

*We make local bio-diversion of  
MSW to valuable resources  
possible*

Corporate Presentation 2010



**AnaeCo**

AnaeCo Limited ABN 36 087 244 228

# Overview

- ❑ *AnaeCo Limited Overview*
- ❑ *The Global Waste Opportunity*
- ❑ *DiCOM System Overview*
- ❑ *The AnaeCo Value Proposition*
- ❑ *WMRC Project*
- ❑ *AnaeCo Business Model*
- ❑ *Foundation for Growth*



# AnaeCo Limited – An Overview

- AnaeCo provides proprietary waste management solutions incorporating the DiCOM System
- The DiCOM System diverts up to 90% of municipal solid waste (MSW) from landfill to generate valuable Bio-energy and Bio-products (compost/fertiliser)
- AnaeCo developed DiCOM System over a 14 year period and has an extensive IP portfolio to enable global exploitation
- AnaeCo has a team of world-class professionals and high-calibre project partners to assist in global roll out of the DiCOM System
- **AnaeCo's WMRC DiCOM Facility** – the first demonstration of the DiCOM System in Australia shows all parties in the MSW value chain can make higher returns through:
  - Lower capital and operating costs;
  - Higher efficiency industrial process with low emissions, and
  - Repeatable business model with high value feedstock opportunities

# AnaeCo Limited – An Overview

<i>Prof. Michael Dureau</i>	Chairman
<i>Mr Ian Campbell</i>	Non-Executive Director
<i>Mr Les Capelli</i>	Non-Executive Director
<i>Mr Thomas Rudas</i>	Managing Director
<i>Mr Richard Rudas</i>	Executive Director
<i>Mr David Lymburn</i>	Chief Financial Officer
<i>Mr Sean Sciberras</i>	Head of Research and Development
<i>Dr Rod Houston</i>	Head of Business Development
<i>Mr Martin Gravett</i>	Engineering Manager
<i>Dr Lee Walker</i>	Chief Scientist

## INDUSTRY EXPERIENCE

ABB  
CPS Systems  
Scenna Construction  
Cleanaway  
BHB Engineering  
Arthur Andersen  
Pfizer  
Orbital Corporation  
Energy Development Ltd  
Environmental Biotechnology CRC

*A world-class team with strong capability in development and commercialisation of technologies and successful delivery of projects, and a reputation for managing risks and delivering outcomes*

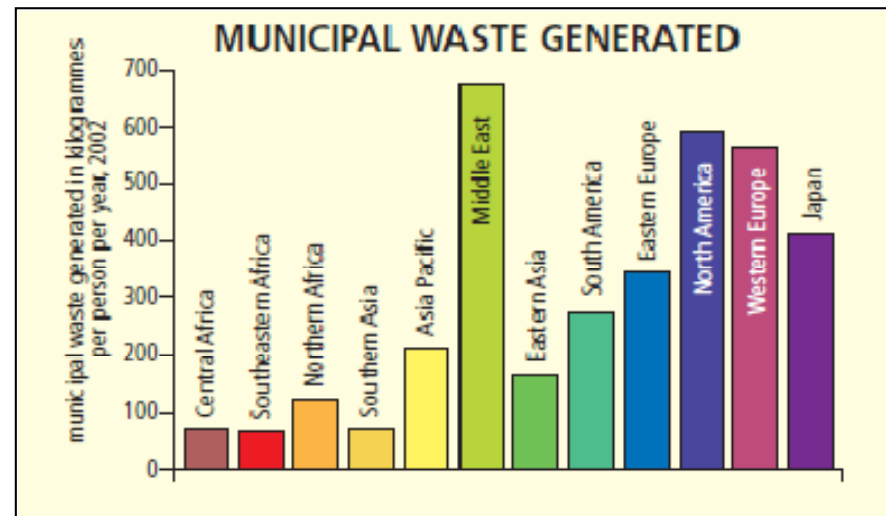
# AnaeCo Limited – An Overview

<b>ASX Code</b>	ANQ
<b>Shares on Issue</b>	177.8M
<b>Market Capitalisation</b>	32.0M
<b>Top 5 Shareholders</b>	30.7% of ownership
<b>Top 40 Shareholders</b>	61.0% of ownership



