



Australian Microcap Investment Conference

October 2014, Melbourne

Presenter: Geoff Ward – Managing Director & CEO

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 Practicing 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.

Geodynamics Limited

Global leader in Enhanced Geothermal Systems (EGS) technology in the Cooper Basin, pursuing a diversified portfolio of high quality conventional geothermal projects while assessing and consider opportunities outside our existing geothermal portfolio.

ASX Code:	GDY
Market capitalisation:	\$17.4 M at October 2014
Cash position:	\$30.6 M at 30 September 2014
Number of shareholders:	~14,200
Issued Capital:	435.8 M
Substantial shareholders:	
Sunsuper Pty Ltd	7.38%
The Sentient Group	7.25%
The Tata Power Company Limited	6.74%

- Strong board with track record in energy, technology, project development, project management and financing
- Skilled team with extensive energy and clean technology experience
- Australia's leading geothermal company with world leading capability in EGS project
- Demonstrated track record of project delivery, in a range of clean energy, technology and associated utility and infrastructure areas.
- Innamincka Deep Granite EGS Resource, Habanero Project, Cooper Basin, South Australia
- Takara Geothermal Power Project, Vanuatu
- Savo Island Geothermal Power Project, Solomon Islands

Strong, experienced Board

Geodynamics' board has extensive experience and track record in energy, renewables and technology businesses.

Mr Keith Spence Non-executive Chairman	<i>Former interim CEO and COO of Woodside Energy and most recently Executive Vice President Enterprise Capability for Woodside, responsible for ensuring the business operated with the best people, technology and processes. Chairman of the State Training Board of W.A. the National Offshore Petroleum Safety and Environmental Management Authority Board, non-executive Director of Oil Search Limited.</i>
Mr Geoff Ward Managing Director and CEO	<i>Over 20 years experience in energy and resources sectors, including 15 years in oil and gas industry with Mobil Corporation and Woodside Energy covering senior corporate roles, development of major capital projects and energy markets. Former Director of Azure Capital, an independent corporate advisory firm to companies in the resources and engineering industry.</i>
Dr Jack Hamilton Non-executive Director	<i>Over 28 years' experience both locally and internationally in operations management across refining, petrochemicals and gas production industry; experience covers energy marketing, strategy, technology development and LNG project management, including roles as CEO of NWS Venture for Woodside Energy.</i>
Mr Andrew Stock Non-executive Director	<i>Former Director, Executive Projects for Origin Energy, responsible for Origin's major capital investments in upstream petroleum, power generation, and low emissions technology businesses. Director of Clean Energy Finance Corporation, Climate Council, Silex Systems & Alinta Energy</i>
Mr Robert Davies Non-executive Director	<i>Extensive senior finance experience with global mining and resource companies. Former CEO and a Director of Australian Energy Company Limited, as well as holding senior finance positions with BHP in Canada, the US, Chile and Australia, acquiring significant operational and corporate finance experience.</i>
Mr Michel Marier Non-executive Director	<i>Board representative for the Sentient Group. He has a strong background in Private Equity, having previously worked for Private Equity division of la Caisse de dépôt et placement du Québec (CDPQ).</i>
Mr George Miltenyi Non-executive Director	<i>Managing Director of an organisation development company, EMD Workforce Development which consults to some of Australia's largest corporations. Has founded and managed several companies, with a passion for commercialising renewable energy and low carbon technologies.</i>

Organisational 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.

- *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*
- *Geothermal skills; sub-surface management, reservoir development, drilling*
- *Financing; debt and equity, joint ventures, grant and MLA financing*

Strong balance sheet

GDY has maintained a strong financial position while completing the Habanero Pilot Plant and acquiring Pacific projects.

- *Cash -in-bank \$30.6 m at 30 September 2014*
- *Low cost base*
- *Well funded to progress current portfolio of geothermal projects*
- *Reduced liabilities through sale of Cooper Basin Operating Base, relinquishment of tenements and completion of P&A and remediation activities through 2014*
- *\$29.15 million of undrawn ARENA grant funding*
- *~\$25m available for investment in new opportunities*

Why Geothermal ?

