



GEODYNAMICS
LIMITED

28 November 2013



***2013 Annual General Meeting
Shareholder Presentation***



Important Information

Disclaimer

Any forward looking information in this presentation has been prepared on the basis of a number of assumptions which may prove to be incorrect and these statements speak only as of the date of this presentation.

This presentation should not be relied upon as a recommendation to buy or sell shares by Geodynamics Limited.

Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in Geodynamics Limited.

All references to \$ are references to Australian dollars unless otherwise specifically marked.

Competent Persons Statement

The information in this report which relates to Exploration Results, Geothermal Resources or Geothermal Reserves is based on information compiled by Dr Graeme Wheller and Mr Robert Hogarth, who appear on the Register of Practising Geothermal Professionals maintained by the Australian Geothermal Energy Group Incorporated at the time of the publication of this announcement. Dr Wheller is employed by Volcanex International. Mr Hogarth is a full-time employee of Geodynamics.

Dr Wheller and Mr Hogarth have sufficient experience which is relevant to the style and type of geothermal play under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the Second Edition (2010) of the 'Australian Code for Reporting Exploration Results, Geothermal Resources and Geothermal Reserves'. Dr Wheller and Mr Hogarth have consented in writing to the inclusion in the report of the matters based on their information in the form and context in which it appears.



2013 Annual General Meeting

SHAREHOLDER PRESENTATION:

- *2013 Highlights*
- *Habanero Project*
- *Savo Island Project*
- *New Opportunities*
- *Company Outlook*





2013: a year of achievement

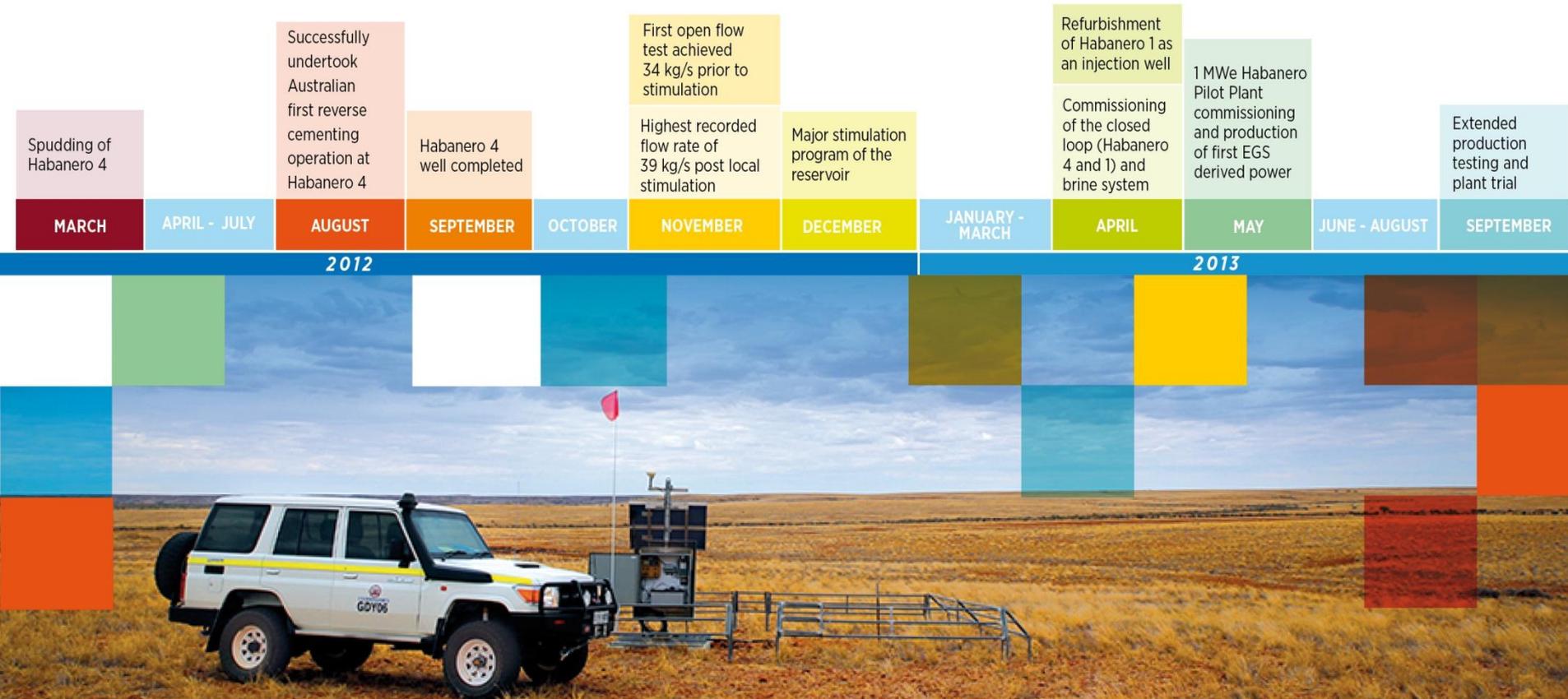
- *Completion of Habanero Pilot Plant Trial*
- *Generation of Australia's first Enhanced Geothermal Systems (EGS) derived power*
- *Excellent safety record throughout campaign*
- *Strengthened balance sheet*
- *Securely funded to progress new projects and consider further acquisitions*
- *Portfolio growth; acquisition of first international project in Solomon Islands and proposed KUTh takeover*



