

Annual General Meeting 28 November 2014

Managing Director's Presentation
Mr David Lymburn

Part 1 - The WMRC Project

1. WMRC Project (60,000tpa)



- The WMRC Project involves the retro-fit of the AnaerCo™ AWT Plant on to an existing waste transfer station operated by the Western Metropolitan Regional Council (WMRC).
- Location: Shenton Park, Perth, Western Australia.

1. WMRC Project Commissioning – the last 12 months

- Oct 2013 : test organic material introduced to Material Recovery Facility (MRF), followed soon after by municipal solid waste (MSW).
- Jan – March 2014 : expanded capacity of rotary drainage screen in Wet Density Separation (WDS) system.
- Jan – March 2014 : resolved manufacturer errors in DiCOM™ vessel conveying systems.
- March 2014 : commenced wet commissioning of Bioconversion Facility (BCF) using organic material.
- June 2014 : commencement of biological process activity, initiating Biological Ramp-up (an 18 week stepped batch process to build biological capability).
- June – July 2014 : expanded process water filtration capacity in WDS.
- Aug 2014 : reported biogas leak in process water storage tank.
- Aug – Nov 2014 : completed four Ramp-up Batches. Fifth Batch aborted due to manufacturing fault in DiCOM™ vessel conveyor. Batch #6 currently in progress.
- Despite delays to Ramp-up caused by biogas leak in process water storage tanks, rate of biogas production has exceeded expectations and production of organic fertiliser is progressing.
- **The DiCOM™ bioconversion process is working as designed.**

1. WMRC Project Ramp up – current status

- Ramp-up Batch #6 (out of 18) currently in progress.
- Biogas leaks in both process water storage tanks has forced Ramp-up to occur in series rather than consecutive sequential batches, resulting in the loss of two weeks progress out of every three.
- Ramp-up delay from process water storage tank issue has been compounded by manufacturing faults in mechanical equipment.
- Ramp-up delay relative to Plan (as at June 2014) is now 21 weeks due to the above issues.
- MRF has achieved 57% of nominal daily throughput.
- BCF is performing as designed, but so far limited to 20% capacity as a consequence of above issues. Biogas production exceeding expectations. Organic fertiliser production is progressing well.
- Some optimisation work still required in a few areas.
- Grid connection works in progress to enable generation of electricity from biogas.

1. WMRC Project Completion – the way forward

- Ramp-up batches will continue in series until both process water storage tanks are back online, and faulty mechanical equipment is repaired. Currently forecast for January 2015, after completion of Batch #8.
- Next immediate milestone will be to operate two DiCOM™ bioconversion vessels in tandem, i.e. consecutive batches using two vessels.
- The subsequent milestone will be to operate all three DiCOM™ bioconversion vessels in consecutive weekly sequence. This is currently forecast for Batch # 11 or 12 in late February 2015. From here the plan is to steadily lift weekly tonnage throughput until we reach the nominal weekly capacity of 1,058 tonnes per week of MSW.
- Once Biological Ramp-up is completed the plant will be ready for Performance Trials. Passing these trials and completion of the project will be evidenced by issue of the Certificate of Practical Completion.

1. WMRC AWT Plant Main Facilities

1. WMRC Weighbridge
2. WMRC Transfer Station
3. Material Recovery Facility

BCF Bioconversion Facility

4. DiCOM Vessels (x3)
5. Process Water Tanks (x2)
6. Continuously Stirred Reactor Tank (CSTR)

ASA Ancillary Services Area

7. Nitrogen storage
8. Odour Management System (OMS)
9. Backup OMS
10. Bulk Chemical Enclosure
11. Gas Power Generation System
12. Gas Flare
13. H₂S Scrubber
14. Laboratory



1. WMRC Project



A video illustrating the AWT plant constructed at the WMRC Project in Shenton Park, WA, which includes footage shot during commissioning can be viewed at the following link:

<http://www.youtube.com/user/AnaecoLtd>

Part 2 - The Business

2. AnaeCo Snapshot

- Australian designer of advanced resource recovery and recycling systems for mixed municipal solid waste based on patented AnaeCo™ System.
- Founded in 1999 and publicly listed in 2008 (ASX:ANQ).
- Around \$140 million invested in technology development over 15 years.
- All intellectual property is owned by AnaeCo and protected by an international patent portfolio.
- A commercial scale (60,000 tpa) AnaeCo™ AWT Plant in Shenton Park, WA, is in the final stages of commissioning with biological processing capacity being ramped up to operational readiness.
- Immediate next phase is commercialisation with a focus on both Australian and International markets.