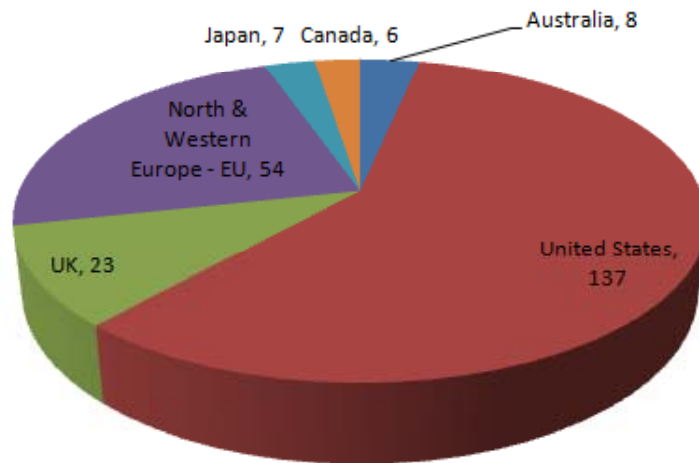
12 month share price (AUD)

# Municipal Solid Waste (MSW) is a Massive, Growing & Intractable Global Environmental Problem



- OECD estimate Municipal Solid Waste generated worldwide to be over 2 Billion tonnes per annum and increasing at 7%pa
- Majority of MSW is dumped in landfill or uncontrolled dumps with adverse environmental consequences e.g. contamination of groundwater and release of harmful greenhouse gases
- MSW generation varies widely per capita (100 – 700 Kg/year), with strong link to GDP

# Addressable Western Waste Markets

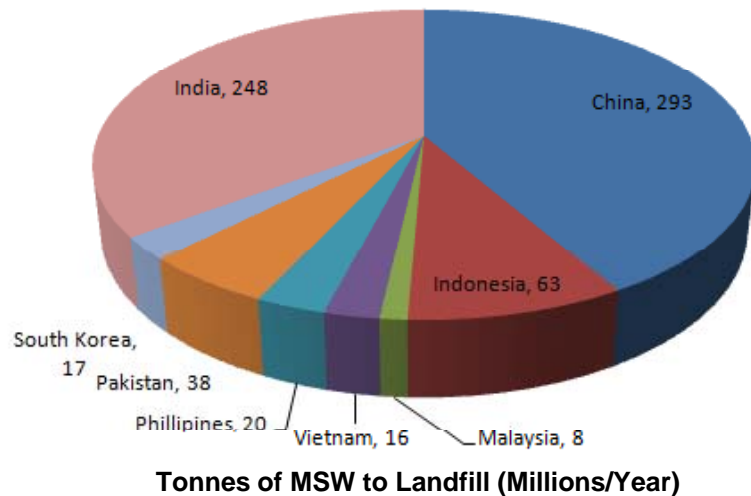


Tonnes of MSW to Landfill (Millions/Year)

- **Australian Market ~ 8 million tpa**
- **Total Market > 200 million tpa**
- **5% Market Share = 140 DiCOM plants (@75k tpa)**

- MSW generated per capita varies between 400 – 700 kg/year
- Re-cycling and landfill diversion varies widely across different markets e.g. Germany landfills <20% compared to UK >60%
- Increased environmental concerns and restricted land availability are driving high landfill costs (Up to \$200/tonne gate fees and increasing), creating commercial opportunity for industrialised landfill diversion solutions such as DiCOM

# Addressable Emerging Waste Markets



- **India & China Markets > 240 million tpa**
- **Total Market > 700 million tpa**
- **Up to 95% of biodegradable waste can be diverted**
- **5% Market Share = 500 DiCOM Plants (@75k tpa)**

- MSW generated per capita varies between 200 – 550 kg/year, increasing with GDP and urbanisation of population
- Commercial drivers for AnaeCo DiCOM based on valuable off-take Bio-products including Bio-energy (green electricity tariffs) and quality compost/fertilizer markets (up to \$100/tonne)
- DiCOM System also qualifies for significant carbon credits with savings in harmful greenhouse gas from landfill



