Energy Developments (ASX:ENE)

ASX Investor Series Presentation

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Energy Developments

Leaders in Remote and Clean Energy

Disclaimer

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EDL – Market Leaders in Distributed Generation

c. 900MW of distributed generation

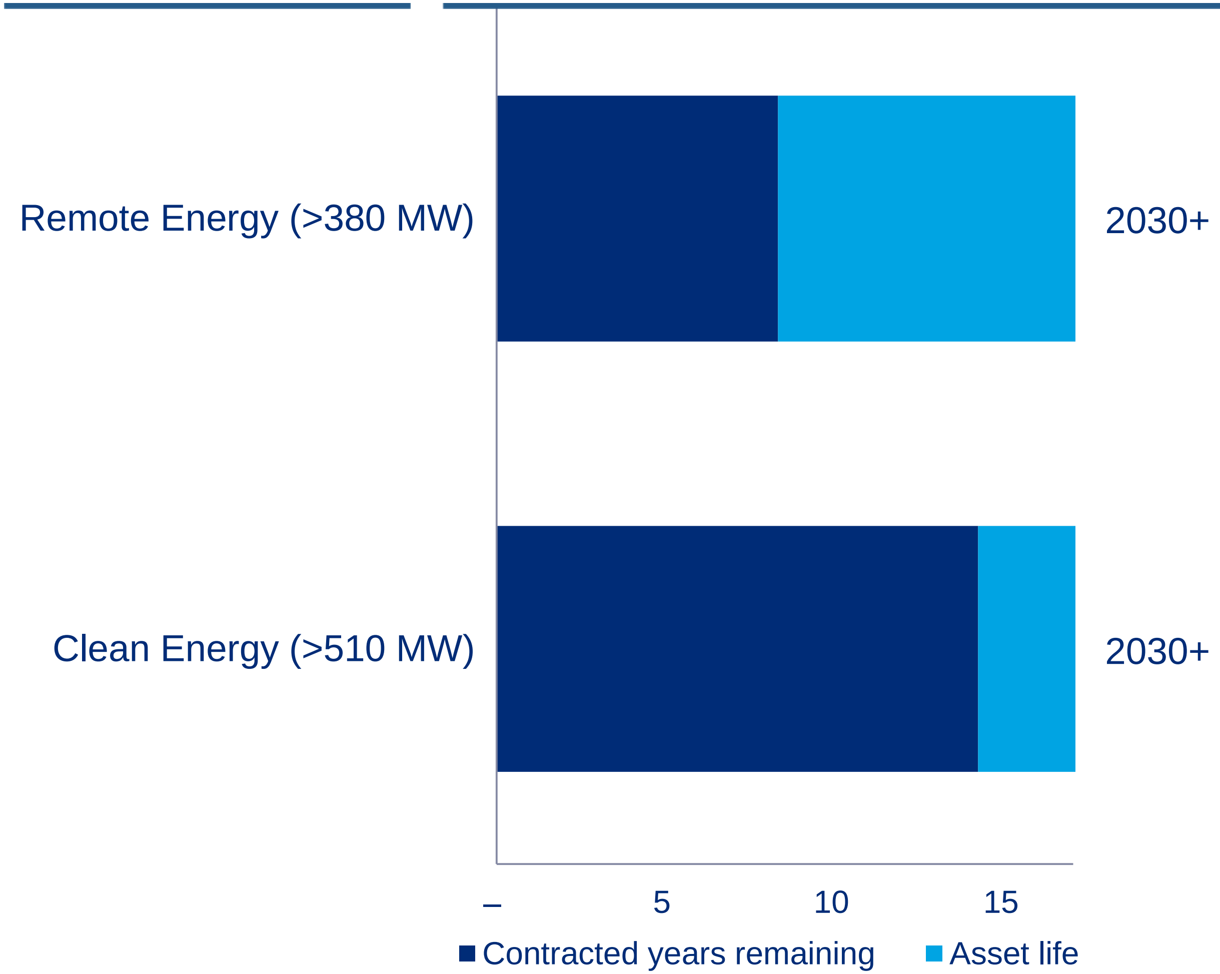
• Remote Energy	>380MW
• Waste Coal Mine Gas	>250MW
• Landfill Gas	>260MW

