



# QUARTERLY REPORT

## PERIOD ENDING 31 December 2015

**ASX CODE:** GDY

**SHARES ON ISSUE**

563.2 million

**MANAGING DIRECTOR AND CEO**

Mr Christopher Murray

**COMPANY SECRETARY**

Mr Tim Pritchard CPA CSA (CERT)

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### HIGHLIGHTS

- *Acquisition of Goulburn Bioenergy Project, a Quantum Build Own Operate and Maintain project, to be constructed in 2016.*
- *Successfully bid at the November round of the Emission Reduction Fund Auction, for both the Mindarra Bioenergy Project and the Goulburn Bioenergy Project.*
- *Appointment of new Managing Director, Mr Chris Murray.*

***The Company's cash position at the end of the quarter stood at \$24.5 million.***





# Letter to Shareholders

Dear Shareholder

It is a pleasure to provide you with my first investor update and to introduce myself to you. The Geodynamics Quantum team has commenced the year with great enthusiasm, focused on delivering the projects at hand and developing further opportunities. I am honoured to be leading Geodynamics on its path as a diversified clean energy and services company.

The Goulburn Biogas Project, acquired in November 2015, is an excellent addition to the Geodynamics Quantum portfolio. The project, located at the site of the Southern Meats abattoir, will use waste water to produce approximately 1.6MWe of peaking power for the facility. With a 20 year Power Purchase Agreement in place, Quantum will sell approximately 4,000 MWh of energy to the customer annually. This will be the second project where Quantum owns and operates the generation assets, and the start of a portfolio of renewable energy assets that we are working to build.

In November 2015 the Company announced that it had successfully bid in the Emissions Reduction Fund Auction, a positive result. Both the Mindarra and Goulburn Bioenergy Projects secured a contract to deliver 140,000 and 100,000 Australian Carbon Credit Units (ACCUs) respectively, over a seven year period. A secure contract price for these units provides an additional reliable revenue stream to these projects, supporting the overall economics.

With the Goulburn and Mindarra projects due to commence construction this year, our priorities over the coming months are the completion of detailed design and regulatory and environmental approvals, to enable the commencement of construction. We are also set to continue our remediation activities in the Cooper Basin with plug and abandonment of the remaining wells scheduled to commence this March quarter.

In the coming months I look forward to meeting with stakeholders and engaging with our shareholder and investment community. The Geodynamics Quantum team and I will work to safely deliver our existing biogas projects, and to develop other opportunities to create shareholder value.

I would like to take this opportunity to thank Geoff Ward for his leadership of the Company over the past five years. Geoff has provided us with a platform for growth and given me a seamless transition into the role.

If you have questions or require further information, we would be pleased to assist. Media and investor inquiries should be directed to Friederike Graser, on +61 7 3721 7588, via [info@geodynamics.com.au](mailto:info@geodynamics.com.au).

Regards,



[Christopher Murray](#)

Managing Director and Chief Executive Officer

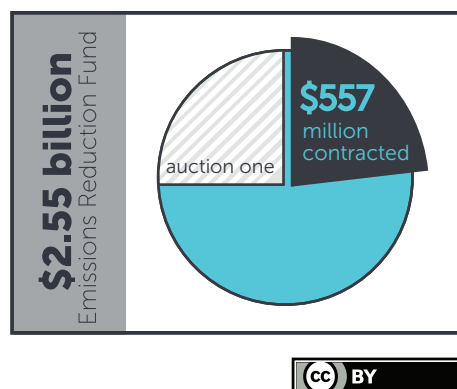
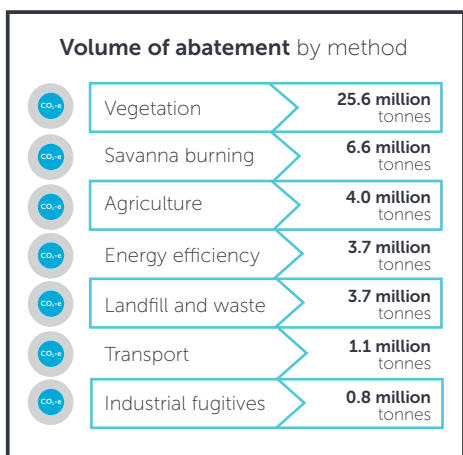
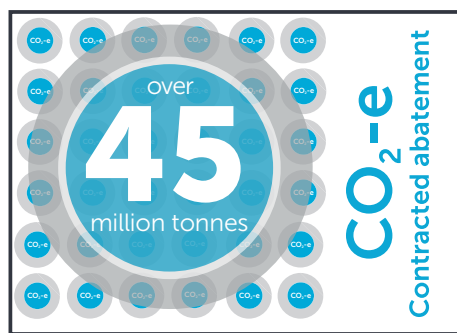
# Quantum Power