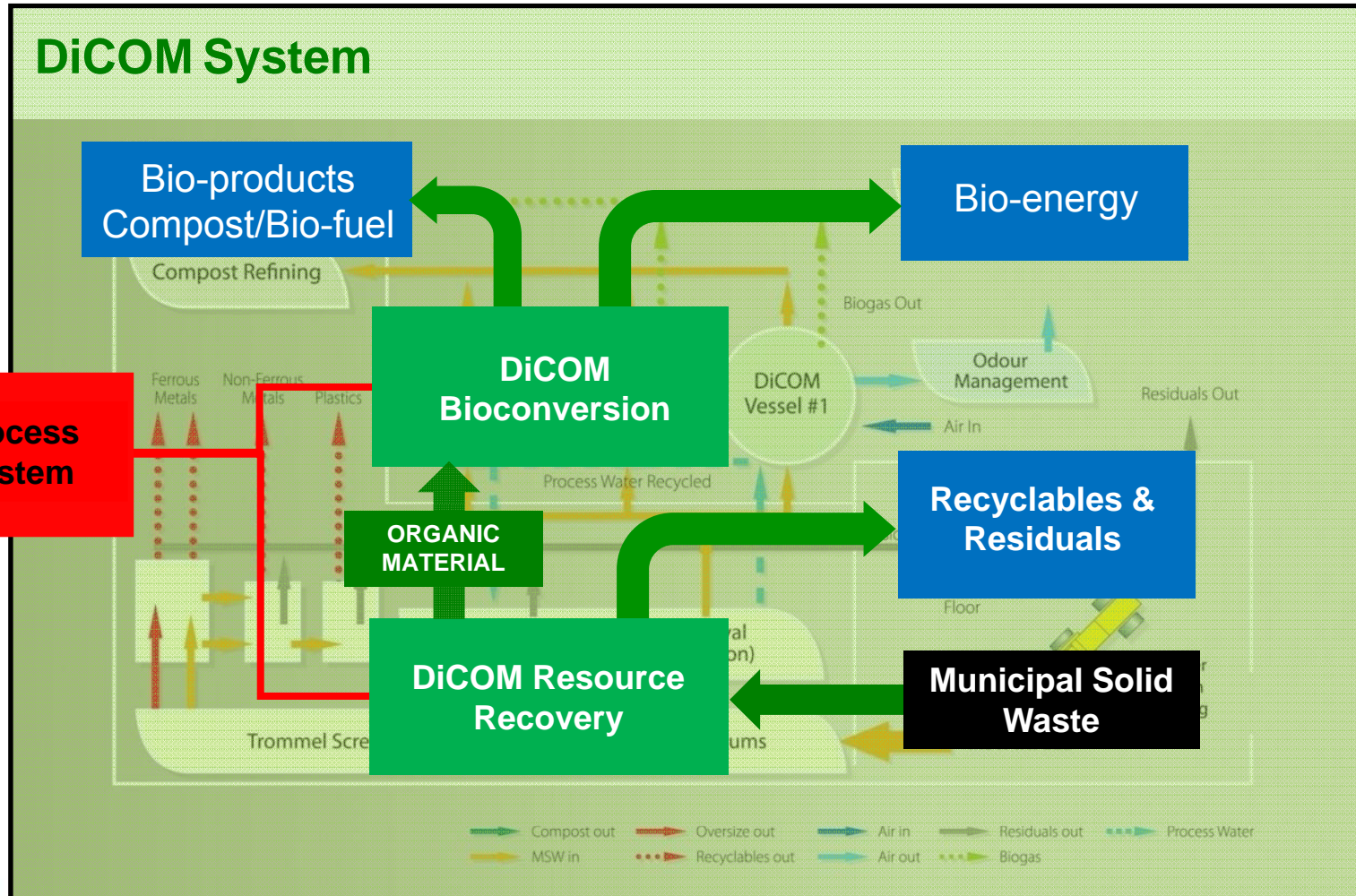
# Opportunities for DiCOM in the Global Market

