



**An emerging green power utility**

Investor Presentation

August 2011






# Company snapshot

## Australian Stock Exchange - ERJ

<b>Issued Shares: ERJ</b>	<b>700,508,267</b>
<b>Options: ERJO</b> (exercise price of \$0.20 by 31/12/16)	<b>64,737,700</b>
<b>Options: ERJAO</b> (exercise price of \$0.03 by 30/6/15)	(listed) <b>245,812,782</b> (unlisted) <b>25,900,008</b>
<b>Share Price: ERJ <sup>1</sup></b>	<b>\$0.015</b>
<b>Market Capitalisation (Undiluted)</b>	<b>\$10.5 M</b>
<b>Market Capitalisation (Diluted)</b>	<b>\$15.6 M</b>



-  An emerging utility focused on providing recovered heat energy to multiple sectors, including mining and resources
-  Australian exclusive commercial rights for proven waste heat conversion technology – the “**Opcon Powerbox**”
-  Opcon Powerbox can produce up to 20% more power and lower CO<sub>2</sub> emissions by ~15% without burning additional fuel

<sup>1</sup> Price at close on 19<sup>th</sup> August 2011



# Progressive leadership team

## Board

<b>Hon Ian Campbell</b> Non-Executive Chairman	17 years in Federal Parliament (including Minister for Environment & Heritage and responsible for climate change policy)
<b>Greg Pennefather</b> Managing Director	Former CEO, Clarinet Australia; Former MD, Halcyon group; Co-founder & inaugural CEO Request Broadband
<b>Rolf Hasselström</b> Non-Executive Director	Current Opcon CEO, provider of organic Rankine cycle Powerbox technology

## Management

<b>Peter Wassell</b> Chief Engineer	20 years in Senior Engineering roles in maintenance, technical support and marketing
<b>Geoffrey Reid</b> CFO	Former Australasian Financial Controller MI-SWACO



# What we do

1

Capture heat wasted as a by-product of industrial power generation

2

Generate electricity using the Opcon Powerbox - without fuel or creating emissions or capital costs to the customer

3

Sell this electricity back to the customer

4

Use this revenue to drive shareholder value



## Business model



Each 0.7 MW unit generates 6,000 MWh per year



Long term energy off-take agreements to deliver electricity from waste heat at a fixed price



Build, own and operate power generation capacity



\$25M zero coupon convertible bond facility to fund early installations



Longer term plan to use SPV to debt fund minimising shareholder dilution

	Per unit	Per MW
<b>CAPEX</b> (installed)	\$2.9M to \$3.5M	\$4.1M to \$5M
<b>Revenue</b>	\$1M to \$1.2M per annum <sup>1</sup>	\$1.4M to \$1.7M per annum <sup>1</sup>
<b>Operating costs</b>	\$160K to \$195K per annum <sup>2</sup>	\$230K to \$275K per annum <sup>2</sup>
<b>Gross Margin</b> (as % of Revenue)	83% to 88% <sup>3</sup>	83% to 88% <sup>3</sup>
<b>IRR for project</b>	24% to 39% <sup>3</sup>	24% to 39% <sup>3</sup>

