



2014 Annual General Meeting

Shareholder Presentation

8 December 2014

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.

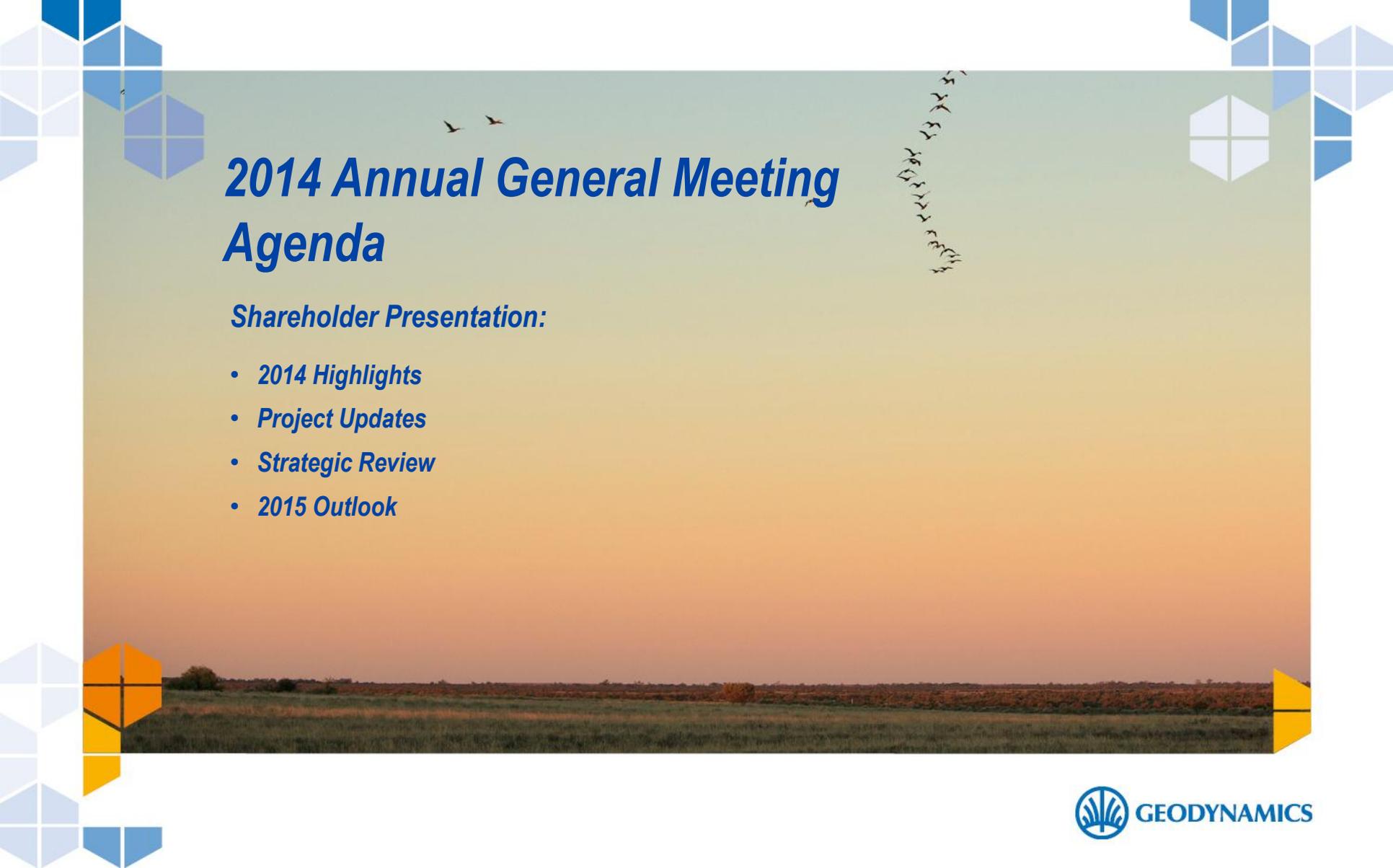
Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in Geodynamics Limited.

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 Robert Hogarth, who appears on the Register of Practising Geothermal Professionals maintained by the Australian Geothermal Energy Group Incorporated at the time of the publication of this announcement. Robert Hogarth is a full-time employee of the Company.