- Annual Global market for MSW management is > \$100 Billion pa (based on average cost of disposal of \$50/tonne) and growing rapidly
- Global legislation and commercial market forces will drive landfill diversion and ensure strong growth of the MSW management market
- Advantages of DiCOM System now quantified into significant financial benefits relative to next best alternatives
- AnaeCo's value proposition creates "Game Changing" business opportunities for customers worldwide through licensing of the DiCOM System IP
- Large multinational companies with the complimentary assets and global presence can derive significant value by deploying the DiCOM System in a rapid global roll out program

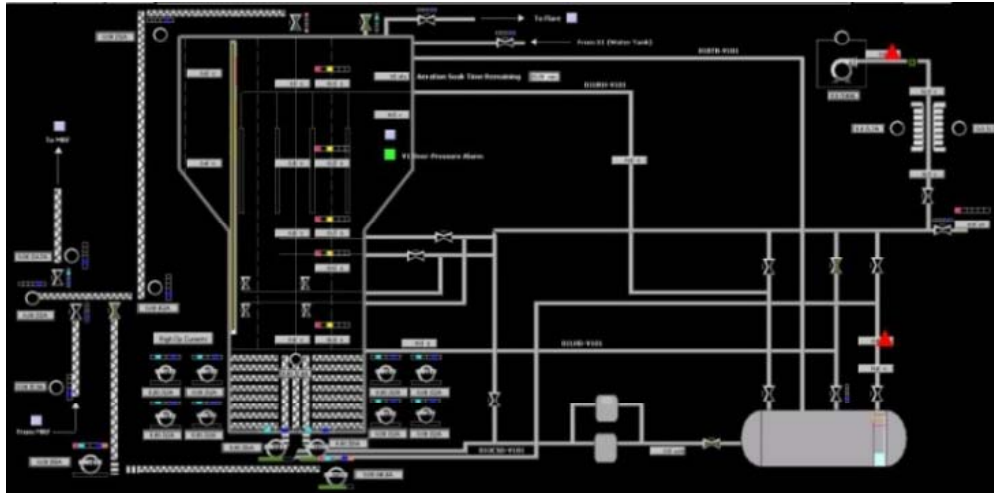
# AnaeCo's Proprietary DiCOM System Integrates Industrialised Bioconversion & Resource Recovery

- The DiCOM Bioconversion uniquely integrates a patented hybrid aerobic/anaerobic process inside a single sealed vessel
- A proprietary Resource Recovery system segregates the MSW into various streams focusing on maximizing the value of the recovered resources
- The small footprint of the DiCOM System as well as inherent control of odour and noise emissions enables “retrofitting” to existing waste transfer stations in urban environments
- The DiCOM System eliminates additional infrastructure (waste water treatment or compost stabilisation) to enable significantly lower capital and operating costs
- The modular design of the DiCOM System enables global roll-out of scalable plants from 50,000 to > 500,000tpa

# The DiCOM System



# DiCOM Process Control System (PCS)



- Proprietary DiCOM PCS manages the DiCOM System ensuring adaptable control, lower life cycle costs and quality control of the bio-product outputs
- Consists of a unique combination of software algorithms and specific hardware components protected by both trade secrets and multiple patents
- The DiCOM PCS provides AnaeCo with a core product that creates recurring revenue earnings with each DiCOM facility deployed