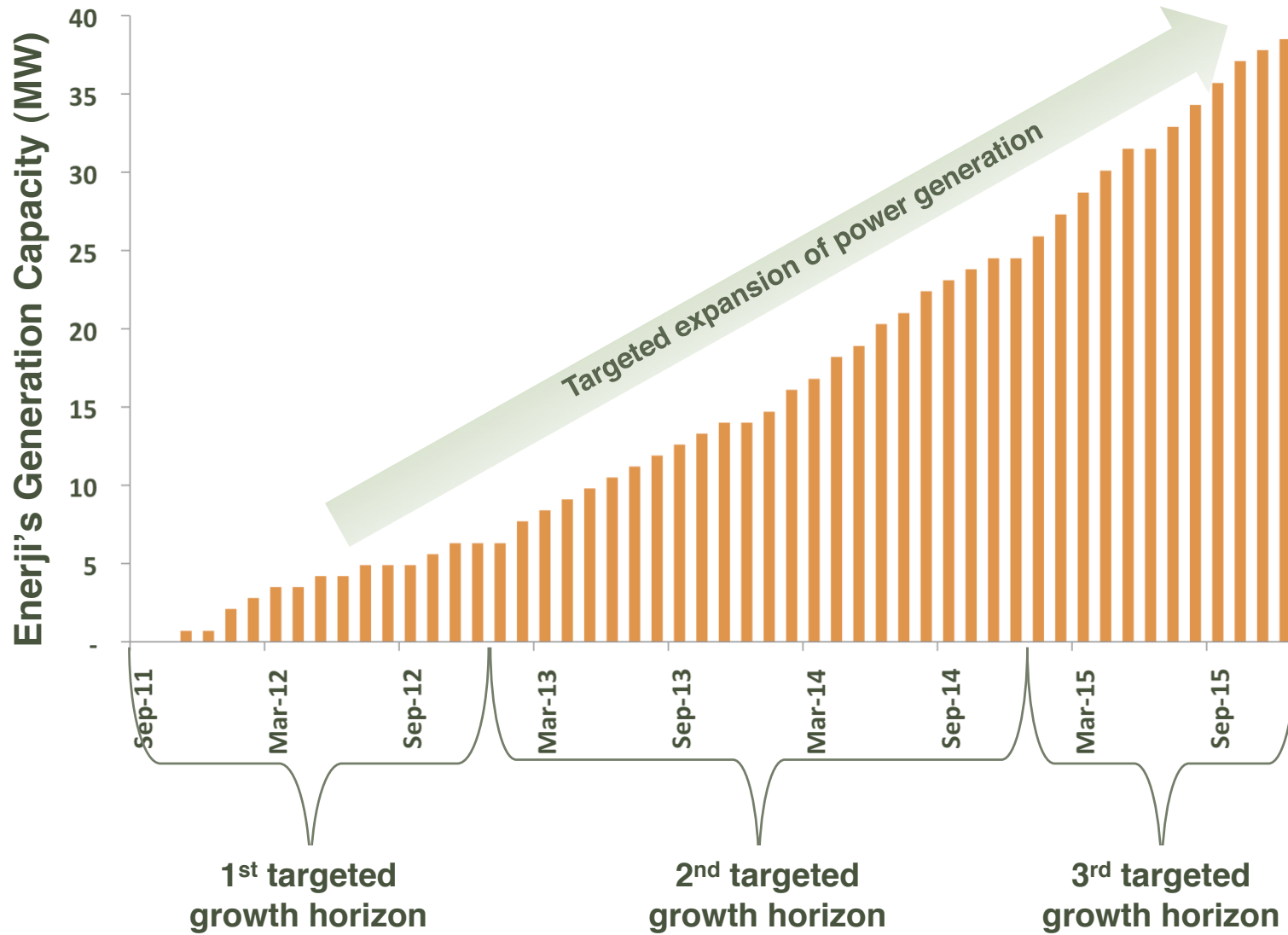
<sup>1</sup> Based on electricity sale price of AUD\$170-\$200/MWh, off-grid diesel fuelled sites, assumes 97% uptime

<sup>2</sup> Project Operating includes maintenance 5% of Capex, insurance 0.5% of Capex

<sup>3</sup> 5% yearly price increase, 3% inflation, 10 year project life



# Power generation capacity target



Note: each unit has a generating capacity of 0.7 MW



# Australia's first Opcon Powerbox



**Enerji's Opcon Powerbox near completion**



**Enerji's Opcon Powerbox – ready to load on the ship 17<sup>th</sup> August 2011**

## Installation timeline at Horizon Power's Carnarvon Power Station

### March 2011

- Project Scoping Study completed

### June 2011

- Construction of first two Powerboxes completed
- Equipment orders placed by Enerji Limited

### July 2011

- Powerbox testing complete

### August 2011

- Transportation from Sweden to Australia
- Shipped on 18<sup>th</sup> August

### September to November 2011

- Powerbox arrives 1<sup>st</sup> October
- Installation and commissioning
- Estimated timeframe: 6-9 weeks