Robert Hogarth has sufficient experience which is relevant to the style and type of geothermal play under consideration and to the activity which he is 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'. Robert 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.



2014 Annual General Meeting Agenda

Shareholder Presentation:

- *2014 Highlights*
- *Project Updates*
- *Strategic Review*
- *2015 Outlook*



2014 Highlights

Completion of the Habanero Pilot Plant Trial and securing of key milestones in the Pacific while maintaining a strong balance sheet mark the highlights for 2014.

Cooper Basin

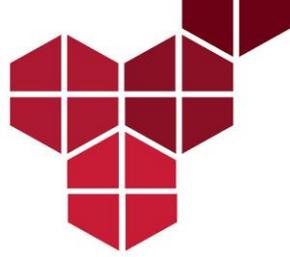
- *successfully completed 160-day, 1 MWe Habanero Pilot Plant trial*
- *completion of Field Development Plan and Feasibility Study*
- *sold Cooper Basin Operating Base to Beach Energy for \$1.5m, retaining geothermal assets and power plant*
- *exclusivity Agreement with Beach Energy Limited to negotiate farm-in to our Cooper Basin tenements*
- *variation to ARENA funding agreement to secure \$27.15 million future funding*

Pacific Islands

- *completed the Savo Island Environmental and Social Impact Assessment*
- *development consent from Solomon Islands Department for Savo Island Geothermal Power Project*
- *acquired KUTh Energy Limited adding Vanuatu geothermal licence to portfolio*
- *completed Environmental and Social Impact assessment for Takara Geothermal Project in Vanuatu*

Corporate

- *completed strategic review, outlining future direction of company*
- *maintained strong balance sheet through spending reductions and cost control program*

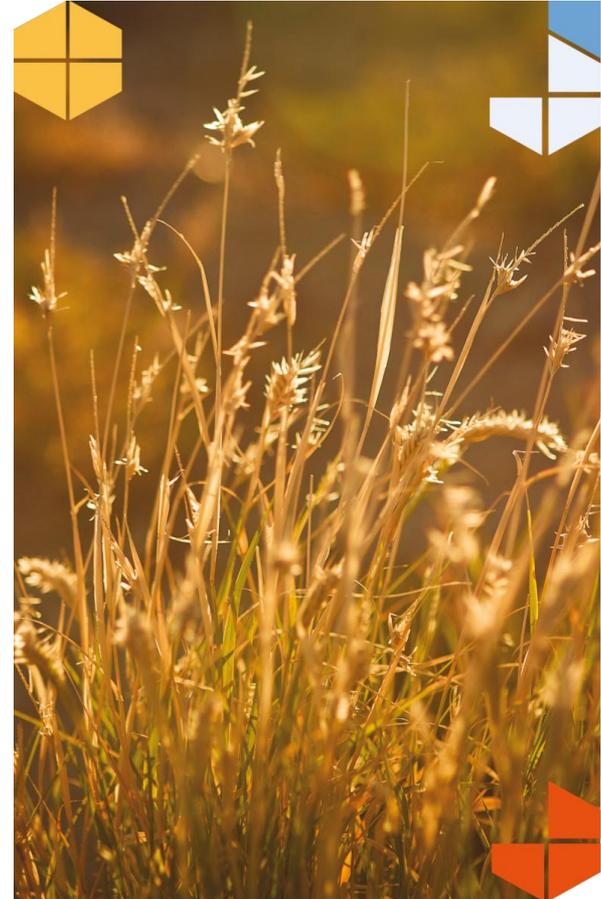


Strong balance sheet

GDY is in a strong financial position following completing the Habanero Pilot Plant trial and acquisition of new projects; internal cost control program has reduced overheads & holding costs.