- c.80 Projects
- 3 continents
- #1 market positions
- > 80% contracted revenue

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

Long Dated Contracts with Blue Chip Counterparties

Asset capacity (MW) | Weighted average contractual years and asset life

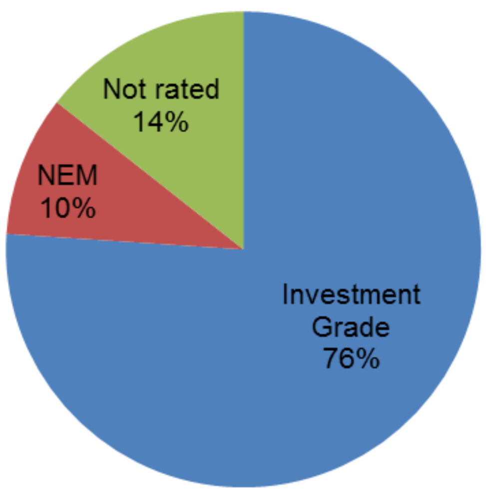


Blue Chip Counterparties

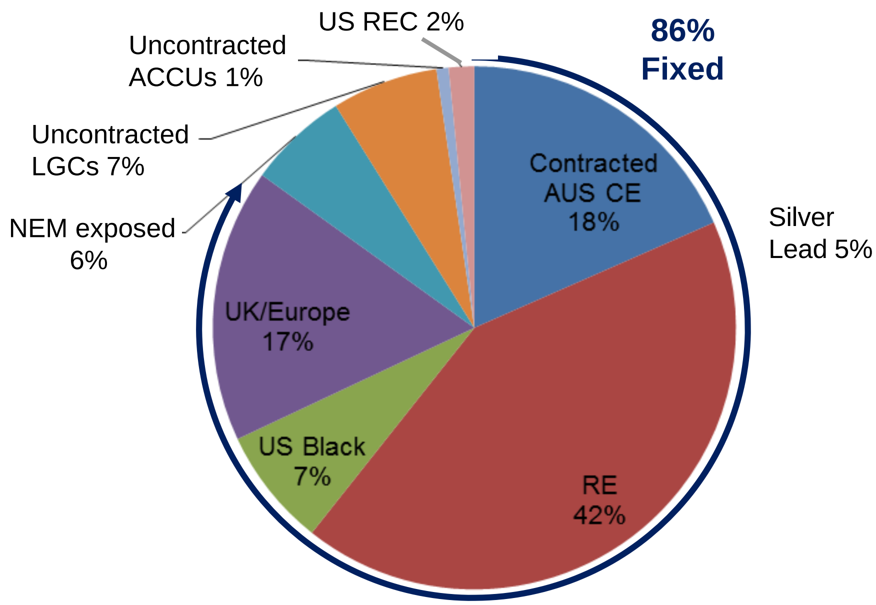
bhpbilliton
AngloAmerican
GLENCORE
VALE
五礦資源有限公司
MINMETALS RESOURCES LIMITED
INCORPORATING MMG
EnergyAustralia
AGL
TERRITORY GENERATION
HORIZON POWER
ANGLOGOLD ASHANTI
GOLD FIELDS
AMP
PUBLIC POWER PARTNERS

Low Risk Exposures

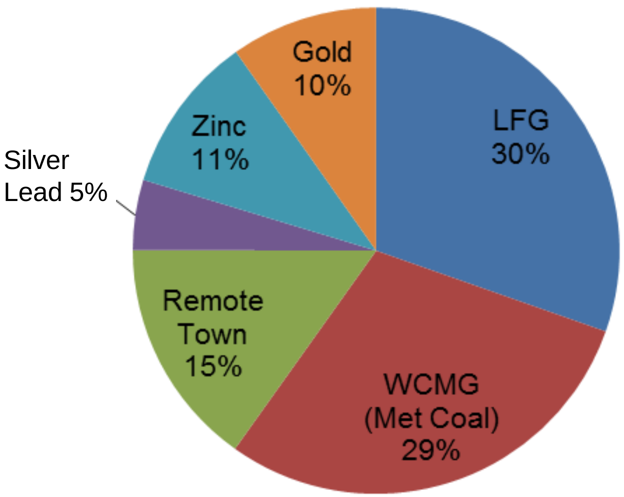
Counterparty Credit Ratings by MW installed