### December 2011

- **First Invoice = Revenue**



## What is the Opcon Powerbox?

- 👣 Generates electric power using heat captured as a by-product of fossil fuel energy
- 👣 Uses zero fuel and creates zero emissions
- 👣 Generates power when and where it is needed
- 👣 6,000 MWh produced annually by each unit
- 👣 Modular design – use multiple Powerboxes when required
- 👣 Designed and manufactured in Sweden by Opcon










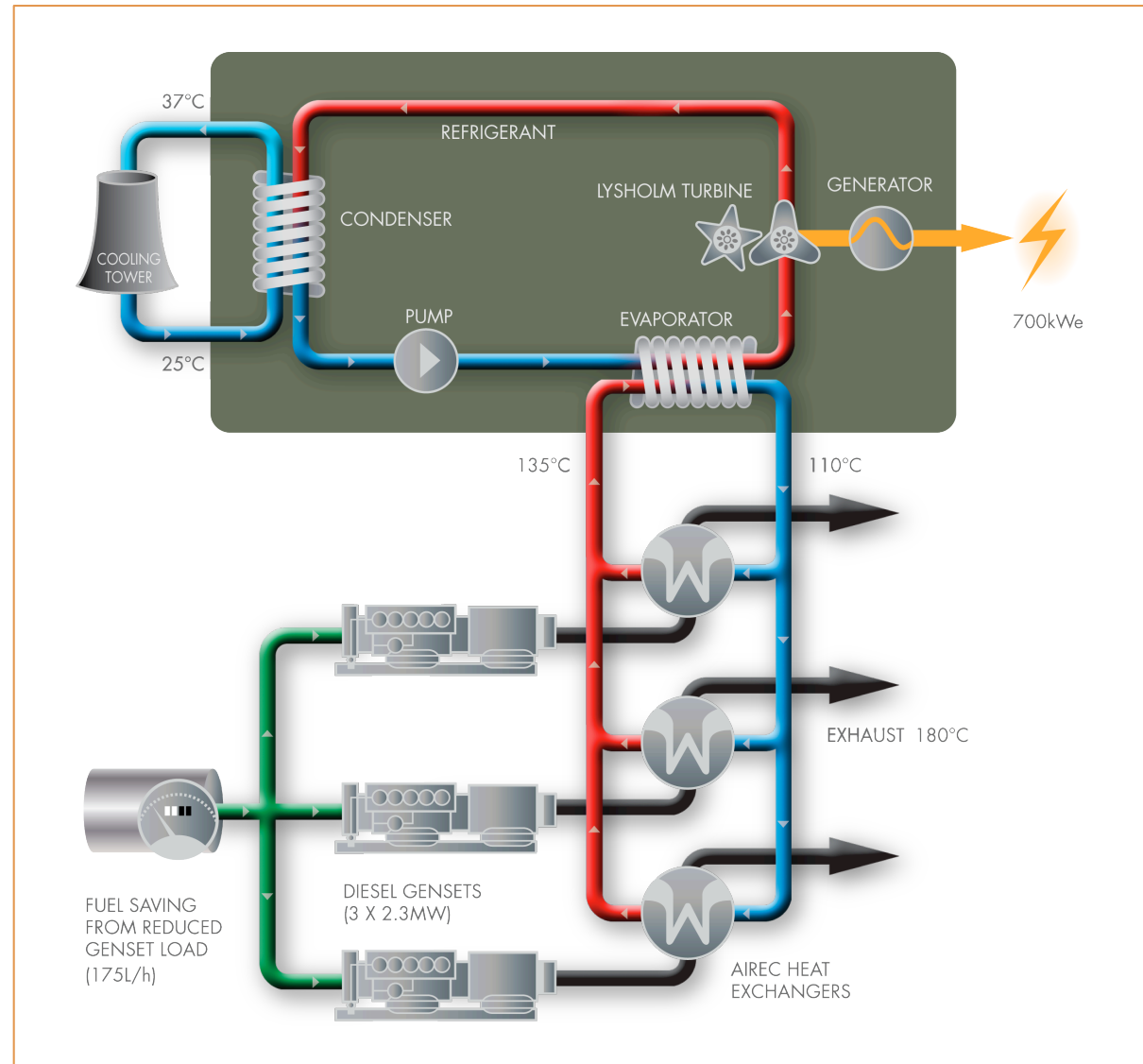
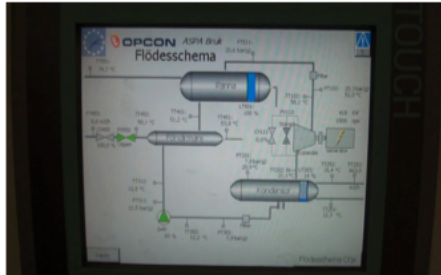
## About Opcon



