Energy Developments Limited (ASX: ENE)

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For Immediate Release

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ASX Release

EDL delivers strong half-year growth, interim dividend significantly increased

Highlights: Half-Year Financial Results

- ***Revenue*** *of $213.2 million, up 4% year-on-year*
- ***EBITDA*** *of $96.1 million, up 14% year-on-year*
- ***Profit Before Tax*** *of $27.1 million, up 58% year-on-year*
- ***Net Profit After Tax*** *of $19.5 million, down 6% year–on-year*
- ***Net operating cash flow*** *of $50.6 million, up 7% year-on-year*
- ***Interim dividend*** *of 20 cents per share, 75% franked*

Highlights: Half-Year Operations and Growth

- ***Safety performance****: LTIFR nil at 31 December 2014, 24 months LTI free*
- ***21MW*** *additional installed capacity through acquisition of Upstream LNG assets*
- *Total of* ***904MW*** *installed capacity at 31 December 2014*
- ***Strong pipeline*** *of new and expansion opportunities*

Energy Developments Ltd ("EDL" or the "Company") today reported net profit after tax of $19.5 million and EBITDA of $96.1 million for the half-year ended 31 December 2014. The Board of EDL also determined to pay an interim dividend of 20 cents per share for the half-year, which will be 75% franked.

EDL's strong financial results for the half-year ended 31 December 2014 have been driven by the growth of the business through recent expansions and acquisitions, including the 53MW McArthur River expansion, the 51MW acquisition and lease-back of Upstream LNG power generation assets, the 43MW acquisition of Envirogen and the 18MW expansion of Moranbah North.

Profit Before Tax increased by $10 million to $27.1 million, 58% ahead of the prior corresponding period and driven by the improved EBITDA. Net Profit After Tax for the half-year ended 31 December 2014 was $19.5 million, down $1.2 million compared to 1H FY14, noting that the 1H FY14 result included a tax credit of $6.5 million due to the recognition of certain US tax losses in that period.

EDL Chairman, Rob Koczkar, said "The Company's strong financial result for the half-year, improved cash flow and well executed growth projects and initiatives give the Board confidence to significantly increase the FY15 interim dividend to 20 cents per share from 28 cents per share for the FY14 full year and franked to 75%."

"The increase to the interim dividend represents a sustainable payout level, strongly covered by the Group's operating cash flow on a full year basis."

"The dividend is also consistent with EDL's progressive dividend policy under which EDL intends to maintain or increase dividends as earnings and cash-flows increase. EDL is committed to providing sustainable returns to shareholders through the return of excess cash flow while also actively pursuing growth in our core business" Mr Koczkar said.

Financial Performance – Half-Year FY15

An overview of the divisional EBITDA performance of the Company is detailed below:

Region	**1H FY15 (AUDm)**	**1H FY14 (AUDm)**	**Change**
Clean Energy – AUS	39.4	35.6	+11%
Remote Energy – AUS	42.1	35.6	+18%
Europe	16.3	17.9	(9%)
US	7.7	5.5	+40%
Corp & BD	(9.4)	(10.0)	(6%)
Group	**96.1**	**84.6**	**+14%**

EBITDA for the EDL Group increased by 14% on the prior period:

- Increased contribution from the Australian Clean Energy projects includes the 43MW Envirogen portfolio acquired in April 2014 which, since acquisition, has increased generation by 50% and doubled earnings and presents a platform for growth with new blue chip customers. The 18MW expansion of Moranbah North completed in July 2014 has outperformed expectations after being delivered below budgeted cost, ahead of schedule and having benefited from high Queensland summer prices.

- Earnings from the Australian Remote Energy projects were lifted by the expanded McArthur River 53MW power station which commenced operations at the beginning of 2014 under a 20 year contract with Glencore. There was also a partial contribution from the purchase and leaseback of 51MW of Upstream LNG power generation assets.

- EDL's UK Clean Energy operations experienced lower Renewable Obligation Certificate (ROC) "recycle" prices and higher maintenance costs, while EDL's US operations recorded improved REC prices and cost savings. Both businesses are expected to benefit from the recent depreciation in the Australian dollar as well as contracted price increases in the second half.

Managing Director Greg Pritchard said "The half-year result again demonstrates EDL's ability to deliver profitable growth and sustainable earnings from its globally diversified portfolio of projects. The Company has successfully extended several key contracts in the last 12 months and is well positioned for future growth."

Cash and Financing

Net operating cash flow for the half-year ended 31 December 2014 was $50.6 million, up 7% from 1H FY14.

EDL had $219 million of total available cash and credit at 31 December 2014, following the successful refinancing of EDL's $536 million corporate facility which was completed in October 2014. The refinancing is expected to contribute approximately $4 million savings in the second half.

Half-Year Interim Dividend – FY15

The 75% franked interim dividend will be paid to eligible shareholders for the half-year ended 31 December 2014 of 20 cents per share, totalling approximately $34 million. The interim dividend will be paid on Thursday 9 April 2015 based on a record date of Friday 6 March 2015, and an ex-dividend date of Wednesday 4 March 2015. The Company's Dividend Reinvestment Plan will not apply to this dividend and the unfranked portion is conduit foreign income.

FY15 Outlook

EDL confirms the current guidance for FY15 EBITDA of between $205 million to $210 million reflecting:

- Ongoing strong performance of EDL's Envirogen assets
- Improved 2H FY15 prices for LGCs and electricity prices in Queensland
- Recognition of revenue from the generation of ACCUs following the passing of the Australian Emissions Reduction Fund legislation
- Increased contribution of EDL's US and European operations to 2H EBITDA given the recent weakening of the Australian dollar

Mr Pritchard said "The Company has an active pipeline of growth opportunities focussed on tailored power solutions for existing and new customers, extensions and expansions at existing sites and selective acquisitions within our core business."

"Our long dated relationships with blue chip counterparties will also create adjacent power infrastructure opportunities" Mr Pritchard said.

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About Energy Developments

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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.