Habanero Project achievements

HABANERO PROJECT

Geodynamics has successfully executed its field program at Habanero delivering key milestones over the past two years.





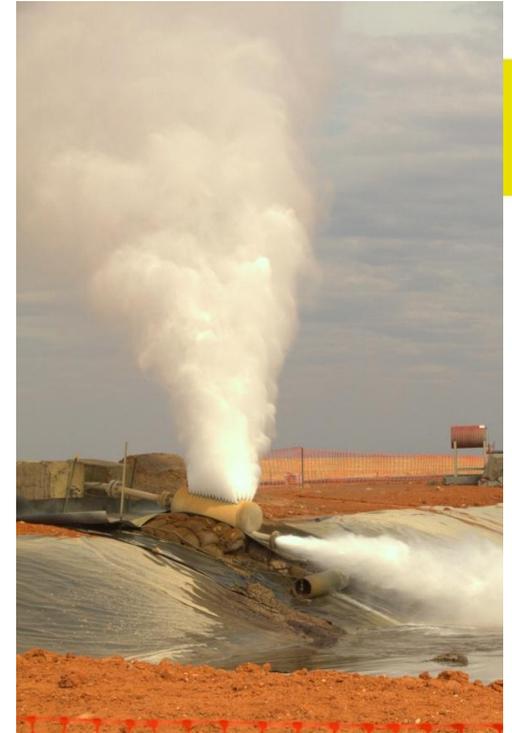
1 MWe Habanero Pilot Plant trial

HABANERO PROJECT

The pilot plant trial was a significant event for base-load renewable energy generation in Australia and holds importance on the global scale.

Key trial results:

- *Recorded highest open flow results at Habanero 4; stabilised flow rate of 39 kg/s*
- *Achieved highest recorded closed loop flows of 19 kg/s and new maximum well-head temperatures of 215°C*
- *Indications that Habanero 4 has potential to flow between 40 – 50 kg/s at full drawdown in open flow mode*
- *Stand alone, net power generation achieved in June 2013*
- *Plant operations met or exceeded planned operational parameters*
- *Plant availability exceeding 75% up-time since commissioning*
- *Excellent safety and environmental record during project operations*