-  Opcon is an energy and environmental technology group that develops, produces and markets systems and products for eco-friendly, efficient and resource-effective use of energy.
-  Opcon was established in 1986 and has activities in Sweden, China, Germany, the UK & Denmark. There are around 380 employees. The company's shares are listed on Nasdaq OMX Stockholm.
-  Opcon and related entities own approximately 15% of ERJ



# Enerji' s recovered energy solution





# Widespread applications



Mine sites



Utilities



Heat and power plants



Heavy Industry



Marine



Manufacturing



# Customer case study

**Current Situation**  
**Add one Powerbox**  
**Customer Benefit**

	Capacity	Fuel	Cost	Maintenance	Emissions
<b>Current Situation</b>	7 MW of Diesel Generator capacity produces 58.3 GWh/year of electricity <sup>(1)</sup>	Diesel Fuel use of 15.3 million Litres per year at a cost of \$15.3M (price = \$1/L)	Diesel Fuel Costs of \$15.3M per year	Maintenance cost of \$1.08M/ per annum <sup>(3)</sup>	7MW Diesel Generator produce 40,000 tCO <sub>2</sub> annually <sup>(4)</sup>
<b>Add one Powerbox</b>	6.3 MW of Diesel capacity used, plus 0.7 MW from Powerbox. Total= 58.3 GWh/year <sup>(1)</sup> .	Diesel Fuel use reduced to 13.8 million Litres per year at a cost of \$13.8M (price = \$1/L)	Fuel and Electricity Costs of \$14.8M per year including \$1M to Enerji for electricity <sup>(2)</sup> .	Reduced load reduces cost to \$0.97M/ per annum <sup>(3)</sup>	Diesel Generator load reduced to 6.3MW, reducing tCO <sub>2</sub> to 36,000 annually <sup>(4)</sup>
<b>Customer Benefit</b>	Electricity Generation: 7 MW capacity with or without Powerbox	Fuel Savings: 1.5M litres reduction in diesel fuel use	Fuel Cost Savings: \$640k pa <sup>(5)</sup>	Maintenance Savings: \$108 K pa	Emissions Savings: 4,000 tCO <sub>2</sub>
			<b>\$750k pa</b>		