FY15 Revenue Breakdown



Underlying Resource by MW installed

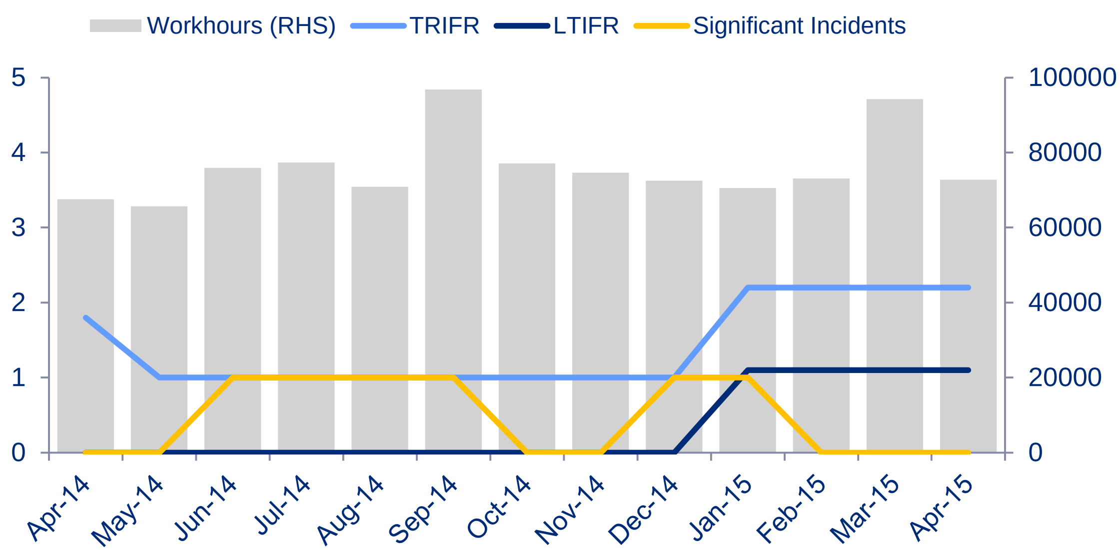


Highly contracted with Blue Chip counterparties across diverse customer base

Our Capability – Safety and People

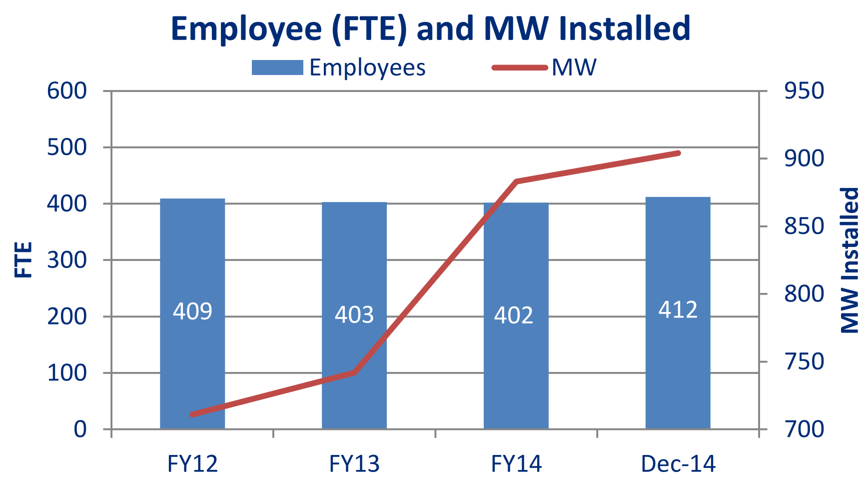
Highly experienced team with a strong track record of safely managing and growing the business