Geothermal power has attractive characteristics that offer long term energy security, sustainability and affordability.

- *Clean, low emission renewable energy source*
- *Highly reliable, capable of operating 24/7, 365 days per year*
- *Excellent safety record*
- *Very low impact on the land and surrounding land use*
- *Replaces imported fossil fuels – important in developing and island nations*
- *“Future proofs” power systems – no link to fossil fuel prices, scalable & expandable*
- *Cost effective in right geological areas and markets*



Cooper Basin Project

Pilot Plant Trial & Field Development Plan completed in 2013 - potential to supply process heat on a cost competitive basis to emerging natural gas producers in the Nappamerri Trough (Beach Energy & Chevron).

Key Achievements:

- Completion of Habanero Pilot Plant trial:
 - Plant trial exceeded modelled expected results
 - Recorded highest open flow results yet achieved - initial stabilised flow rate of 39 kg/s; peak flow rates ~45 kg/s
 - Achieved highest recorded closed loop flows of 19 kg/s and well-head temperatures of 215°C
 - Plant availability exceeding 75% up-time
 - Test results indicate the potential for Habanero 4 to flow between 40 – 50 kg/s at full drawdown in open flow mode.
- Signed Exclusivity Agreement with Beach Energy Limited to negotiate farm-in to Geodynamics' geothermal exploration tenements in the Cooper Basin
- Successful Variation to ARENA Grant securing \$27.15 in funding to support further development at Habanero

Exploration:	Complete
Project Scope:	~40 - 80 MW _{th} direct heat development based on 6 well (3 x producers, 3 x injectors)
Capex:	~\$135 million
EBITDA:	~\$15 – 25 million
Timing:	Dependent on timing of Nappamerri natural gas development Most likely production post 2020
Next Step:	Completion of joint desktop study into the integration of heat into gas processing facilities. Securing Joint Venture partnership with Beach Energy.

Pacific Island Markets

The Pacific Islands offer high margin diesel replacement markets with growing demand for power and attractive geology for geothermal.

- *Growing power demand requiring capacity additions*
- *Reliant on expensive imported diesel*
- *Reliability highly valued; requirement for high available base-load power as foundation of system*
- *Long term power purchase agreements delivering fair commercial returns*
- *Strong multi lateral financing support for the development of renewable energy and infrastructure projects*



Takara Geothermal Power Project

Will deliver lower end user prices, improved reliability, displacement of diesel consumption and reduced CO₂ emissions to 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*
 - *Initial 5 MWe development (4 MWe offtake) with potential for up to 8 MWe in two stage development*
 - *strong Vanuatu government support through Geothermal Task Force and National Energy Roadmap*
- *Completed comprehensive Environmental and Social Impact Assessment with environmental approvals expected in December*
- *Exploration drilling targeted for 2015*

Exploration:	<i>Initially 1 – 2 slim holes using BOP multi-purpose rig</i>
Expln. Costs	<i>~\$3 million</i>
Project Scope:	<i>Potential 2 phase development of 2 x 5 MW (4 MW dispatched); each stage will require 3-5 wells (combination of production & injection wells)</i>
Capex:	<i>~\$40 million (Phase I) + ~\$35 m (Phase II)</i>
EBITDA:	<i>~\$5-6 million (Phase I) + ~\$6.5 m (Phase II)</i>
Next Steps:	<i>Approval of ESIA PPP Syndicate to advance to exploration drilling and definitive feasibility studies</i>

Savo Island Geothermal Power Project

Discussions are well advanced for an PPA to cover an initial 10 MW development at Savo Island.