- *cash-in-bank \$30.6 m at 30 September 2014*
- *low cost base*
- *\$27.15 million of undrawn ARENA grant funding*
- *potential partnerships in current assets will further reduce spending requirements*
- *reduced liabilities through sale of Cooper Basin Operating Base, relinquishment of tenements, completion of P&A and remediation activities through 2014*
- *\$3.5m R&D Tax rebate received Nov 2015*

~\$25m available for investment in new opportunities



Habanero 1MWe Pilot Trial

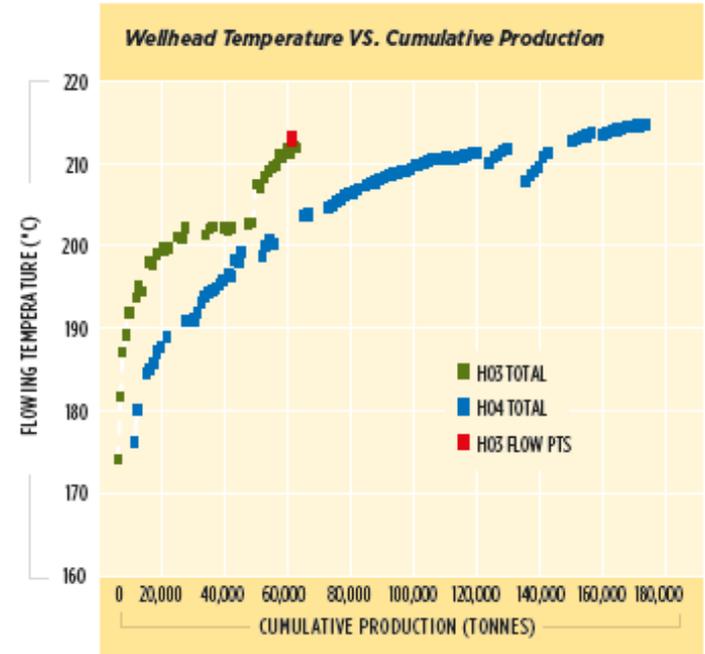
A rigorous testing program during the trial period reported excellent results, exceeding modelled expected values with best recorded closed loop and open flow test results at Habanero.

Habanero 4 recorded results:

- highest open flow results achieved; stabilised flow rate of 39 kg/s
- new maximum well-head temperature, 215°C, continuing to rise after 160 days of production
- improved injectivity in Habanero 1 well as trial progressed

Pilot Plant Performance:

- excellent reliability and system stability
- extended production run in excess of 50 days, > 75% up-time
- maximum plant closed loop flow rate of 19 kg/s



Above: Graph plotting wellhead temperature vs. cumulative production (tonnes) demonstrates increasing temperature trend during the trial.

Habanero – Demonstration Event

Geodynamics was proud to host distinguished guests representing industry and government to tour the Habanero Pilot Plant.

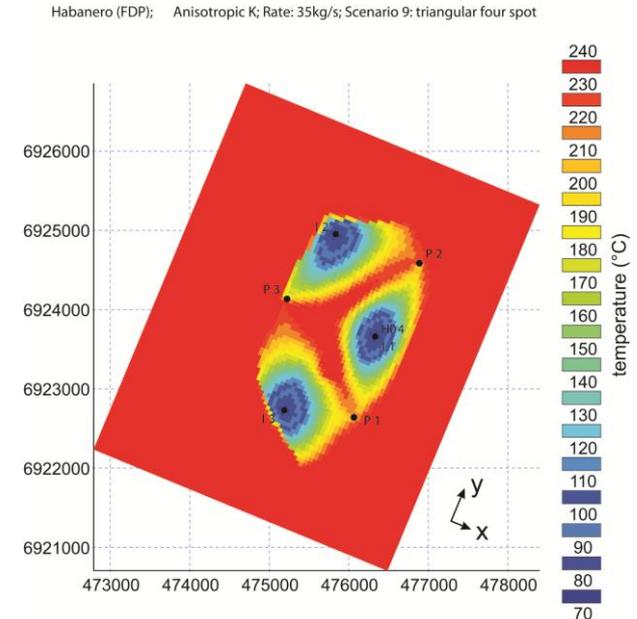


Key stakeholders including the Hon. Gary Gray AO, MP, Federal Minister for Resources, Tourism and Energy, former minister the Hon. Martin Ferguson AM, representatives from industry, Commonwealth and State authorities, including the Australian Renewable Energy Agency (ARENA), Clean Energy Finance Corporation (CEFC), the South Australian Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE), and the Federal Department of Resources, Energy and Tourism (DRET)

Habanero – Field Development Plan

The FDP has identified several possible pathways to develop Habanero; the strongest of these proposes supply of process heat to emergent shale gas producers within the Cooper Basin.