Safety



- ✓ Target Zero Harm
- ✓ Industry-leading safety performance
- ✓ LTIFR (lost time injury frequency rate) at 30 April 2015 is 1.1
- ✓ TRIFR (total reportable injury frequency rate: LTIs + MTIs) at 30 April is 2.2.
- ✓ Strategies in place to attract and retain key talent
- ✓ Improved MW / FTE from 1.7 in FY12 to 2.2 in FY14

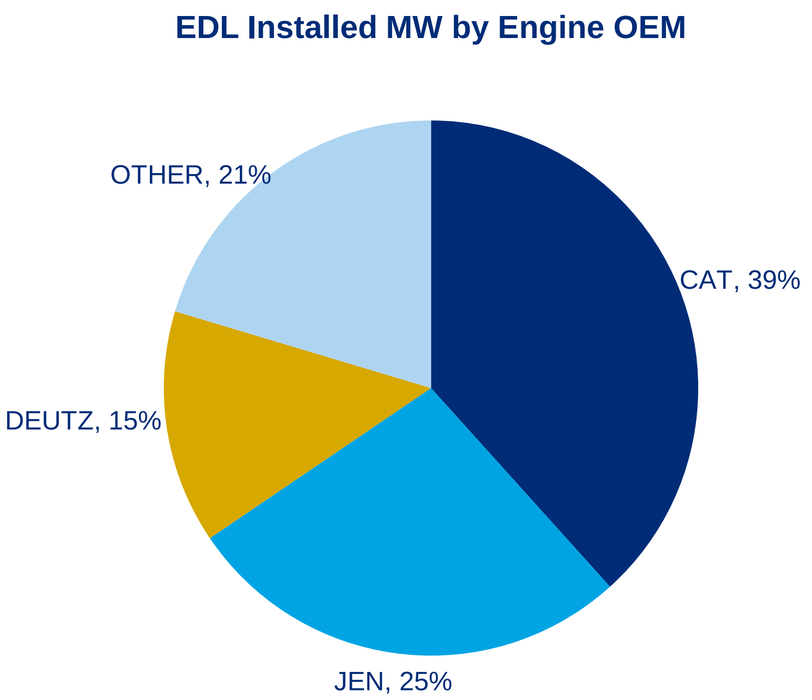
People

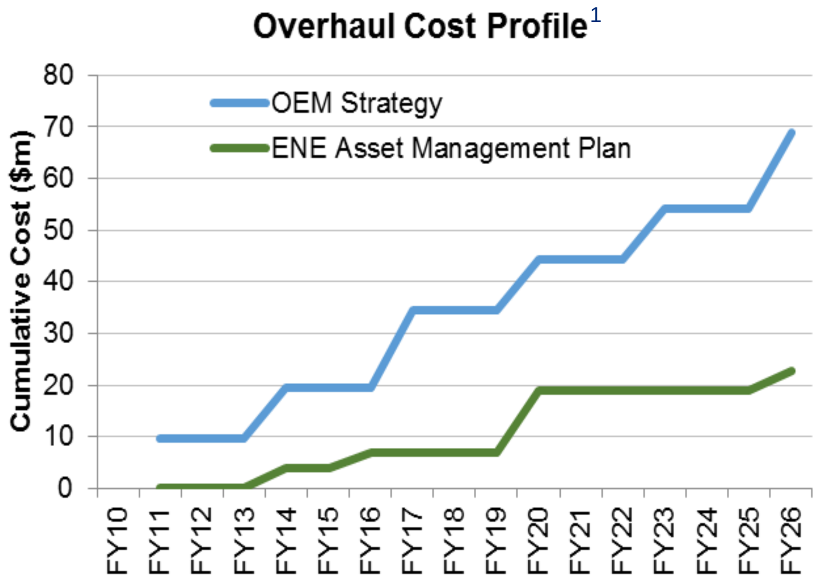


Safety Initiatives

- Switched On (Behavioural Safety)
- Frontline Leadership Training
- Journey Management (In Vehicle Management System)
- Process Safety Focus Group established
- Generator Module Fire Report Submitted
- ISO 9001 Quality Assurance – Recertified to May 2018