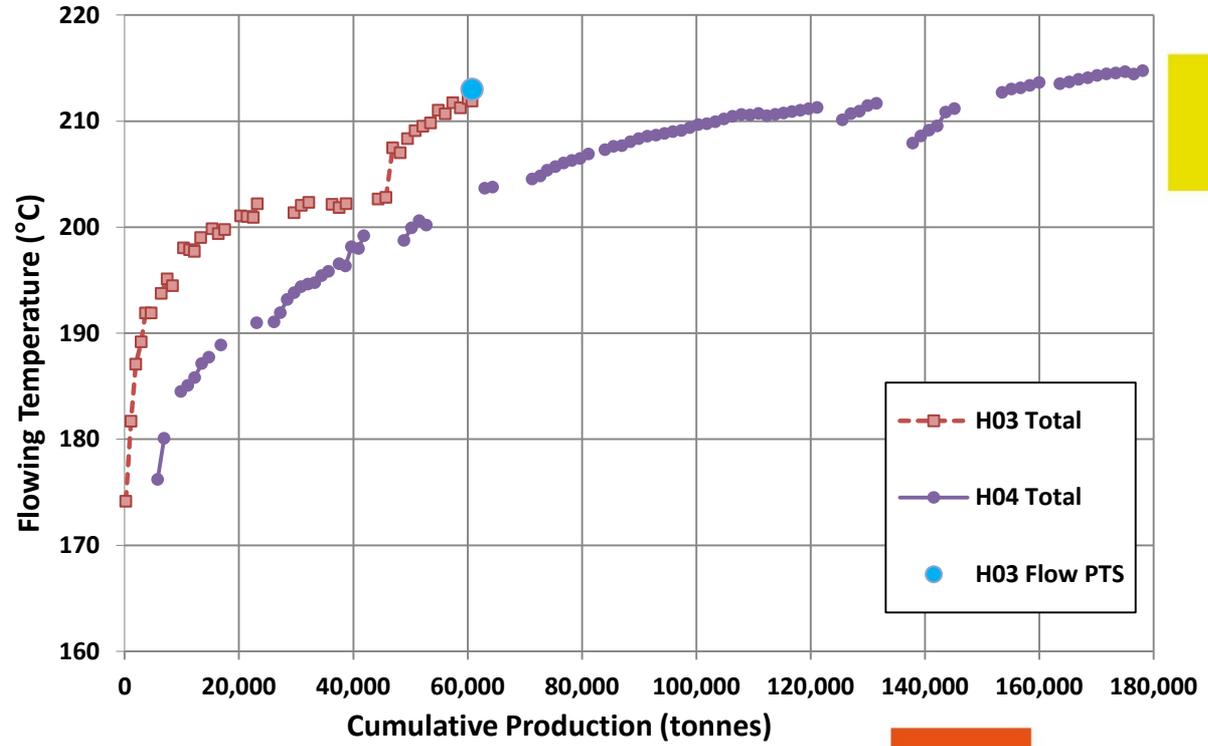




Closed loop temperatures

A new maximum well-head temperature was achieved at Habanero 4 of 215°C; at the time of completing the trial the well-head temperature at Habanero 4 was still slowly rising after 160 days of production.

Graph plotting wellhead temperature over production volume (time) showing an increasing trend over the period of the trial