- *first of its kind integrated whole life study of an EGS reservoir*
- *studied feasibility of a range of development scenarios*
- *direct heat supply more economic than supply of electric power*
 - *not viable to supply electricity at current prices and demand levels*
- *preferred option:*
 - *supply process heat to a future shale gas producer located near Innamincka*
 - *6 well project design to maximise reservoir production and life.*
 - *significant cost savings through coiled tubing drilling and well design modifications building on success of Habanero-4*
 - *option depends on future development of large scale NG processing hub; this will require success in exploration program being undertaken by Beach and Chevron*



Modelled reservoir temperature distribution following 15 years of closed loop flow at 35kg/s

Cooper Basin – Next Steps

The signing of an Exclusivity Agreement with Beach and the Variation to the ARENA Grant were key achievements in 2014; next stage is to secure a farm-in agreement with Beach Energy.

Beach Energy Agreement

- *grants Beach exclusive right to negotiate farm-in to Geodynamics Cooper Basin tenements*
- *exclusivity period until November 2015*
- *Geodynamics to lead a research program focussed on integration of geothermal heat into Beach's gas developments*
- *Beach contributing \$200,000 towards the program, refundable in the event that a farm-in is not reached*

ARENA Funding Agreement

- *ARENA will continue to contribute up to \$27.15 million of grant funds in support of a revised program*
- *variation to ARENA funding deed to build on the success and learning gained from Pilot Plant trial*
- *new program designed to demonstrate cost, reliability and environmental benefits of large scale geothermal direct process heating in new gas processing facilities*

Next Steps

- *completion of the research and development program with Beach Energy*
- *complete Farm-in negotiations with Beach Energy*

Savo Island Geothermal Power Project – Highlights

Positive engagement with Solomon Islands Government and Electricity Authority shows ongoing interest in geothermal power with potential to support an initial 10 MWe project.

- *environmental and Social Impact Study completed*
- *development consent for exploration stage of project*
- *completed well engineering, drill planning and preparations*
- *term sheet for long term PPA under review by SIEA*
- *aftermath of cyclone Ita and recent election have slowed progress in PPA negotiations*
- *finalisation of a PPA not expected until end FY2015*

Exploration:	<i>Initially 1 - 2 slim holes using BOP equipped multi-purpose rig to establish initial reserve</i>
Expln. Costs:	<i>~\$5 - \$8 million</i>
Project Scope:	<i>Potential 10 MW initial development requiring 8 – 10 wells (combination of production & injection wells) with additional 2 x 5 MW development stages</i>
Capex:	<i>~\$80 - 100 million (wells, steam field & generation plant) ~\$30 - \$40 million (sub-sea cable)</i>
EBITDA:	<i>~\$15 - ~\$20 million</i>
Next Steps:	<i>Agreement of terms with Solomon Island Electricity Authority to secure progression to exploration drilling phase</i>

Savo – Environmental & Social Impact Assessment

The ESIA confirms project will bring significant benefits to Solomon Islands and can be developed with low impact and risk to community and environment.

Key Findings:

- *positively impact the Solomon Islands, by replacing imported diesel fuel with a sustainable locally produced electricity supply*
- *economic benefit through contribution to socio-economic development via direct and indirect employment and training opportunities*
- *development can be undertaken with low impact on local environment*
- *providing employment training and small business development opportunities to local community*

