



Emefcy Closes A\$31.6 million Private Placement

25 July 2016

The Board of Directors of Emefcy Group Ltd (ASX: EMC) (“Emefcy” or the “Company”) have the pleasure to announce that the Company has closed a heavily oversubscribed placement of fully paid ordinary shares to a network of institutional and sophisticated investors from the US, China, Hong Kong, Singapore and Australia to raise a total of A\$31.6 million before costs by way of the placement of 49,400,000 new ordinary shares at a price of \$0.64 cents per share. Cornerstoned by a group of Mainland China strategic investors and several blue chip global funds in Hong Kong, Singapore, US and Australia, the Placement was heavily oversubscribed.

The price of \$0.64 cents represents a discount of approximately 17% to the 30 day VWAP of \$0.77 cents and approximately 10% discount to the last sale price of \$0.71 cents on 19 July 2016.

The proceeds of the capital raising will be applied to fund:

- Full commercial entry and scale-up of activities in to the China market;
- Expansion of the Company’s global sales and marketing activities;
- Continuing product development activities, including fast track development of the “China product”;
- General working capital;
- Redemption of amounts payable under the True North Note; and
- Costs associated with the capital raising.

Indicative completion dates for the issue are:

- | | |
|----------------------------|---------------|
| ▪ Settlement of new shares | 29 July 2016 |
| ▪ Issue of new shares | 2 August 2016 |

The new shares to be issued under the capital raising will rank equally with all existing Emefcy ordinary shares on issue.

Commenting on the successful capital raise, Emefcy Executive Chairman, Richard Irving said: “We are delighted with the level of support shown by the market for this raising. Interest has come from a range of geographies as well as a diverse group of investors, including significant cornerstone investors from Mainland China. We are particularly pleased to be welcoming onto the register a strong group of funds who have expressed clear interest in the Company

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and are keen to follow us as we continue to execute. We welcome all of our new shareholders and thank our existing holders for their ongoing support.”

Emefcy Non-Executive Director Ross Haghighat commented: “The Company’s announced launch into China and sale of Water as a Service is underpinned by strong strategic relationships that the Company has been cultivating in China for some time. Our overall China strategy is now further buoyed by a number of blue chip investors with experience in China and in the global financial markets.”

This capital raise was led by Henslow as Lead Manager, Empire Capital Partners and EAS Advisors LLC (acting through Merriman Capital, Inc) acting as Joint Co-Managers.

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About Emefcy Group Limited (EMC)

Emefcy develops, manufactures and markets innovative, energy-efficient MABR based wastewater treatment solutions, aiming to change the economics of various markets and addressing the growing global demand for clean water in municipal and industrial plants.

Emefcy’s advanced manufacturing facility in Israel is equipped with state of the art production machinery, and is current producing second generation MABR based wastewater solutions enabling

the Company to control the quality and meet the quantity requirements of its current global markets and initial anticipated orders for China.

With several global innovation awards and a strong scientific background, Emefcy is at the forefront of the next generation of MABR based wastewater treatment. Customer contracts have already been signed in Israel, US Virgin Islands, and Ethiopia. Additional MABR based wastewater solutions from Emefcy's extensive R&D operations are anticipated to be announced in the coming year.

Emefcy Group Limited (ASX: EMC) is a public company traded on the Australian Stock Exchange.

Visit our website: www.emefcy.com