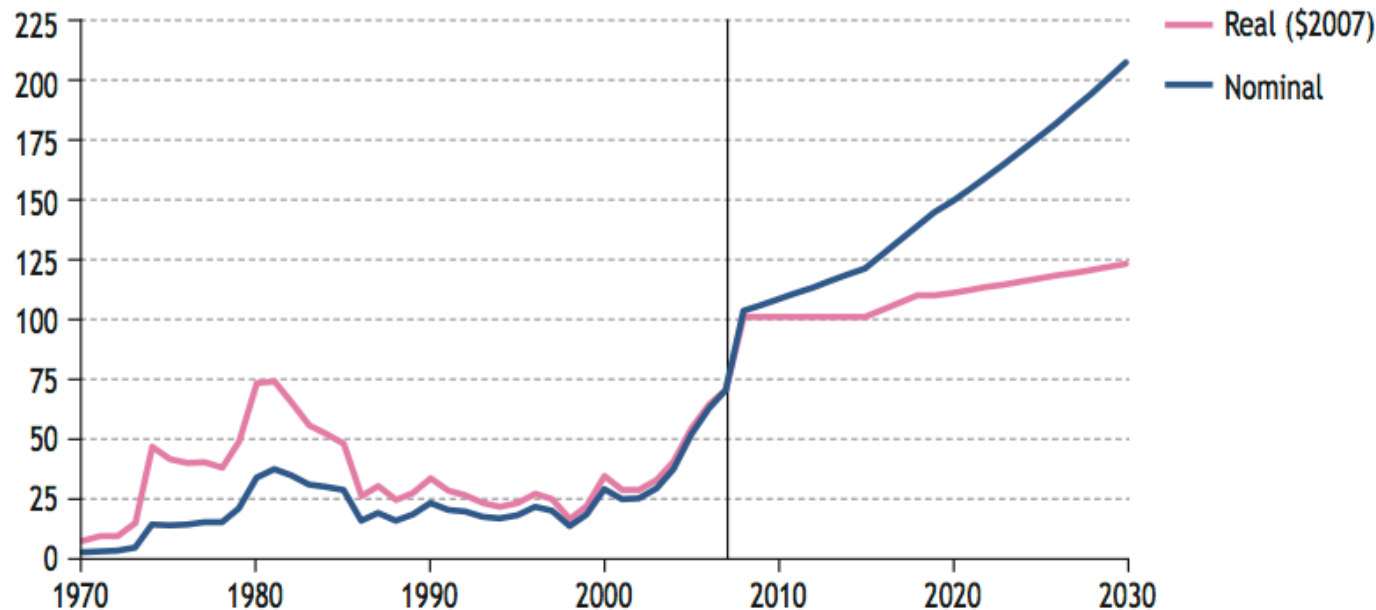
(1) Assumes 95% uptime (2) Electricity sale price of \$170 /MWh (3) Maintenance cost = \$0.0185 /kWh

(4) 2.62 kg of CO<sub>2</sub> produced for each litre of diesel (5) With the reduction in the fuel tax rebate of \$0.0621/l as of 1<sup>st</sup> July 2012



