



Stonehenge
METALS LTD

31 October 2014

The Manager
Market Announcements Platform
ASX Limited,
Exchange Centre
20 Bridge Street, Sydney NSW 2000



ASX Code: **SHE**

Protean Acquisition – Due Diligence Condition Satisfied

Stonehenge Metals Ltd (**Stonehenge** or the **Company**) is pleased to advise that it has now successfully completed its due diligence in relation to the option agreement with Protean Energy Limited (**PEL**). The only completion pre-condition remaining is the execution of the formal transaction documents, which along with final completion, is expected to occur within the next 7 days.

The agreement with PEL grants Stonehenge an exclusive 24 month unrestricted licence and an option to acquire 100% of the equity of Protean Energy Australia Pty Ltd (**PEA**) (the **Option**). PEA holds the intellectual property titles, rights and licenses to the Protean Wave Energy Converter Technology (together the **Protean WEC**).

CPS Capital, in its capacity as lead manager to the rights issue, is continuing discussions with potential strategic investors to place the balance of the shortfall and the Company expects to issue the remaining 33,999,968 Shortfall Shares for \$169,999 in due course.

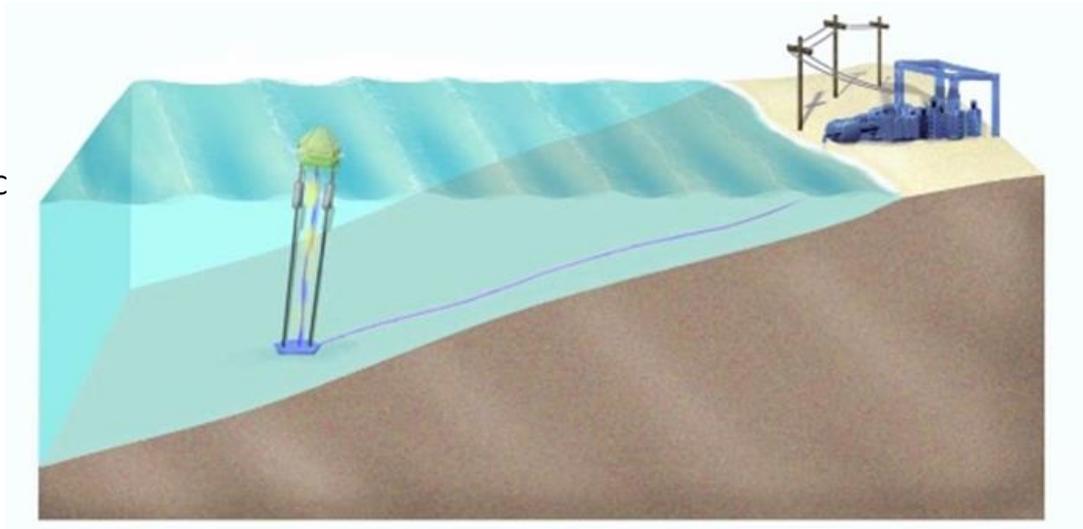
For further information visit www.stonehengemetals.com.au or contact:

Bruce Lane – Executive Director
T: + 61 8 9481 2276
E: blane@stonehengemetals.com.au

ABOUT THE PROTEAN WAVE ENERGY CONVERTER (WEC) TECHNOLOGY

The Protean WEC system is based upon a point-absorber wave energy converter buoy device which floats at the water surface and extracts energy from the waves by the extension and retraction of a tether to its anchoring weight on the sea bed. The device is unique in that it optimises the conversion of energy from waves at the surface through **all six degrees of wave movement**.

Figure 1:
Protean WEC
technology



The Protean WEC has been developed to use compact architecture to produce power very efficiently from a small, low cost design targeted at keeping the projected levelised cost of energy (LCOE)¹ down.

The future plans for the Protean WEC include the modularisation of the proven size for the purpose of creating a dynamic, configurable and scalable power array prior to moving the technology into early commercialisation.

During the Option period the Stonehenge assessment program aims to:

1. **Refine** the tried and proven scale device to produce a suitable pre-commercial model;
2. **Create** a scalable power array so as to provide the power requirements of a prospective customer;
3. **Test** the scalable power array for its potential to delivery cost effective power,
4. **Verify** the results, including commissioning an independent expert to qualify the testing results; and
5. **Commence** commercialisation of the scalable array for small to medium customers.

For further information visit: www.proteanwaveenergy.com.au or www.stonehengemetals.com.au

¹ Levelised cost of energy is one of the industry's main metrics for the cost of electricity produced. It accounts for all of a system's expected lifetime costs (incl. construction, finance, fuel, maintenance, tax, insurance & incentives), which are then divided by the system's lifetime expected power output (kWh) & discounted for inflation & time cost of money.