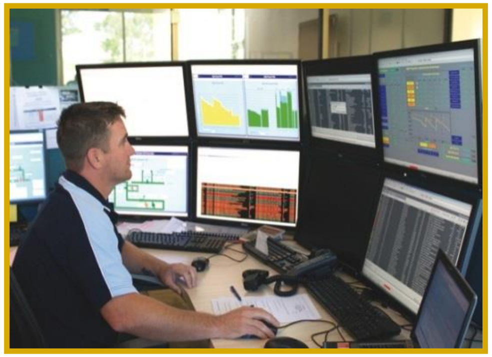
Our Capability – Asset Management





[1] EDL estimate only, subject to various assumptions

- ✓Asset management planning and condition based monitoring reducing maintenance costs
- ✓In-house O&M, central control and adjacent operations reduces operational labour cost
- ✓Strong track record of consistent KPI improvements, including
  - ✓Increased capacity factors
  - ✓Cost savings programs
- ✓Potential for efficiency improvements in older units



Our Capability – Operating Performance

EDL continues to realise the benefits of scale through operational excellence

	Point of departure	Point of arrival
Maintenance	• OEM-based maintenance and overhaul schedules • Site-level scheduling	• Optimisation of condition-based maintenance (CBM) and overhaul intervals • Centrally planned maintenance and fleet
Operations	• Personnel on every project / site	• Site de-manning • Remote monitoring through 24/7 central control centre • ‘Big data’ analysis and leverage
Implications	• Redundant operational and capital expenditure • Not actively leveraging scale, including inefficient resourcing and scheduling	• Significant operational and capital cost reductions - ~67% lifetime cost reduction on engine • Resourcing efficiency - 700MW/ 409 FTE in FY12 to 900MW/ 412 FTE Dec 14 • Ability to leverage scale economies, including value creation through acquisitions - reduction of 6 FTEs in Envirogen acquisition • Ability to access value from development of portfolio options - WCMG hub in Bowen Basin

Regulatory Update – Direct Action & RET

Increased regulatory certainty

Direct Action – Emissions Reduction Fund (ERF)

- Enacted November 2014
- $2.5 billion fund
- CFI LFG projects grandfathered into ERF
- EDL monetising ACCUs through reverse auction process
  - 1st tender successful for Aust LFG
  - 7-year fixed price Government contract
- New WCMG expansions/greenfield projects eligible under new methodology released in Feb 2015

Renewable Energy Target (RET)

- Legislated until 2030
- Current target of 41,850 GWh to be supplied from large scale renewable sources by 2020
  - Expect bi-partisan agreement on RET target between 32 and 33 TWh
  - Ensures continuation of a strong LGC market
- Current eligible EDL projects would remain under either recommendation

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

Growth Pipeline: opportunities across portfolio

Completed projects

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

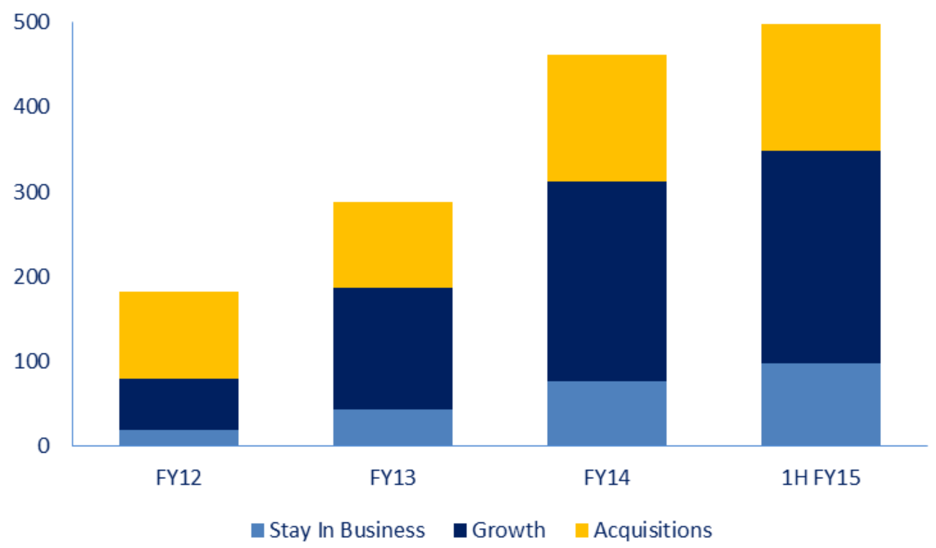
Committed expansion and acquisition projects