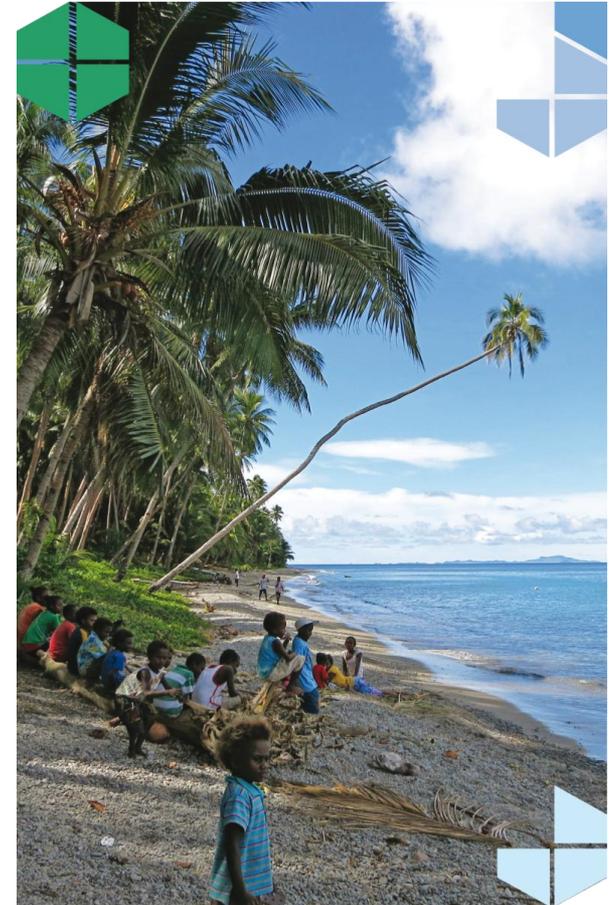


Savo – Lookahead

Focus remains on securing necessary offtake agreements and sovereign guarantees necessary to underpin investment in exploration drilling.

Key requirements:

- *finalisation of the commercial proposal process for large scale renewable energy by SI Government*
- *SIEA agreeing Power Purchase Agreement for the Savo Geothermal Project*
- *SI Government providing sovereign guarantee in support of Power Purchase Agreement*
- *conclude negotiations with customary landowners regarding land access payments and funding of community projects for exploration drilling phase*



Takara Geothermal Power Project

Will deliver lower end user prices, improved reliability, displacement of diesel consumption and reduced CO₂ emissions for customers in Port Vila, Vanuatu.

Key Achievements:

- Takara Geothermal Project on Efate Island in Vanuatu
 - 30 year Production Licence including minimum tariff of 23.9 Vatu/kWh (USD \$250/MWh)
 - supply Port Vila & Efate through established network replacing high cost diesel fuel generation
 - first stage 5 MWe development (4 MWe offtake) with potential for further 5 MWe with demand growth
 - strong Vanuatu government support through Geothermal Task Force and National Energy Roadmap
- completed comprehensive Environmental and Social Impact Assessment; environmental approval expected in December

Exploration:	Initially 1 – 2 slim holes using BOP multi-purpose rig
Expln. Costs	~\$3 million
Project Scope:	Potential 2 phase development of 2 x 5 MW (4 MW dispatched); each stage will require 3-5 wells (combination of production & injection wells)
Capex:	~\$40 million (Phase I)
EBITDA:	~\$5-6 million (Phase I)
Next Steps:	Approval of ESIA Public Private Partnership Syndicate to advance to exploration drilling and definitive feasibility studies

Takara – Environmental & Social Impact Assessment

ESIA confirms Project can be developed safely with low impact on the environment through application of high HSE standards and good industry practice.

Key Findings:

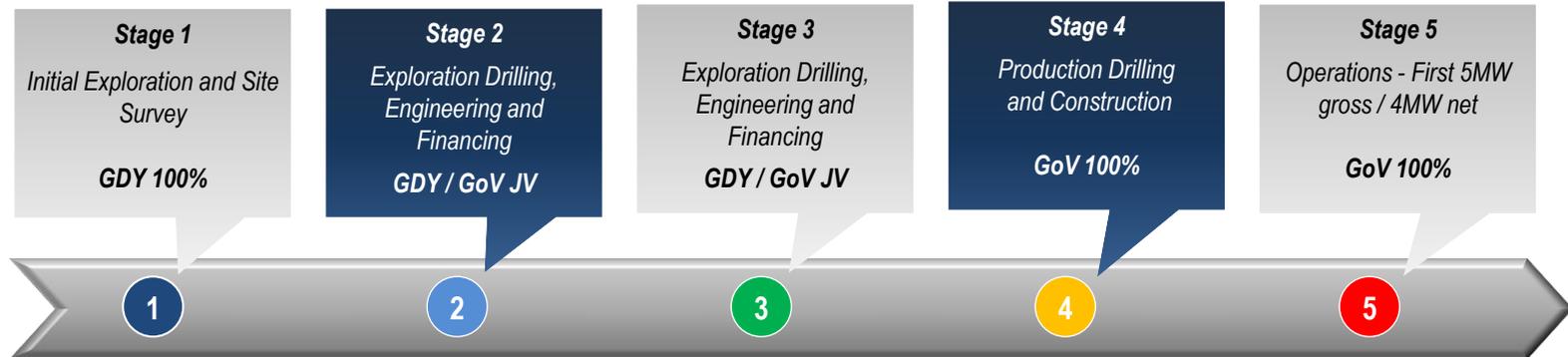
- economic benefit through increased access to cheaper electricity for domestic and business customer
- contribution to Vanuatu's goal for self sufficiency for energy and 65% renewable target by 2020
- a Community Benefits Program at Takara will facilitate increase in employment and training opportunities, through improvements in health educational community infrastructure
- reduction in greenhouse gas emissions and improvement in air quality in Port Vila due to decreased diesel consumption