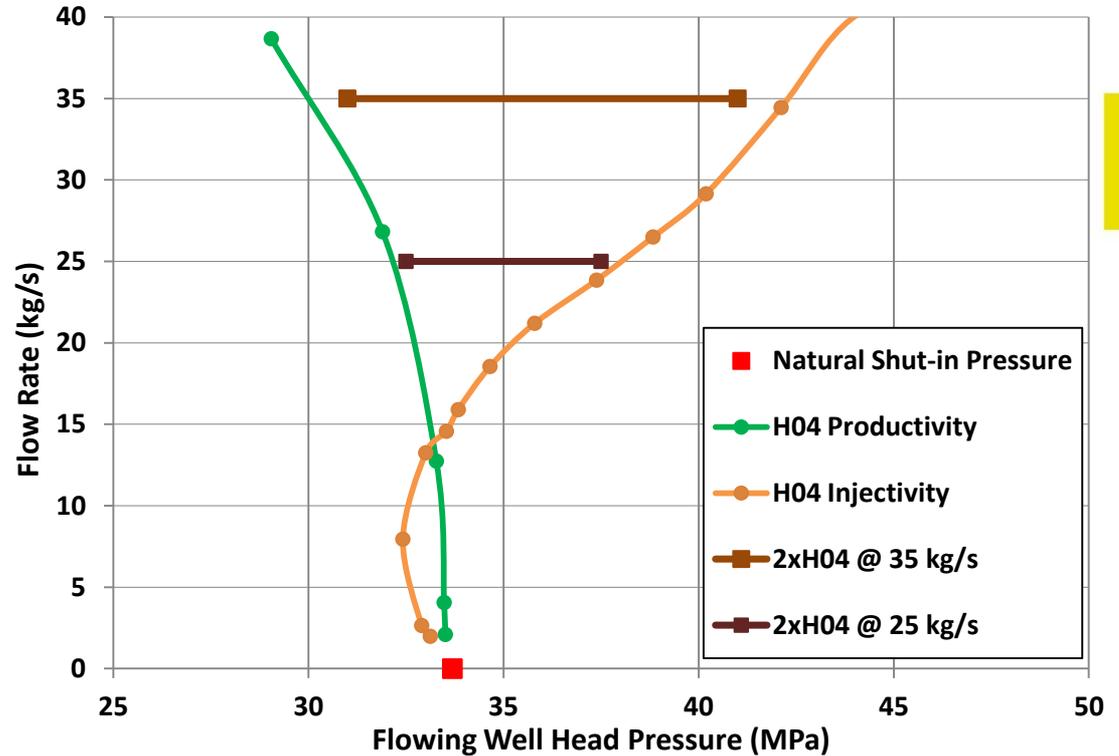




Forecast closed-loop rates

Test results indicate the potential for Habanero 4 to flow in closed loop mode at ~25 - 40 kg/s paired with a comparable injection well.

“Vee Chart” – Production and Injection - Flow Testing at Habanero EGS, Nov 2013





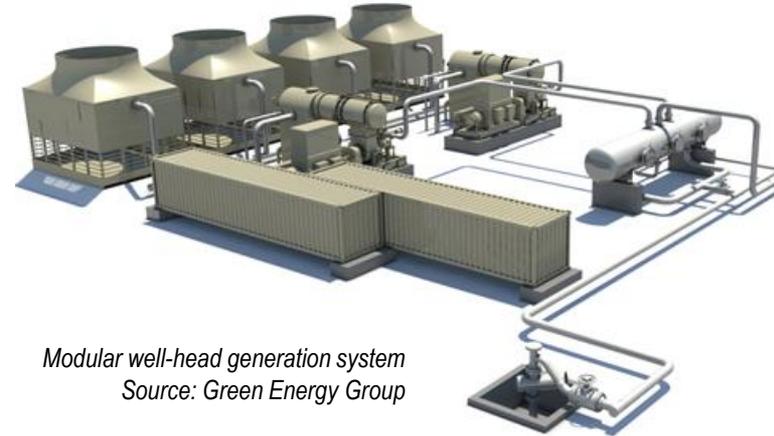
Habanero Project Development

HABANERO PROJECT

Our focus is demonstrating the feasibility of a viable small scale commercial plant to supply customers in the Cooper Basin.

Next stage development proposal:

- *5 - 10 MW (electrical power) or 30 – 50 MW (geothermal heat)*
- *6 well development concept*
- *Lower drilling costs through improved design and improvements identified in Habanero 4 well*
- *Modular power generation units with proven design*
- *Growing local customer base:*
 - *Moomba Gas Plant (Santos)*
 - *future shale gas producers (Beach & Chevron)*
- *Target secure customer commitments during FY2014*



*Modular well-head generation system
Source: Green Energy Group*



Growth opportunities

GROWTH STRATEGY

There are a range of market opportunities where geothermal is highly cost competitive and the value of its inherent characteristics are maximised.

Markets with:

- *Growing power demand and shortage of installed generation capacity*
- *High cost diesel power markets*
- *High local tariff and lack of competition from local gas or coal resources*
- *Excellent natural endowment of high quality, high temperature, shallow geothermal resource*
- *Projects offer attractive commercial returns while also meeting the needs of energy utilities, customers and national governments.*





Savo Island Exploration

SAVO PROJECT

The project aims to deliver lower end user prices, improved reliability, displacement of diesel consumption and reduced CO₂ emissions, whilst providing an attractive return to investors.

