* Proxy's discretion



Resolution 4 – Approval of Proposed New LTIs for MD

Total valid and available proxies

For	149,546,797
Open*	67,629
Against	2,150,427
Abstain	5,245

* Proxy's discretion