Key Achievements:

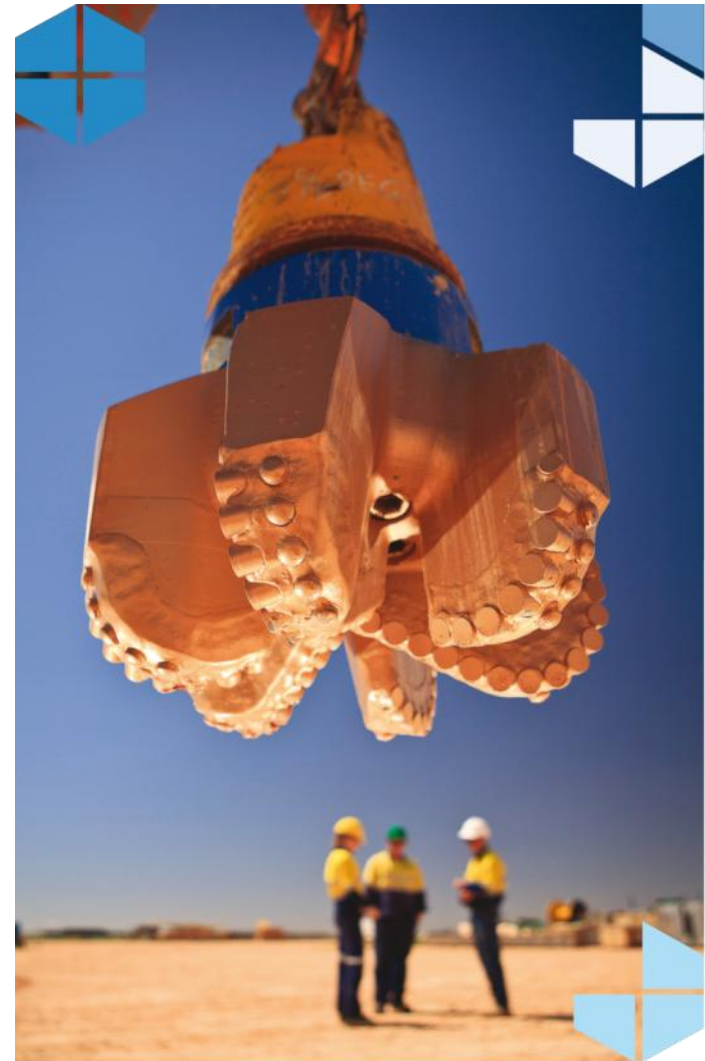
- *Geodynamics farmed-in to the Savo JV with Kentor Energy in November 2012*
- *Farm-in Stage One completed in April with the finalisation of Initial Resource Assessment and Scoping Study*
- *Inferred geothermal resource of 269 PJth - estimated to be capable of supplying 30 MWe of generation capacity, sufficient to supply Honiara and the nearby Gold Ridge Mine*
- *Environmental and Social Impact Study completed*
- *Received development consent for exploration stage of project*
- *Discussions well advanced with Solomon Island Electricity Authority for Term Sheet for initial 10 MW PPA*

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>

Strategic Review

Geodynamics has continued to review our strategy to take advantage of emerging trends and opportunities in clean energy and clean technology areas.

- *Geothermal portfolio can be progressed to key milestones at low cost*
- *Growth in geothermal sector likely to be low (globally) and access to high quality projects limited*
- *Energy markets and clean technology undergoing period of rapid, unprecedented disruption*
- *Global mega-trends fundamentally altering outlook for energy markets and systems*
- *GDY is continuing to review our strategy and position to take advantage of these shifts*
- *Actively assessing opportunities outside of geothermal energy*



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.

