



# QUARTERLY REPORT

## PERIOD ENDING 31 March 2015

**ASX CODE:** GDY

**SHARES ON ISSUE**

435.8 million

**MANAGING DIRECTOR AND CEO**

Mr Geoff Ward

**COMPANY SECRETARY**

Mr Tim Pritchard CPA CSA (CERT)

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### KEY ACTIVITIES

*The key focus for the quarter lay with the evaluation and review of new investment opportunities, consistent with the Company's intention to diversify its operations outside of geothermal energy and secure value enhancing opportunities in the clean technology sector.*

**FOLLOWING IS A SUMMARY OF KEY ACTIVITIES FROM THE QUARTER:**

- Receipt of environmental approvals for the exploration phase of the Takara Geothermal Power Project in Vanuatu.
- Continued progress to complete remediation works and reduce liability associated with geothermal permits in the Hunter Valley, NSW and Innamincka, SA (Cooper Basin).
- Registration of GDY Solar as an exempt retailer so allowing GDY to offer Solar Power Purchase Agreements to businesses and tenants in the commercial, industrial, educational and government sectors.

***The Company's cash position at the end of the quarter stood at \$ 31 million.***





# Letter to Shareholders

Dear Shareholders,

The March quarter has seen Geodynamics continue its acquisition and investment search process to secure new opportunities in clean energy and clean technology. Our primary focus is on opportunities relating to the continuing rollout of distributed energy in Australia; in particular the major transformation that solar PV is leading. Our focus areas include solar PV supply and financing, energy storage, energy efficiency, energy services and micro-grids. We have also assessed, and are continuing to assess, a range of technology investments, as well as investigate the potential for other clean tech or sustainable growth markets to develop in Australia based on international experience, changing standards or technology developments.

We are encouraged by the quality of opportunities that we have reviewed so far. We are implementing a disciplined search and assessment process. The team is focussed on strict investment discipline and with shareholder returns as a highest priority. With a strong cash balance (\$31 million at end March), a strong team and low holding costs we believe we remain well positioned to conclude one or more investments in the near term.

During the quarter we also achieved a major milestone at the Takara Project in Vanuatu, when we were advised by the Acting Director of the Department of Environmental Protection and Conservation in Vanuatu that the application for exploration drilling at Takara had been approved. With the achievement of this approval the current project stage is completed. We continue to engage with the Vanuatu Government and multilateral development agencies regarding how to progress beyond the current stage, with formation of Public Private Partnership our preferred option. Discussions on this subject have been deferred as the government turned its attention to recovery efforts following the destruction caused by Cyclone Pam.

The destruction caused by Cyclone Pam has had a catastrophic impact on Vanuatu. Takara Village, our project location, was directly in the path of the cyclone centre as it crossed the island of Efate. Takara sustained major damage to the buildings and local road infrastructure. Thankfully, and remarkably, no lives were lost and no major injuries sustained. Through our Country Representative, Mr. Tim Hewatt, Geodynamics provided immediate support to the community through provision of emergency food supplies and materials to restore the water supply to the community, before international aid could be mobilised to support the village. I would like to extend my thanks to Mr Hewatt for his rapid actions in this difficult and distressing situation.

In the Solomon Islands, our negotiations with the Solomon Islands Electricity Authority (SIEA), regarding the proposed off-take agreement for the Savo Island Geothermal Project have been put on hold while the SIEA assesses their needs due to lower than expected grid demand growth in Honiara and awaits the outcome of the ongoing World Bank sponsored tender process for the Tina River Hydro Project. Currently Geodynamics is awaiting the renewal of the prospecting licence for Savo Island and will await the outcomes of the Tina Hydro tender process before taking any decisions on the projects next steps.

We continue to progress planned remediation and rehabilitation works so reducing liabilities associated with previous exploration activities of the company. Remediation activities in the Hunter Valley are progressing well, with four of the eleven wells now remediated. Once all wells are completed and our rehabilitation obligations met, the NSW geothermal licences will be handed back to the NSW Department of Resources Energy and Mining. The plug and abandon (P&A) program to safely remediate and remove the Habanero-3 well equipment will be carried out in May. Environmental remediation has also been occurring at Jolokia and Habanero sites with the removal of waterlines and rehabilitation of dam areas. These activities are important commitments under our licence obligations; carrying them out in an effective and low cost manner reduces our future liabilities and supports setting Geodynamics up for our new activities.

For further information, please check our website ([www.geodynamics.com.au](http://www.geodynamics.com.au)) or contact Mr Geoff Ward on + 61 7 3721 7500. Media and investor inquiries may also be directed to Friederike Graser, on +61 7 3721 7588.

Regards



Geoff Ward  
Managing Director and Chief Executive Officer