COD	Project	MW	Comments
Jan-16	Sunrise Dam	7	Site expansion
Sep-15	Moranbah North	5	Backup supply
Mar-17	Coober Pedy	6	Solar/Wind/Diesel hybrid station

Pipeline

COD	Project	Comments
2016	WCMG	Site expansions, greenfield
2015/16	Remote Energy	Acquisitions & Adjacencies
2015/16	US	Acquisitions & Greenfield

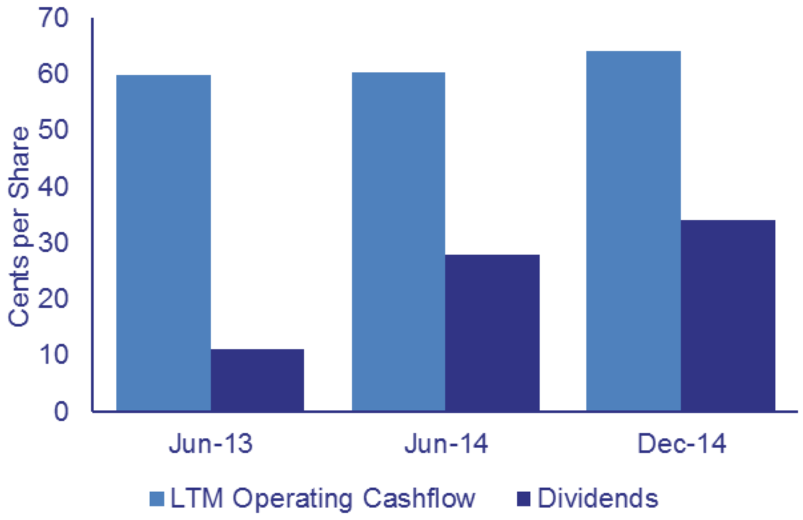
Cumulative Capex (A$m)



- Robust pipeline of near term growth opportunities in Clean and Remote Energy
- Diversified portfolio and geographic presence continues to provide opportunities including through acquisition
- Adjacent opportunities created through relationships on existing mine sites
- Balance sheet strength is a significant advantage

Increasing Dividend – Payout from Operating Cash Flow

Adjusted Cash flows ($m)	Jun-13	Jun-14	Dec-14
LTM EBITDA[1]	**169.4**	**184.7**	**193.7**
Financing and Tax[2]	(37.3)	(51.0)	(54.1)
LTM Net operating cash flow[1,2]	**123.6**	**132.9**	**145.5**
Stay-in-business capex (SIB)	(24.0)	(33.6)	(37.3)
LTM Op Cash Flow after SIB	**99.6**	**99.3**	**108.2**
Ave # Shares	166.2	164.4	168.6
LTM operating cash flow CPS	**59.9**	**60.4**	**64.2**
LTM Dividends CPS	**11**	**28**	**34[3]**
Dividend Payout	**18%**	**46%**	**53%**



- Strong cash coverage
- Conservative leverage maintained: between 2x to 3x net debt to EBITDA
- Interim dividend 75% franked; 100% franking expected on dividends to be paid during FY16

Sustainable cash returns with capacity to fund growth

Notes:
1. Excludes backdated ACCUs of $7.6m in FY13 and business acquisition and strategy costs of $2.5m in FY14
2. Tax paid in Jun 14 includes $6m of tax installments paid in Dec 14 relating to Dec 13 period
3. 34 cps dividend represents the sum of the 20cps interim dividend for FY15 and the half-year equivalent of the full year FY14 dividend of 28cps

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**