# Rising fuel prices fuelling growth

## Average International Energy Agency Crude Oil Import Price (annual data) <sup>(1)</sup>



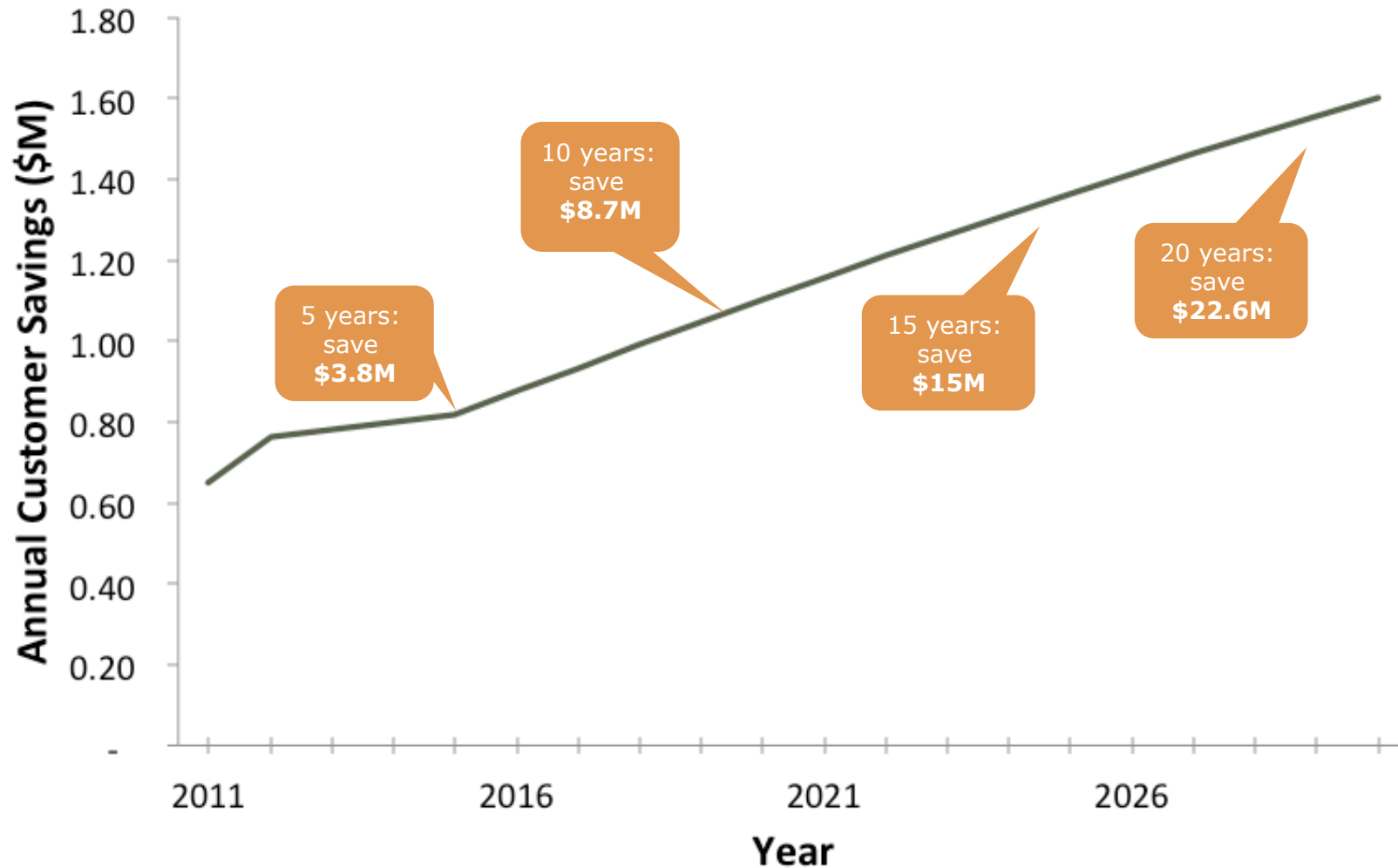
Opcon Powerboxes offer a hedge against rising fuel prices – they do not use fuel and pricing can be locked in for the entire contract period.

(1) Source: International Energy Agency publication, “World Energy Outlook 2008”



# Savings increase with rising fuel prices

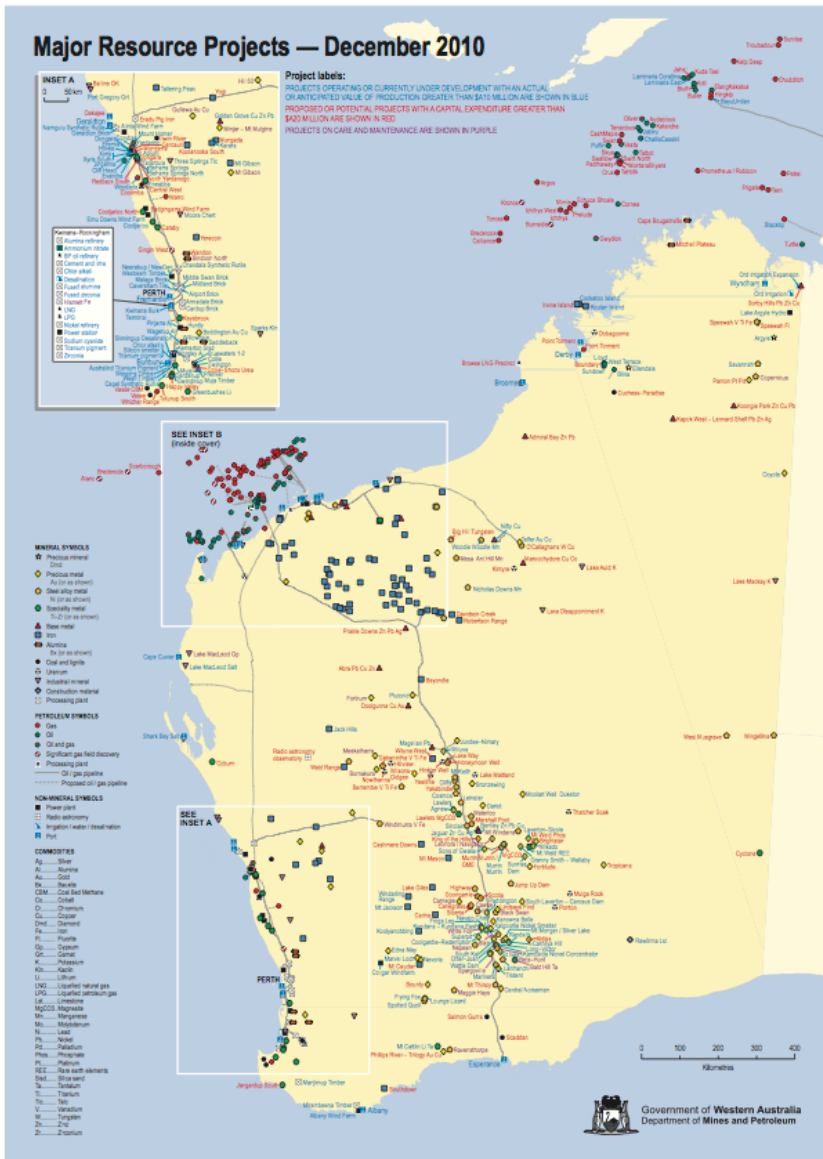
## Annual Customer Savings with Forecasted Fuel Price Increase