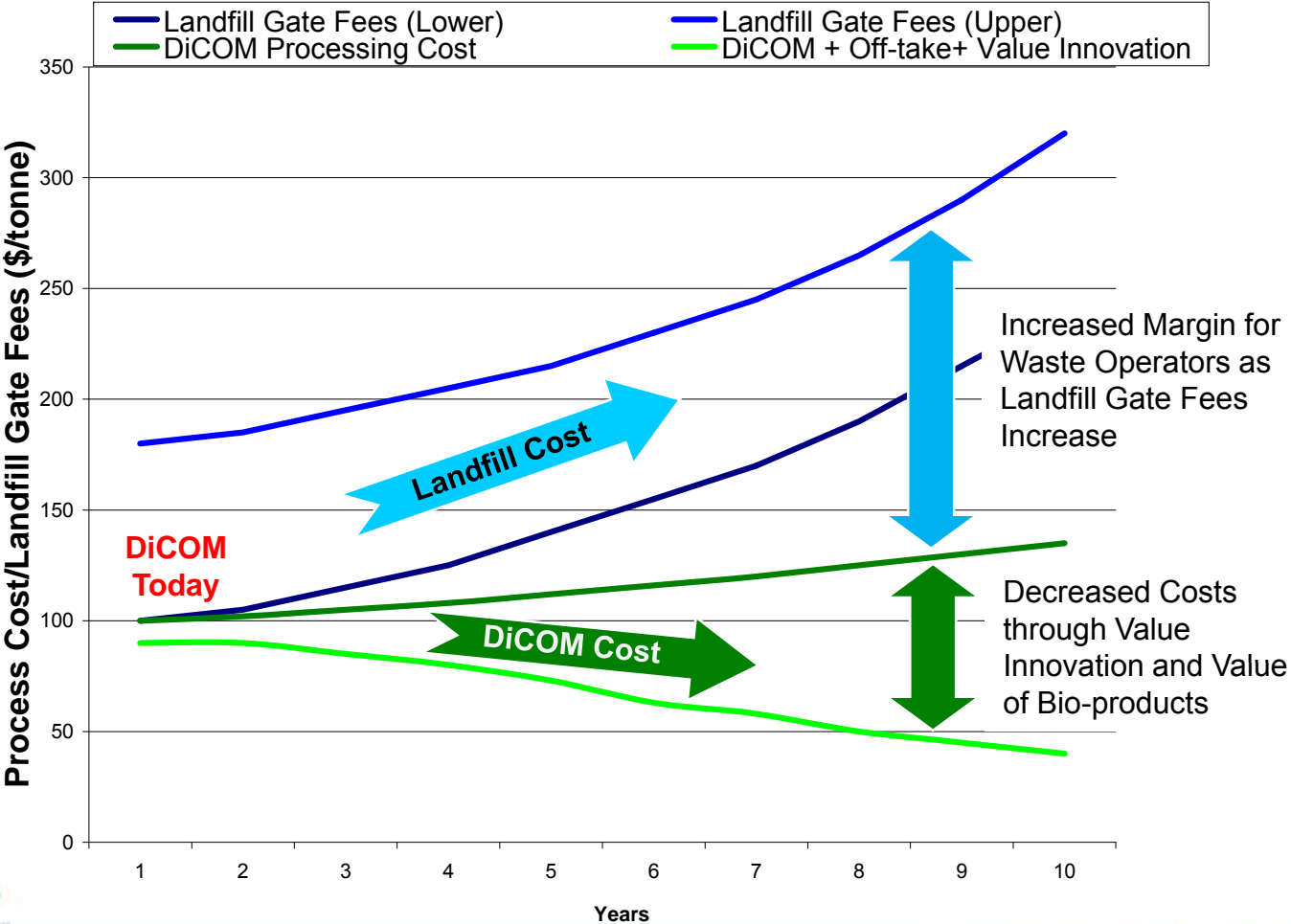
# MSW Bio-diversion at Lower Cost & Fraction of the Footprint