## Successful Carbon Auction Bid

Quantum Power was successful in securing two contracts at the recent Emissions Reduction Fund Auction held in November 2015, one for each of its Build Own Operate and Maintain Projects due for construction in 2016. Under the terms of the Carbon Abatement Contract, Quantum Power will deliver 100,000 ACCUs for the Goulburn project and 140,000 ACCUs for the Mindara project to the Clean Energy Regulator over a seven year contract period.

The Contracts have attaching Conditions Precedent set by Quantum Power, pertaining to the approvals and construction of the projects. These conditions will need to be met or waived by Quantum before the contracts come into force. Securing a set price for the ACCUs creates a valuable and consistent revenue stream for the projects, supporting the overall economic feasibility of small scale generation.

### EMISSION REDUCTION FUND - NOVEMBER 2015 AUCTION RESULTS



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# Quantum Power

## Acquisition of further BOOM Project

In November we announced the acquisition of the Goulburn Bioenergy Project by Quantum Power.

The Goulburn Bioenergy Project is located at the Southern Meats abattoir, one of Australia's leading sheep meat exporters. As a BOOM project, Quantum will Build, Own and Operate Maintain the biogas facility and sell the electricity to the abattoir under a long term Power Purchase Agreement (PPA) with Southern Meats.



The project includes the construction and commissioning of an anaerobic digester, gas treatment equipment, electrical generation and electrical interconnections to the facility. The project is expected to cost approximately \$4.0 million to design, construct and commission.

The aim of this project is to supply power to the abattoir at peak times of the daily billing cycle to reduce the operations overall power bill. To be able to meet the peak demand periods the engines will be operated on dual fuel, blending biogas with natural gas. Dual fuel blending is a novel and innovative application in the field of anaerobic digestion biogas, enabling projects to better meet customers demand cycles and enhance project viability through the addition of natural gas.

Once commissioned, the project will have a capacity of approximately 1.6 MWe with Quantum supplying over 4,000 MWh of energy to the customer annually. This represents over 50% of the abattoir's power consumption. In addition to the sale of onsite power, the project will produce renewable energy certificates and is also registered with the Clean Energy Regulator as an eligible Emissions Reduction Fund project eligible for Australian Carbon Credit Units. Quantum is currently completing final design works and obtaining regulatory approvals for the project, with construction targeted for first half of 2016.

## Quantum Current Project Summary

Quantum Power currently has three projects under development. Of these one is nearing final commissioning and two are in the planning and approval stage with construction to commence in 2016.

	<b>QUEENSLAND PIGGERY</b>	
	<b>Location:</b> Clifton, Queensland	<b>Project Type:</b> Turnkey
	<b>Business type:</b> Piggery	<b>Project Phase:</b> Commissioning
	<b>Methane Potential:</b> 1,600 m <sup>3</sup> /day	Phase 1 Complete
	<b>Power capacity:</b> 400 kWe	Phase 2 Underway
	<b>GOULBURN BIOENERGY PROJECT</b>	
	<b>Location:</b> Goulburn, NSW	<b>Project Type:</b> BOOM
	<b>Business type:</b> Abattoir	<b>PPA:</b> 20 years
	<b>Methane Potential:</b> 2,100m <sup>3</sup> /day	<b>Project Phase:</b> Planning & Approvals
	<b>Power capacity:</b> 1.6 MWe	Construction Start Q2 2016
	<b>MINDARRA BIOENERGY PROJECT</b>	
	<b>Location:</b> Near Perth, WA	<b>Project Type:</b> BOOM
	<b>Business type:</b> Piggery	<b>PPA:</b> 10 + 5 + 5 years
	<b>Methane Potential:</b> 4,200 m <sup>3</sup> /day	<b>Project Phase:</b> Planning & Approvals
	<b>Power capacity:</b> 1 MWe	Construction Start mid 2016