Note: this slide uses the same assumptions as the customer case study. (1) fuel price increase based on forecast in IEA publication, "World Energy Outlook 2008" (2) Fuel consumption reduces from 15.3 Million L/pa to 13.8 Million L/pa as Enerji provides 1 Powerbox unit of 0.7MW. (3) Diesel Fuel price at 2011 is \$1/L (4) Enerji electricity price increase = 3% pa.



# Massive target market



Map source: WA Department of State Development

Enerji's primary target is off-grid power stations that supply electricity to remote mine sites.

In WA alone there are 300 operating mines.

We can sell direct to the mining company or via the Independent Power Producer (IPP).



## Enerji's partners



Opcon



Horizon Power



Laing O'Rourke



Airec







Tricorona

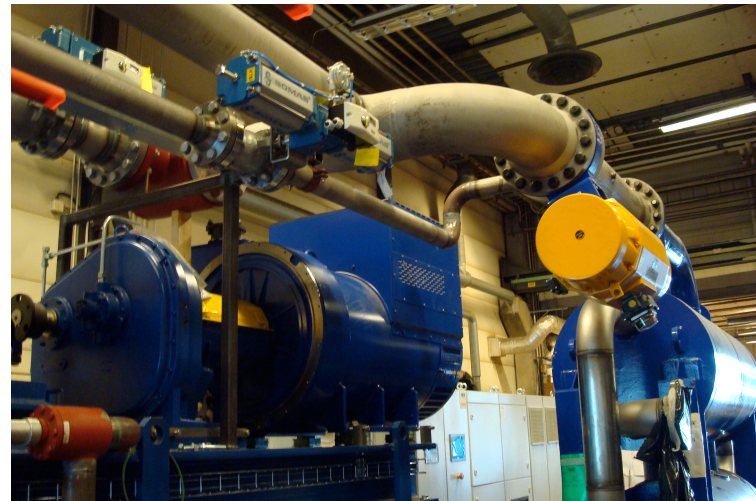
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## Conclusion – The Enerji Advantage

-  A clean, efficient solution that is ready to be rolled out into the Australian market place
-  Customers are not required to invest any capital to capture this waste energy
-  Compelling commercial proposition to generate revenue and shareholder returns with or without a carbon price
-  Power generation using zero fuel and producing zero emissions





## Contact details



10 Ord St, West Perth 6005

Phone +61 8 9268 3800

[www.enerji.com.au](http://www.enerji.com.au)



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