



QUARTERLY ACTIVITIES REPORT

Period ended 31 December 2013

HIGHLIGHTS

- KUTh shareholder acceptances of Geodynamics Ltd (GDY) Takeover Offer pass 90% level and GDY moves to compulsory acquisition

Geodynamics Takeover Offer:

During the quarter ended 31 December 2013 the major focus for the company has been the closure of the takeover transaction by Geodynamics. Key announcements during the quarter include:

- 10 October 2013 – GDY announced that it had lodged the Bidders Statement to ASIC and served the Bidder Statement on KEN.
- 10 October 2013 – KEN lodged the Target Statement
- 4 December 2013 – GDY declared the Takeover Offer to be unconditional and in doing advised KUTh Energy Ltd (KEN) that it was waiving the condition for 90% minimum acceptance by KEN shareholders.
- 12 December 2013 – GDY announced that it had received 90.45% acceptances from KEN shareholders and that having exceeded the 90% threshold it would precede to compulsory acquisition of the shares where acceptances had not been received.
- 16 December 2013 – GDY announced it had lodged the Compulsory Acquisition Notice with the Australian Securities and Investments Commission.
- 24 December 2013 – Australian Securities Exchange (ASX) announced that the KEN shares would be suspended from quotation on the ASX from the close of trading on 24 December 2013.

It is expected that the GDY consideration shares will be issued 3 January 2014 and that the KUTh Board of Directors will be restructured with effect from 6 January 2014

Vanuatu:

The Company has continued its dialogue with the Vanuatu authorities and other stakeholders associated with the Takara geothermal project. With the GDY takeover complete in early January 2014 it is expected that an early visit will be initiated to establish the operating plan for 2014. The synergies between the GDY Solomon Islands project and the Vanuatu project will provide greater efficiencies of personnel and equipment and should help to advance the development of both projects.

Tasmania:

The Company has maintained its tenement obligations during the quarter.

Other Pacific Locations:

A review of the current status of the remaining KUTh pacific projects will be undertaken with Geodynamics management in the March 2014 quarter to determine priorities and next steps. It is the intention of GDY to continue with the tenement application processes in PNG and Fiji and to seek to accelerate the assessment of these opportunities consistent with the strategy to build a diversified portfolio of high quality geothermal projects servicing growing energy markets that are not well serviced by existing energy supply options.

General and Corporate Activities**Director Appointment**

Mr Geoff Ward appointed as Non-Executive Director with effect from 12 December 2013.

Share Options cancelled

In accordance with the Clause 7 of the Takeover Bid Implementation Agreement lodged with the ASX on 18 September 2013 all outstanding KEN Share options were cancelled.

Office and future communication

During January 2014 KEN will commence the transition of its office and communications to the head office of GDY as follows:

Geodynamics Limited
Level 3, 19 Lang Parade
PO Box 2046 Milton Qld 4064 Australia
Tel +61 7 3721 7505 Fax +61 7 3721 7599

Cash holdings

At 31 December 2013 the company's cash holdings stood at \$187,000.



David McDonald
Managing Director

Corporate information

Board of directors at 31.12.13

Bruce McKay (non-executive chairman)
George Miltenyi (non-executive director)
Prof. Mary O’Kane (non-executive director)
Geoffrey Ward (non-executive director)
David McDonald (managing director)

Company secretary

Justin Clyne

Registered office

Level 7, 207 Kent Street
Sydney NSW 2000
Australia
Telephone: 1300 737 760
Email: info@kuthenergy.com
Website: www.kuthenergy.com

Share registry

Boardroom Pty Ltd
Level 7, 207 Kent Street
Sydney NSW 2000
Australia
Telephone: 1300 737 760
Facsimile: 1300 653 459
Website: www.boardroomlimited.com.au

Stock exchange listing

Ordinary shares ASX code: KEN

Issued share capital

At 31 December 2013, issued capital was:
145,931,900 ordinary shares

Substantial shareholders (Note 1)

At 31 December 2013, the substantial shareholders were:

George Miltenyi & associates	10.07%
John Bishop & associates	9.06%
Bluestar Management Pty Ltd	5.45%

Quarterly price activity

KEN – ordinary shares
High: \$0.019
Low: \$0.012
Last (31.12.13): \$0.013

NOTE 1: GDY announced that it had received 90.45% acceptances from KEN shareholders and that having exceeded the 90% threshold it would proceed to compulsory acquisition of the shares where acceptances had not been received.