Takara – Lookahead

Geodynamics is seeking to develop an innovative Public Private Partnership structure to maximise benefits for Vanuatu while achieving return on investment for shareholders.

- seeking option for PPP with Govt of Vanuatu, Multi-lateral Development Agencies, and donors organisations
- PPP would ensure lowest possible cost of power can be achieved for the people of Vanuatu
- match expertise to project needs
 - Geodynamics to provide geothermal and development skills
 - MDAs provide expertise in developing nations and enable access to low cost development capital
 - Government of Vanuatu to be long term owner via a Build Own Operate Transfer contract



Strategic Review

A disciplined annual strategic review has been a key focus of the Board since 2011.

2011

- *identified energy sector is experiencing a period of unprecedented change*
- *significant regulatory and financial un-certainty*
- *implemented gated milestone program for Habanero*
- *renewed partnership with Origin and Aust Govt to progress Habanero*

2012

- *delivered Habanero-4; reduced ongoing risk*
- *rebuilt balance sheet to reduce reliance on continued equity raising*
- *reduced overheads*
- *acquired first conventional geothermal project; Savo Island*

2013

- *completed Habanero program*
- *continued diversification beyond Habanero to reduce reliance Australian electricity market*
- *reduced liabilities through asset sales & remediation*
- *preserved available funds for growth projects*

Strategic Review - 2014

2014 strategic review confirmed the key trends identified in 2013; acceleration of impacts of solar PV, reduced electricity demand and emergence of new energy business models.

- *geothermal portfolio can be progressed to key pre-drilling milestones at low cost*
- *overall returns from geothermal projects remain modest*
- *growth in geothermal sector likely to be low (globally) and access to high quality projects limited.*
- *geothermal only portfolio will struggle to sustain strong shareholder returns But*
- *energy markets and clean technology undergoing period of rapid change and unprecedented disruption*
- *global “mega-trends” fundamentally altering outlook for energy markets and systems*
- *new opportunities in broader clean energy and clean technology sector*
- *GDY is well positioned to take advantage of these shifts*
 - *strong Board*
 - *strong commercial, energy markets, project development and skills with sound energy and technology experience*
 - *well funded*
- *GDY should actively seek opportunities outside of geothermal through acquisition and mergers*

Environmental performance – a key global productivity issue

Substantial, sustained and increasing focus on environmental issues on a global scale – EU, USA and China all taking material steps to improve environmental performance as part of a sustained productivity agenda.

China, Britain vow to jointly combat climate change

CHINADAILY 中国新闻网 Updated: 2014-06-18 15:48

the **guardian** Friday 14 November 2014

The China-US climate change agreement is a step forward for green power relations

Bloomberg Nov 13, 2014

China-U.S. Move to Curb Global Warming Loosens Climate Logjam in Developing World