## *DiCOM System*

## *Competitor Bioconversion Treatment*

<b><i>Path to Waste Minimisation</i></b>	<ul style="list-style-type: none"> <li>• Up to 90% Landfill Diversion</li> <li>• Partnerships with Feedstock Users</li> </ul>	<ul style="list-style-type: none"> <li>• Typically &lt; 60% diversion</li> <li>• Low Grade Compost, limited market</li> </ul>
<b><i>Key Project Characteristics</i></b>	<ul style="list-style-type: none"> <li>• Low Capital &amp; Operating Cost</li> <li>• DiCOM ensures quality compost</li> <li>• Retrofittable to existing transfer station</li> <li>• Efficient Industrial Process</li> <li>• Manages sorted or unsorted waste</li> </ul>	<ul style="list-style-type: none"> <li>• High Capital &amp; Operating Costs</li> <li>• Contaminated compost output</li> <li>• Prolonged development schedule</li> <li>• Poor Process Control and Flexibility</li> <li>• Requires pre-sorted waste</li> </ul>
<b><i>Bioconversion Technology</i></b>	<ul style="list-style-type: none"> <li>• DiCOM proprietary</li> <li>• Small Footprint (2,000m<sup>2</sup>/75,000tpa)</li> <li>• No Noise or Odour Emissions</li> <li>• Suited to mid-scale urban locations</li> </ul>	<ul style="list-style-type: none"> <li>• Various Licensees &amp; technologies</li> <li>• Typically Large Footprint</li> <li>• Significant Odour concerns</li> <li>• Not suited to urban locations</li> </ul>
<b><i>Scalable Technology Solution</i></b>	<ul style="list-style-type: none"> <li>• Modular design enables scalable plants from 50,000 to &gt; 500,000 tonnes per year</li> </ul>	<ul style="list-style-type: none"> <li>• Bespoke plant designs with limited scale</li> </ul>

# DiCOM Enables Growing Margins Relative to Landfill



# Full Scale DiCOM WMRC Installation

- The DiCOM System has been demonstrated successfully with all key WMRC performance targets achieved and Certificate of Satisfaction issued by Independent Engineer (Sinclair Knight Merz - Feb 2010)
- Operation generated significant operational and commercial data which has been captured as AnaeCo IP
- Environmental approvals for construction of an additional 2 DiCOM vessels has been secured
- Design and Construction JV with Monadelphous Ltd finalised