Solomon Islands project characteristics:

- Indications of high temperatures in excess of 260°C at shallow depths
- Honiara is currently a high cost diesel market with power costing ~A\$0.90* per kWh
- Honiara has average demand of ~8.5 MWe and rapidly growing
- Gold Ridge Mine located 25 km from Honiara uses ~12 MWe of power - also diesel supplied
- Positive engagement with Solomon Islands Government and Electricity Authority indicates strong appetite for geothermal project
- Strong local support for development of alternative energy supply to replace imported diesel fuel



*Solomon Islands Electricity Authority Tariff, 2nd Quarter 2013 (converted to AUD as at September 2013)



Savo Island Project Summary

SAVO PROJECT

Exploration drilling is planned for 2014 to prove a geothermal reserve capable of supporting an initial 20MW project.

Project progress and key planned activities:

- *Farm-in joint venture with Kentor Energy announced in November 2012*
- *Stage One farm-in completed in April 2013 with finalisation of Initial Resource Assessment and Scoping Study*
- *Inferred geothermal resource of 269 PJ thermal estimated to be capable of generating 30 MWe, sufficient to supply Honiara and Gold Ridge Mine*
- *Environmental and Social Impact Study, engagement with local landowners and Solomon Island Electricity Authority have commenced*
- *Drilling of four diamond core exploration wells of 97 mm (3.8") diameter to approximately ~1,200 m depth using a track mounted drilling rig*