THE CONVERSATION 18 June 2014, 6.41am AEST

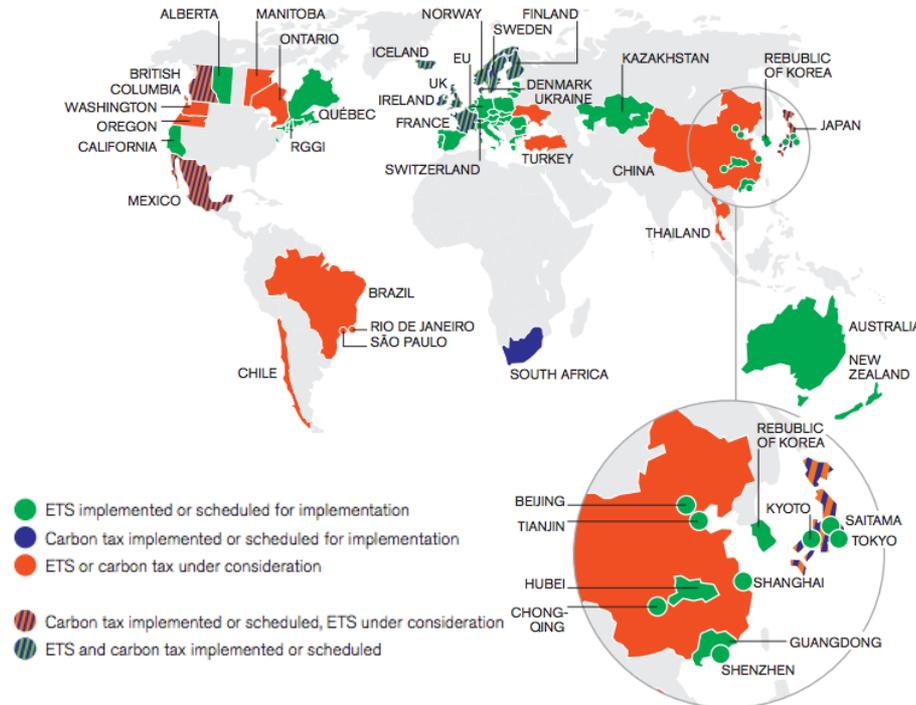
Australia's economy will suffer if we fall behind on climate action

the **guardian** Friday 24 October 2014

EU leaders agree to cut greenhouse gas emissions by 40% by 2030

the **guardian** Tuesday 3 June 2014 00:22 AEST

Obama unveils historic rules to reduce coal pollution by 30%



Energy markets – global mega-trends

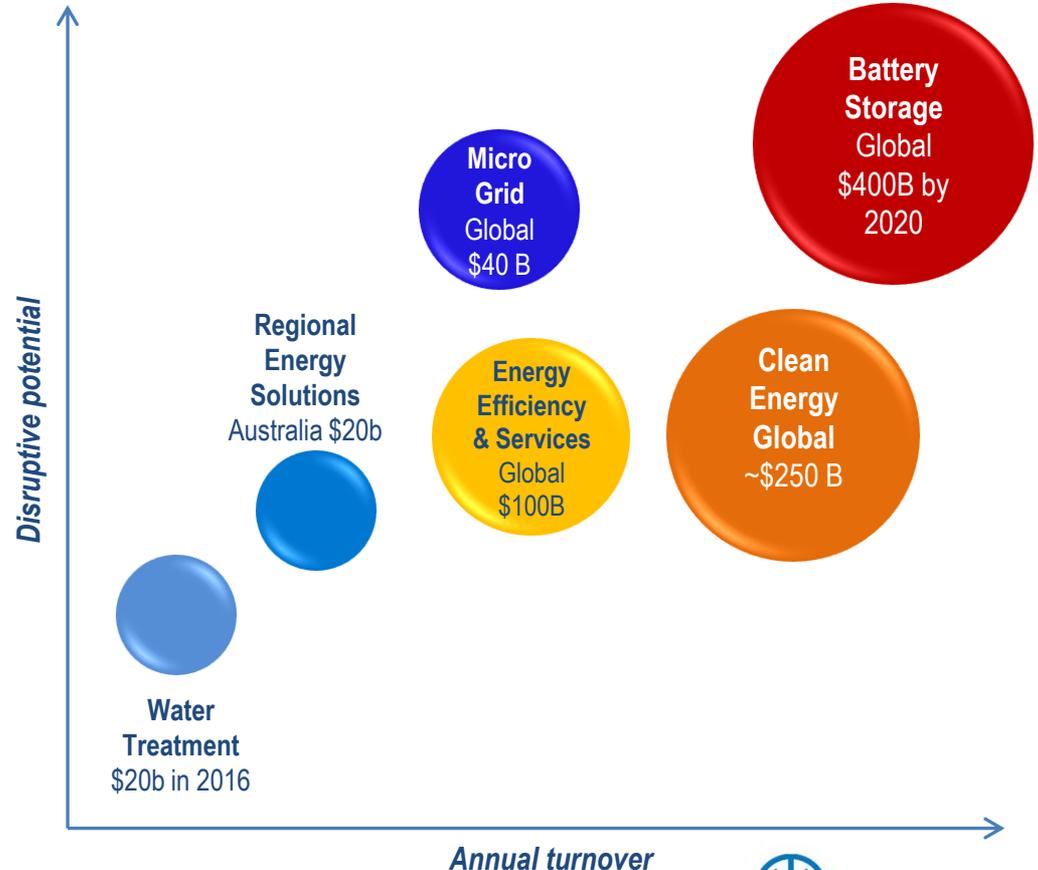
An energy revolution is fundamentally changing the way we produce, distribute, use, value and share energy; this is impacting every aspect of the industrial supply chain.