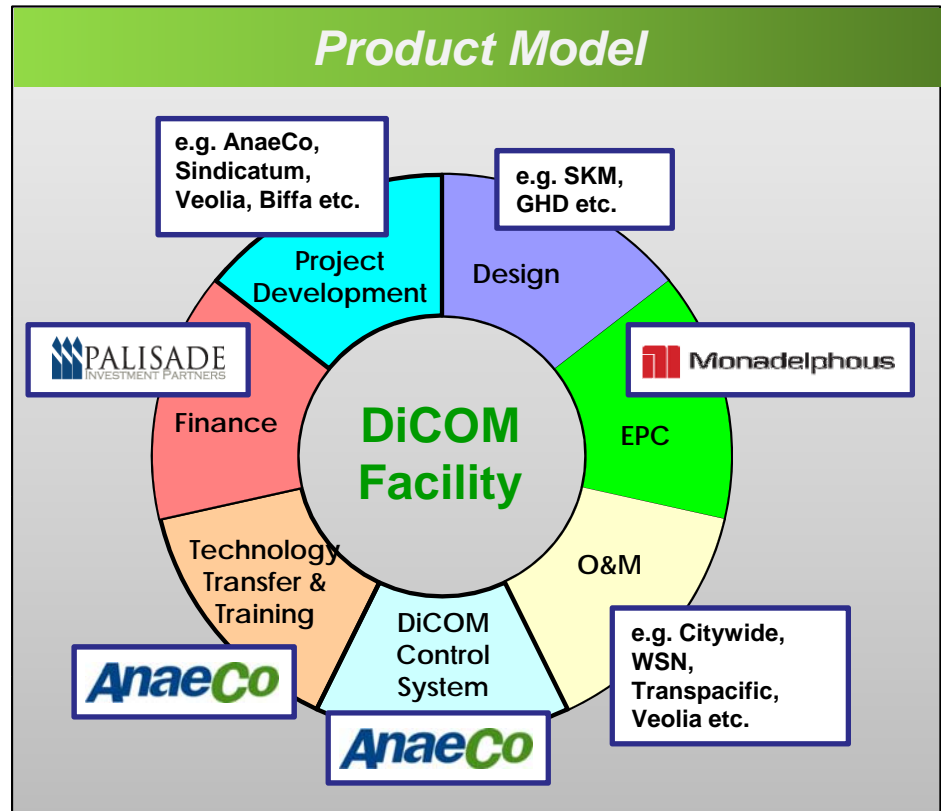
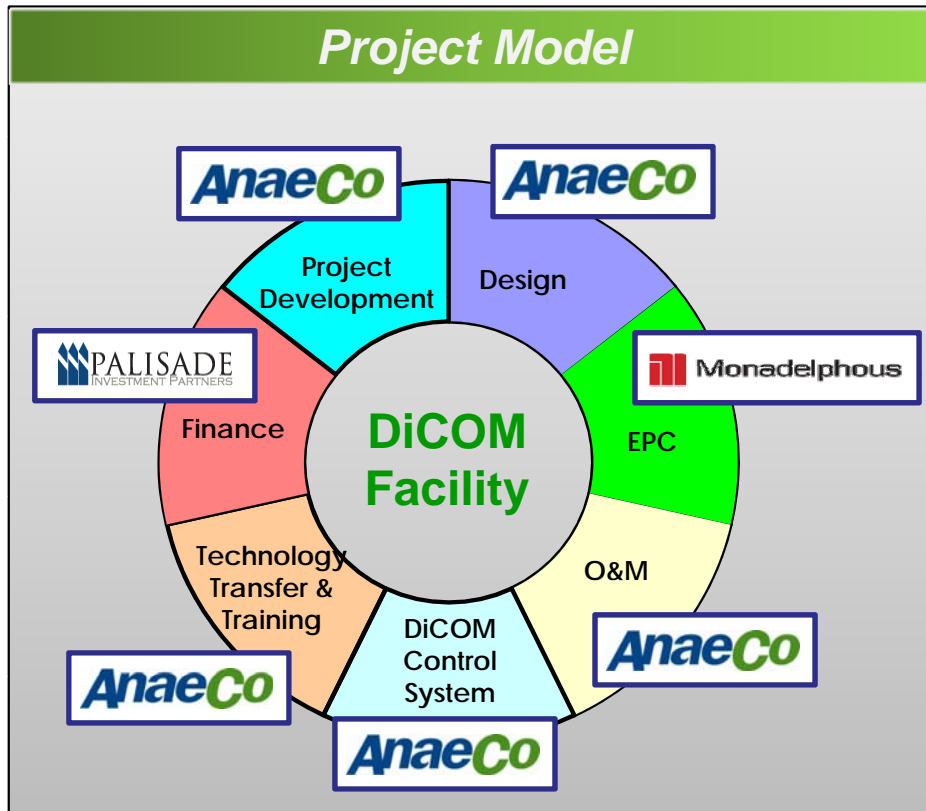


