

18 July 2013

The Manager
Company Announcements Office
ASX Ltd

Enerji Update

Enerji Limited (ASX:ERJ) provides this market update regarding progress with the full scale Carnarvon pilot plant as follows:

- The mobilisation of the commissioning team to the Carnarvon site occurred in accordance with the previous, 5 June, market update. Presently the site team comprises the Enerji commissioning manager and mechanical commissioning engineer, three Opcon commissioning technicians and two commissioning technicians from the installation contractor.
- The Enerji commissioning manager has continued to pursue a structured commissioning plan that commenced on 4 July following mobilisation. Test procedures are being submitted to the power station host, Horizon Power, for consent ahead of each respective commissioning test.
- Commissioning of the remote data communication and the control logic is well advanced for the BOP¹ and the Powerbox.
- As a follow-up to the findings of an earlier test, the generator 11 valves were recalibrated on 15 July whilst the generator was out of service for routine maintenance.
- The cooling tower and cooling water system has been put into operation and the water is being cycled. Fine-tuning of the Nalco dosing unit is being undertaken.
- Hot water commissioning tests were successfully completed for individual generators and the full installation on 16 July.
- Enerji's mechanical commissioning engineer will be demobilised on 18 July with the commissioning of the BOP¹ mechanical systems successfully completed.
- Test procedures have been submitted to Horizon Power for consent that cover the energisation of the Powerbox's generator and separately, the synchronisation of the generator to the high voltage network.
- Given that the facility is a full scale pilot plant, selected additional tests are being undertaken that are not required for commissioning but provide data for evaluation and development purposes.
- Also, as a pilot plant, incidental fine tuning, control logic and plant improvements have been identified and implemented under a formal change control procedure.

Note 1. The BOP includes the plant required to integrate the Opcon Powerbox with the host power station.

Jade Brereton has commenced with Enerji in the role of Commercial Manager responsible for the development and management of contracts, grant applications and Enerji's existing and new intellectual property. Jade has a successful background in the resource and consulting sectors, implementing and managing commercial processes that are scalable and provide a foundation for expansion. He brings a youthful energy to the business that is in keeping with our strategy for technology development, commercialisation and growth.

For Enerji's second project, as projected in the 20 June market update, collaboration with the customer, suppliers and power station host has now been kicked-off. This consultation follows on from the preliminary design and non-firm costing that has been completed. The collaboration process is to capture all of the potential benefits and optimise the business case for the project. It has included an initial round of discussions and planning ahead of a half day workshop scheduled for 2 August. If the workshop outcome is favorable, the next steps are to incorporate the findings in a refined design and commercial structure and then to prepare a firm priced quote for the customer to consider.

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About Enerji

Enerji Limited is a Perth-based clean power company focused on delivering waste heat to power systems.

The technology transforms waste heat into electricity and therefore creates significant energy cost savings and reduced CO₂ emissions.

Enerji has exclusive sales and distribution rights for the Opcon Powerbox in Australia, which represents a significant commercial opportunity through application to industrial, mining and power generation operation.