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Australian Stock Exchange
Company Announcements Office
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Approval of Research & Development Tax Incentive Refund of \$4.9m

AnaeCo confirms that its R & D Tax Incentive of \$4.9m in respect of the 2012 financial year has been approved.

The R&D Tax Incentive scheme replaced the R&D Tax Concession from 1 July 2011 and the scheme provides for cash refunds in certain circumstances. AnaeCo meets the eligibility criteria for cash payment of the refund, which is calculated as 45% of eligible R&D expenses. AnaeCo's claim is based on expenditure incurred on development of the DiCOM™ System, which for 2012 amounted to \$10.9m. AnaeCo's expenditure on development of the DiCOM System, in particular through its demonstration at the WMRC DiCOM Expansion Project, has continued in the 2013 financial year and AnaeCo expects to make a further eligible claim for this year.

Commenting on the R&D Tax Incentive claim, Managing Director & CEO, Patrick Kedemos said:

"We are very grateful to be able to participate in this scheme which supports innovation in Australian industry. Technology development is a long and sometimes arduous journey, and one of the main challenges is to fund the development budget before revenue from commercialised operations kicks in. This R&D tax funding is very useful as we undertake full operational scale commissioning of the DiCOM™ System on the Western Metropolitan Regional Council ("WMRC") project."

"DiCOM™ is a disruptive, cutting edge technology and its demonstration at the WMRC project is a world first for hybrid aerobic-anaerobic biological processing of municipal solid waste. The extent of technical innovation is evident in the patent registration we have achieved, with nine new International PCT Applications filed in the last year, on top of the two core granted patent families. Successful commissioning of the DiCOM™ System at the WMRC project will be a game changer for AnaeCo in our commercialisation strategy going forward. I again congratulate our technical team whose efforts and contribution over 14 years is about to bear fruit."

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For further information, please contact:

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About AnaeCo

AnaeCo delivers Alternative Waste Technology (AWT) facilities based on the patented DiCOM™ bioconversion process. The system incorporates advanced sorting, recycling, anaerobic digestion and aerobic composting to recycle municipal solid waste (MSW) into renewable energy from biogas, agricultural grade compost and recyclables such as steel, aluminium, glass and plastics, thus ensuring maximum diversion from landfill and ensuring social, economic and environmentally sustainable management of MSW.

The DiCOM™ process enables resource recovery intervention closer to source, with enhancement of existing waste transfer stations now a viable waste management option. AnaeCo's experienced team provides design, construction, commissioning, operation and maintenance services for DiCOM™ AWT facilities, as well as management of all outputs including renewable energy, compost, recyclable materials and non-recyclable residuals.

For further information go to www.anaeco.com