# AnaeCo's Business Model to Accelerate DiCOM Adoption Rate

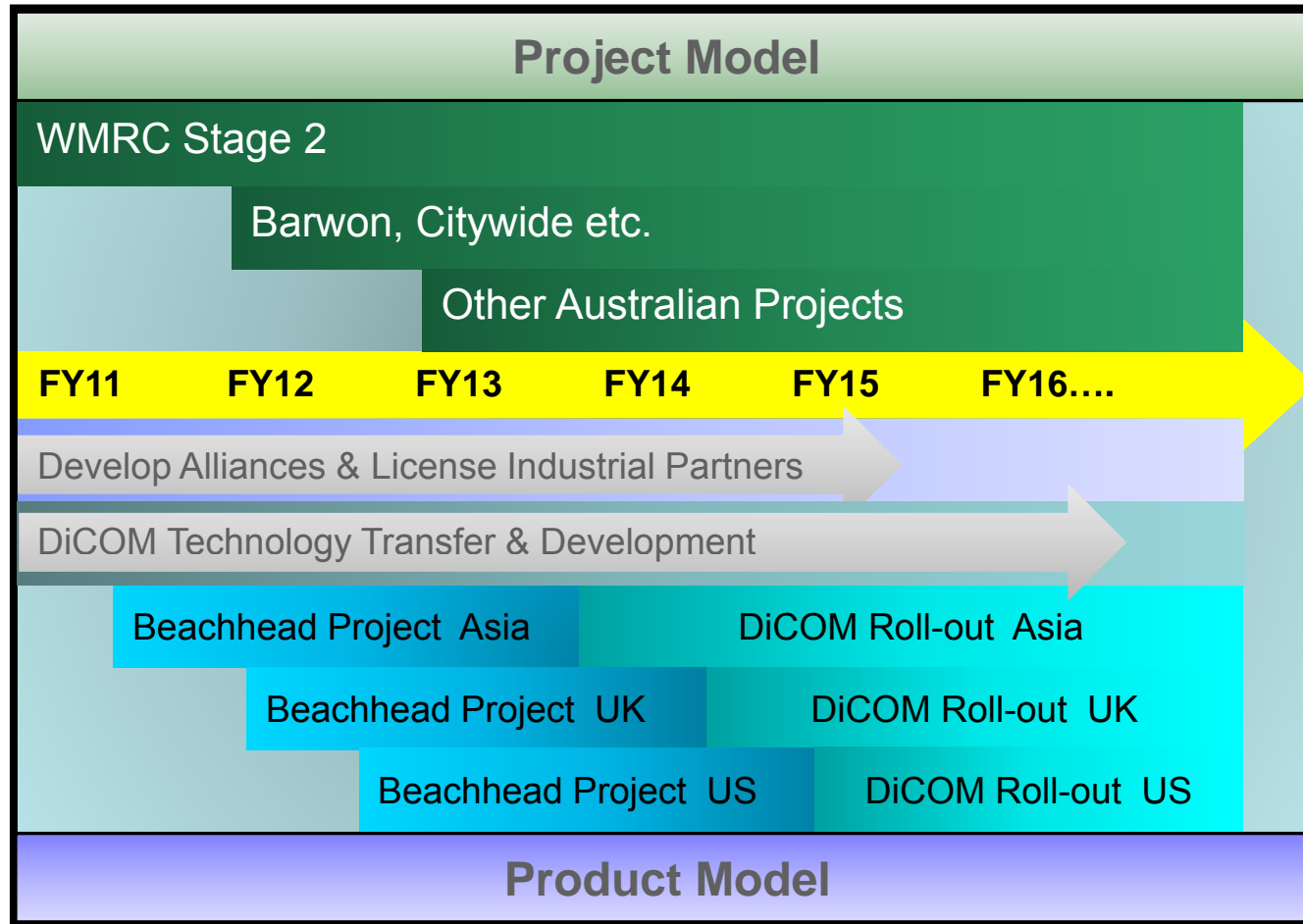
- The current project Business Model lead by AnaeCo is critical to industrialise and establish a DiCOM System beach-head in each market
- In parallel we will adopt a Global “Product” Business Model focused on securing customers and partners with global reach to accelerate market penetration
- The “Product” Business Model will see AnaeCo focus on the development and licensing of the DiCOM PCS
- AnaeCo will be exclusive supplier of DiCOM PCS to ensure long term global annuity income and control of the DiCOM intellectual property



# Focus on Core Capabilities in the Product Model



# DiCOM Product Development Plan



# AnaeCo Business Model Leverages Key Partner Assets to Maximise Global Penetration

- AnaeCo will capitalise on its strong technology position by:
  - Active involvement in initial DiCOM projects in each market segment
  - Entering into joint ventures, alliances or licensing arrangements with customers and partners with strong complementary assets so they can earn high margins from rapid and widespread deployment of DiCOM in global markets.
- AnaeCo will earn income commensurate with the high value it provides through:
  - Development of projects in the Australian market
  - Sale of its proprietary DiCOM PCS for each project
  - Licensing of rights to use DiCOM
  - Royalties on all MSW processed over the life of the project
  - Related additional technology and engineering fees

# Firm Foundation for Global Business Growth

- WMRC facility proves technical capability of DiCOM System on industrial scale
- Financial modelling of WMRC results confirm compelling value proposition for DiCOM to generate high returns to key participants in MSW value chain
- Strong commercial interest to adopt DiCOM technology from major waste companies and organisations based on latest technical and financial studies
- Decision taken to target international companies for rapid entry into a global market via licensing model
- Product Business Model will be the foundation of the future development and commercialisation for the DiCOM System