- *rise of the global middle class; increasing environmental standards and concerns regarding environmental impact*
- *globalization and competition – productivity challenge driving focus on energy efficiency and water usage*
- *solar PV prices have plummeted reaching socket parity in many markets*
- *move away from centralised monopoly energy systems to distributed energy*
- *rapidly declining costs in energy storage accelerating shift towards decentralised and dispersed system*
- *rising fossil fuels price, brought about by increasing demand in emerging economies and declining resources*
- *declining power demand in developed economies*
- *rise of the “prosumer”; increasing awareness of energy use and the value of energy independence*
- *disruption to traditional energy business models through competition from digital business models*

Opportunity Size

The Energy revolution is transforming multi-billion dollar markets.

- *global clean technology market is worth >US\$2.7 trillion a year*
- *grown at ~12% pa since 2007*
- *expected to double by ~2025 regardless of ongoing global financial turmoil*
- *Germany's clean tech companies are already generating ~11% of the country's GDP and employing over 1.4 million workers*
- *installation of new renewable generation surpassed that of fossil fuel generation in 2013*
- *investments in energy efficiency estimated by the IEA to rival that of supply side investment in fossil fuel and renewable generation*



Strong Capability

Geodynamics has strong capabilities in technology development, project development, project management and commercial management applicable to a range of clean energy, technology and associated utility and infrastructure sectors.

Our core capabilities include:

- *project development; clean energy, remote and regional power*
- *technology development and assessment; risk management*
- *commercial management; licenses and permits, approvals, joint venture management*
- *energy markets; Power Purchase Agreements, off-take agreements*
- *project management; engineering, community engagement; contractor management and execution*
- *remote and regional operations*
- *infrastructure development*
- *financing; debt and equity, joint ventures, grant and MLA financing*

Clean energy and services - growth and expansion opportunity

Geodynamics is actively seeking opportunities through a rigorous and deliberate review of emerging opportunities in the clean energy and technology sectors.



Clean Energy Supply

- Geothermal
- Hydro
- Wind
- Solar PV



Energy Services, Efficiency and Storage

- Micro Grids
- Solar PV services
- Demand management services
- Energy efficiency services
- Integrated energy solutions
- Remote & regional energy services
- Energy financing



Cleantech Industrial Services

- Waste water treatment & management
- Low emission industrial services
- Waste recovery and utilisation

Geodynamics has a strong capability in a range of clean energy, technology and associated utility and infrastructure areas to take advantage of these opportunities.



2015 - Outlook

Geodynamics is well positioned to identify assess and progress corporate or project opportunities created by the unfolding energy transformation, while consolidating value in our geothermal assets.



- *strong team and balance sheet*
 - *clear plan for geothermal portfolio*
 - *low future commitments*
 - *committed to forming partnerships with natural long term owners*
 - *maximising value of our geothermal portfolio*
 - *strategic review has identified strong growth opportunities in clean energy and technology outside geothermal*
 - *disciplined and active program to seek opportunities outside geothermal through acquisition or merger*
 - *well funded to pursue growth opportunities in clean energy and clean technology sectors*
- 

Questions?



A white SUV is driving on a dirt road in a desert landscape at sunset. The sky is a mix of blue, orange, and red, with scattered clouds. The horizon is flat and extends across the width of the image. The SUV is in the lower left quadrant, moving away from the viewer. The overall scene is a wide-angle shot of a vast, open landscape.

Thank you.

*We invite you to join our Directors,
Management and Staff for light
refreshments.*