



17 June 2010

The Company Announcements Platform
ASX Ltd
Sydney NSW 2000

Enerji Progresses Commercialisation of the Opcon Powerbox

Highlights:

- New Board and management finalised to focus on commercialisation of proven technology in the Australian market
- Additional industrialisation work by Opcon leads to development of the 3rd generation Powerbox
- Order placed for an additional 3rd generation Opcon Powerbox designed specifically for the Australian market and with greater generation capacity
- Downpayments made on additional 3rd generation units
- Enerji and Opcon to utilise existing operational Powerboxes in Sweden as reference sites while shifting to a focus on immediate commercial applications in Australia

Enerji Ltd (“**Enerji**” or the “**Company**”) (**ASX:ERJ**), wishes to provide an update on its commercial strategy for the implementation of the developed and proven Opcon Powerbox technology in Australia which converts waste heat into electricity without burning additional fuel or creating emissions.

Board and Management

Since November 2009, the nature and composition of the Board and management of Enerji has changed significantly, reflecting the Company’s focus on commercialising the developed and proven Opcon Powerbox technology in the Australian market.

These changes include the appointment of Hon. Ian Campbell as Chairman and a new Non-Executive Director, Chief Financial Officer and engineer (with experience in waste heat recovery). Greg Pennefather continues in the role of Managing Director and Chief Executive Officer.

The Company’s new Board and management are concentrating the Company’s efforts on achieving revenue from operations, based on the developed and proven Opcon Powerbox and Airec heat exchanger technologies, in the most timely and prudent manner possible.

President and CEO of Opcon AB, Mr Rolf Hasselström, said “We are very pleased to see the increased focus on core business from Enerji’s new board of directors.”

3rd Generation Opcon Powerbox

The Company has ordered an additional 3rd generation Opcon Powerbox and made a down payment on additional 3rd generation units. The 3rd generation Opcon Powerbox will be



specified and built to Australian standards and for Australian conditions. It will also have greater generation capacity than the first unit ordered.

Mr Hasselström said the third generation Opcon Powerbox is the result of major efforts in the past year focused on the industrialisation of the product that has resulted in significant improvements.

“This industrialisation activity has been extensive, and the focus has been on the product itself and on improving the conditions for manufacturing in series” he said.

Enerji and Opcon have mutually agreed that Enerji will standardise on the use of 3rd generation Opcon Powerboxes in Australia.

Enerji has reached agreement with Opcon for this additional 3rd generation order to replace the original 1st generation unit purchased. This decision is a result of the benefits of using only 3rd generation units and the costs associated with adapting the 1st generation unit, which was ordered and built in accordance with European norms, to be fully compliant with Australian standards. As such, the original unit, having been built according to European standards, will be taken back by Opcon and used elsewhere.

Reference Site

Following a recent on-site inspection of operational Opcon Powerboxes in Sweden, the Company now feels strongly that the most potent reference sites for this developed and proven technology already exist in Sweden.

“To help them focus fully on the commercial use of the plants they buy from us, Opcon has offered Enerji the opportunity to bring prospective customers to Sweden to see reference plants in operation instead of them having to have their own reference plants in Australia,” says Rolf Hasselström, President and CEO of Opcon AB.

As such, Enerji has concluded that an Australian reference site is no longer necessary. All Opcon Powerboxes will therefore be used in the most attractive commercial applications available.

As a result of these decisions, Enerji and the operator of the Henderson Renewable Energy Facility (HREF) have agreed not to proceed with the implementation of an Opcon Powerbox at this time. Enerji’s reasons for this are threefold;

- the marginal commercial viability of the project (previously considered acceptable given it was a reference site)
- the increased waste heat requirement to realise the full benefit from a 3rd generation unit significantly exceeding that available at the HREF
- The availability of reference sites in Sweden.

The engineering and commercial assets, intellectual property and experience gained by Enerji during this project will serve the Company well in upcoming projects.

Greg Pennefather
Managing Director