Target for electricity production in 2017

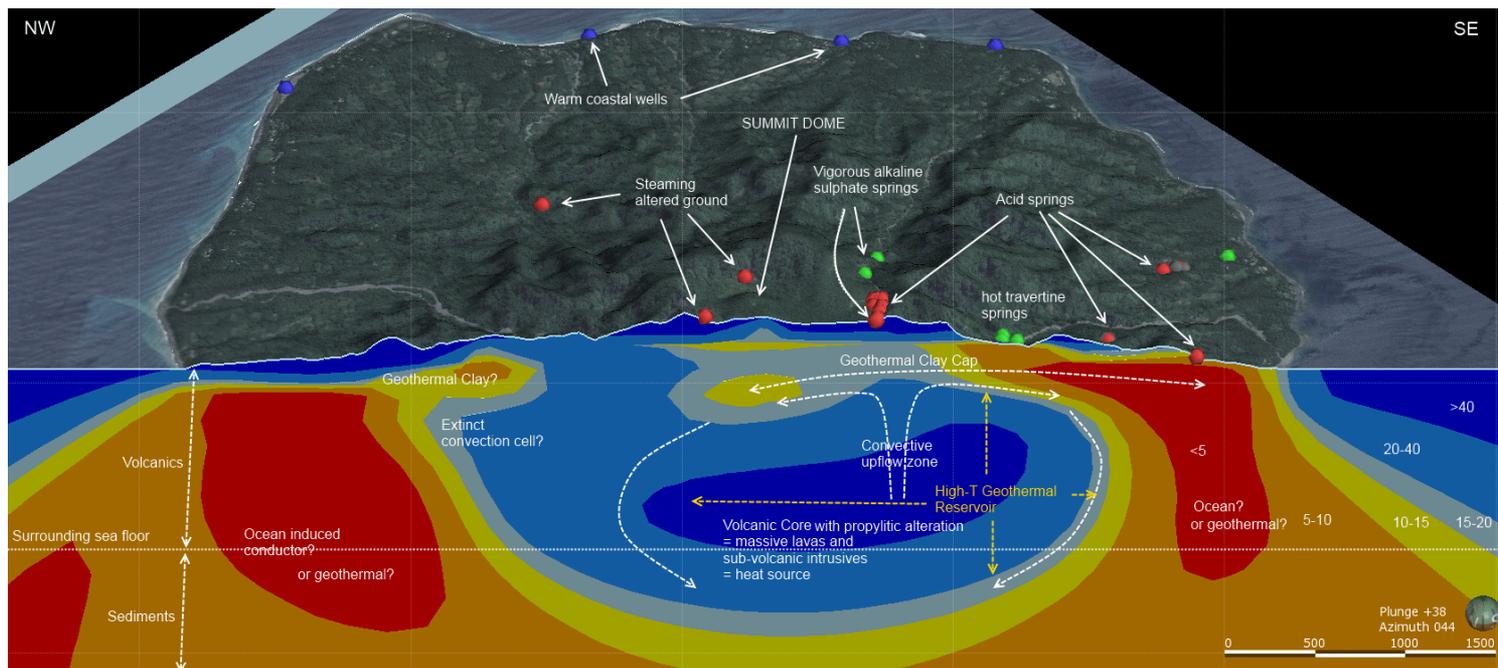




Savo Island Project Summary

SAVO PROJECT

Land owner mapping has been undertaken and drilling targets have been identified in preparation for exploration drilling. Areas of interest are located in the south-east quadrant on Savo Island.





KUTh Energy Takeover Offer

NEW OPPORTUNITIES

Geodynamics and KUTh Energy (ASX: KUT) entered into a conditional off market takeover bid agreement in September under which Geodynamics has the intention to acquire all of the issued ordinary shares in KUTh.

Offer snapshot:

- 1 Geodynamics share for every 5.5 KUTh shares, valuing KUTh at 2.0 cents per share based on the 30-day VWAP of Geodynamics' shares on 17 September
- KUTh shareholders will hold 6.12% of the enlarged Geodynamics Group
- Based on the 30-day VWAP of GDY shares as at 17 September and balance sheet information current as at 30 June, the enlarged Geodynamics Group will have a pro-forma market capitalisation of ~\$47.5 million and cash of ~\$42.2 million

85% acceptances received as at 27 November 2013

GEODYNAMICS LIMITED

Bidder's Statement

*In relation to recommended Offers by Geodynamics Limited
ABN 55 085 006 090
to acquire all of your Shares in KUTh Energy Limited
ABN 33 125 634 920*

The Consideration offered is:
One (1) Geodynamics Share for every five and a half (5.5) KUTh Shares you own.

The KUTh Energy Directors making a recommendation unanimously recommend you accept the Offer (in the absence of a Superior Proposal)

*To accept an Offer you should follow the instructions on the relevant enclosed Acceptance Form.
If you have any questions about the Offers, this document or how to accept the Offers, please contact the Offers Information Line on +61 1300 366 176 (normal charges apply).
If you are not inclined to accept the Offer immediately please retain this Bidder's Statement and the personalised Acceptance Form for future action.*

This document contains important information and should be read carefully in its entirety. If you are in any doubt as to how to deal with this document you should consult your legal, financial or other professional adviser as soon as possible.

Accept Now



KUTh Takeover Rationale

NEW OPPORTUNITIES

Together with the Savo Island Project, the proposed acquisition of KUTh will add high quality pacific island projects that can be effectively developed through sharing skills, resources, people and equipment .

Takeover rationale:

- *Excellent fit with growth strategy*
- *Larger more diverse portfolio reduces risk and maximises use of skills and experience*
- *Transaction enhances Geodynamics' position as a diversified Australian geothermal energy developer*

Benefits of acquisition:

- *GDY's team and financial resources can accelerate development of KUTh projects providing funding certainty to host governments*
- *Significant synergies and cost efficiencies through combining exploration and development campaigns, sharing costs and reduced overheads*
- *Offers revenue and profit growth potential over the short to medium term that can be progressed within our financial capability*