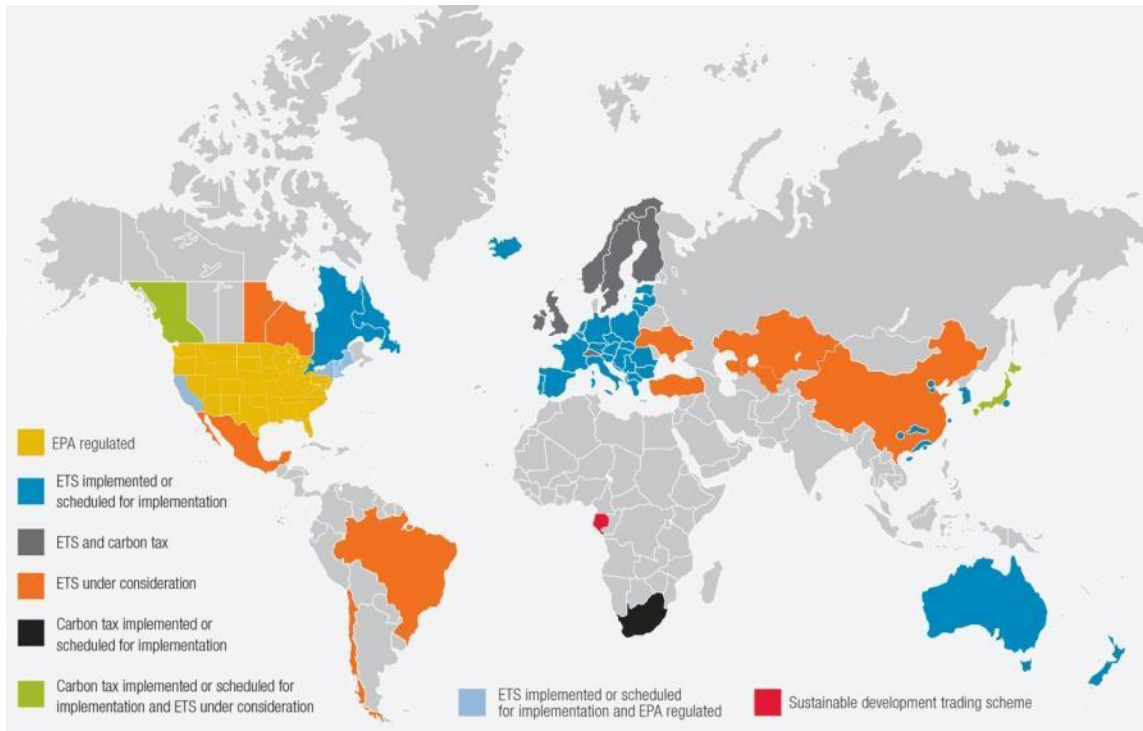
- *Rise of the global middle class; increasing environmental standards and concerns re environmental impact*
- *Globalization and competition – productivity challenge driving focus on energy efficiency, water usage*
- *Solar PV prices have plummeted socket parity in many markets*
- *Move away from centralised monopoly energy systems to distributed energy*
- *Rapidly declining costs in energy storage accelerating shift towards decentralised and dispersed system*
- *Rising fossil fuels price*
- *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*

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 中国日报网 Updated: 2014-06-18 15:48



Source: Ecofys, presentation on International Carbon Markets, Carbon Expo Barcelona, 2013

theguardian, Tuesday 3 June 2014 00:22 AEST

Obama unveils historic rules to reduce coal pollution by 30%

Barack Obama's carbon plan shows Australia is 'out of step', say experts
Bold US policy aiming for 30% cut shows Coalition's 5% target is too low, says climate expert Ross Garnaut

THE CONVERSATION
Academic rigour, journalistic flair 18 June 2014, 6:41am AEST

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

BusinessSpectator

CORRECTION: Adviser says China considering cap on CO2 emissions

REUTERS | 5 JUN, 10:05 AM

THE HUFFINGTON POST
UNITED KINGDOM Posted: 17/06/2014 19:18 BST

UK-China Sign Deal To Build Consensus On Climate Change Ahead Of Paris Conference

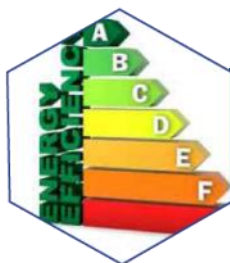
Clean energy and services – growth and expansion opportunity

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.

A wide-angle photograph of a white SUV driving away on a dirt road in a vast, flat desert landscape. The sun is low on the horizon, creating a warm orange and yellow glow that transitions into a deep blue sky. The terrain is dark and textured, with some sparse vegetation. The horizon line is slightly curved, emphasizing the vastness of the environment. The text "Thank you" is overlaid in the upper left corner in a white, italicized font.

Thank you

Contact:

Geoff Ward

Managing Director and CEO – Geodynamics Ltd

Ph: +61 7 3721 7500