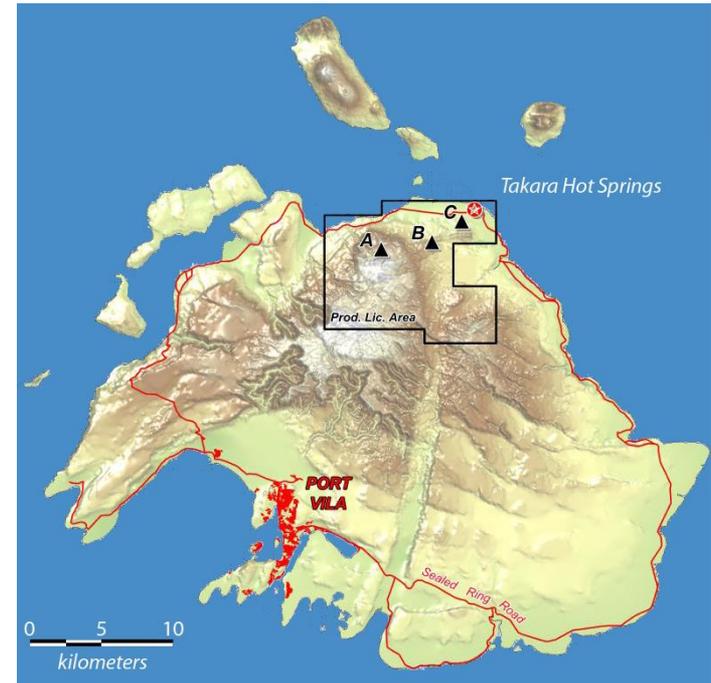
KUTh Energy Projects

NEW OPPORTUNITIES

KUTh Energy is a geothermal power project developer with exploration interests throughout the Pacific and Australia.

Project portfolio:

- *Takara Geothermal Project, Efate, Vanuatu Holds 30 year Production Licence, located near Takara on Efate Island in Vanuatu, with exclusive rights to develop geothermal energy.*
 - 30 year Production Licence including minimum tariff
 - Supply Port Vila & Efate through established network replacing high cost diesel fuel generation
 - Potential for up to 8 MWe in two stage development
 - Environmental approvals in place for exploration drilling
 - Strong Vanuatu government support through Geothermal Task Force
- *Exploration permit applications lodged - Fiji and PNG*
- *EGS geothermal project in Tasmania*





Year ahead

Geodynamics has a defined program and clear goals for 2014.

Cooper Basin Development:

- *Evaluation of plant trial results*
- *Field Development Plan and Feasibility Study*
- *Small-scale commercial development proposal*
- *Secure local customer agreement for supply of power and/or heat*

Savo Island Geothermal Power Project:

- *Environmental and Social Impact Assessment*
- *Power Purchase Agreement*
- *Land Access Agreement*
- *Targeting exploration drilling for dry season 2014*

New opportunities:

- *Finalise KUTh Energy takeover*
- *Progress exploration drilling in Vanuatu through combined campaign*





Financial Management

HIGHLIGHTS

Our aim is to make the Company as financially strong as possible to ensure we are not reliant on repeated capital raisings.

Demonstrated record of financial management:

- *Sale of Rig 200 - \$21 million (GDY interest 70%)*
- *Receipt of Research and Development Tax Rebate - \$22.2 million*
- *Draw down of REDP funding \$31 million as at October 2013; Undrawn REDP funding of \$59 million following completion of 1 MWe Habanero Pilot Plant*
- *Sufficiently funded to develop Pacific Islands opportunities, and strengthen our portfolio*
- *Ongoing focus on cost reduction; smaller team, lower corporate costs has yielded cost savings >\$10 M per annum*

Cash in bank - \$38.7 million at 30 September 2013



Geodynamics has delivered strong operational results in 2013 and is well equipped to advance new projects this financial year.

- *Completion of major program of work at Habanero; demonstrating technical capability in EGS drilling, reservoir and surface engineering*
- *Strong pipeline of opportunities offering revenue and profit growth:*
 - *Savo Island*
 - *Takara geothermal Project (via KUTh acquisition)*
- *Securely funded to progress development of current projects within existing financial capability*
- *Strong team and internal expertise to progress new projects*



Questions?

For audiocast participants, your questions are welcome:

- *To submit a question please use the “Email Presenter” function on the bottom left hand corner of your screen.*
- *Or email info@geodynamics.com.au*

Note: *As this is not a live interactive Q&A we will respond to your questions through the course of next week.*



GEODYNAMICS
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THANK YOU



*We invite you to join our
directors, management and
staff for light refreshments.*