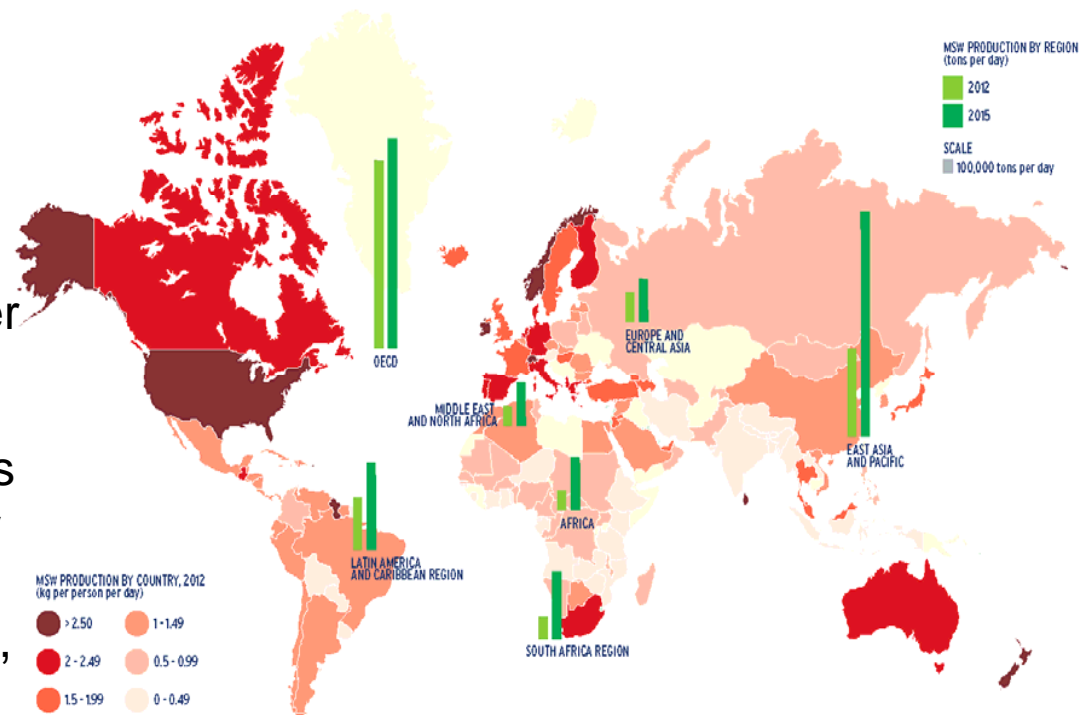
2. Strategic Objectives

- Provide technology and design by applying the AnaeCo™ System to new waste plants.
- To become a provider of technology and services to the major players in solid waste management sector.
- Meet the demand of customers who seek to maximise diversion of MSW from landfill.
- Develop and industrialise the AnaeCo™ System as a technology transfer package which can be licensed across the world.
- Accelerate growth through alliance partnerships and technology transfer.

2. Large Addressable Market

Over the next decade

- Global MSW volumes will rise from 1.3B tonnes per year to over 2.2B tonnes per year.
- MSW management services market is forecast to rapidly grow in value from around US\$200B to over US\$400B, at a CAGR of between 7% and 9% .
- At least **US\$87B** in investment will be made on new recycling and resource recovery technologies.



	Australia	Europe	North America	China
Landfill (Mtpa)	7	126	132	165
Current MSW services market value (US\$B)	2.2	70	100	14

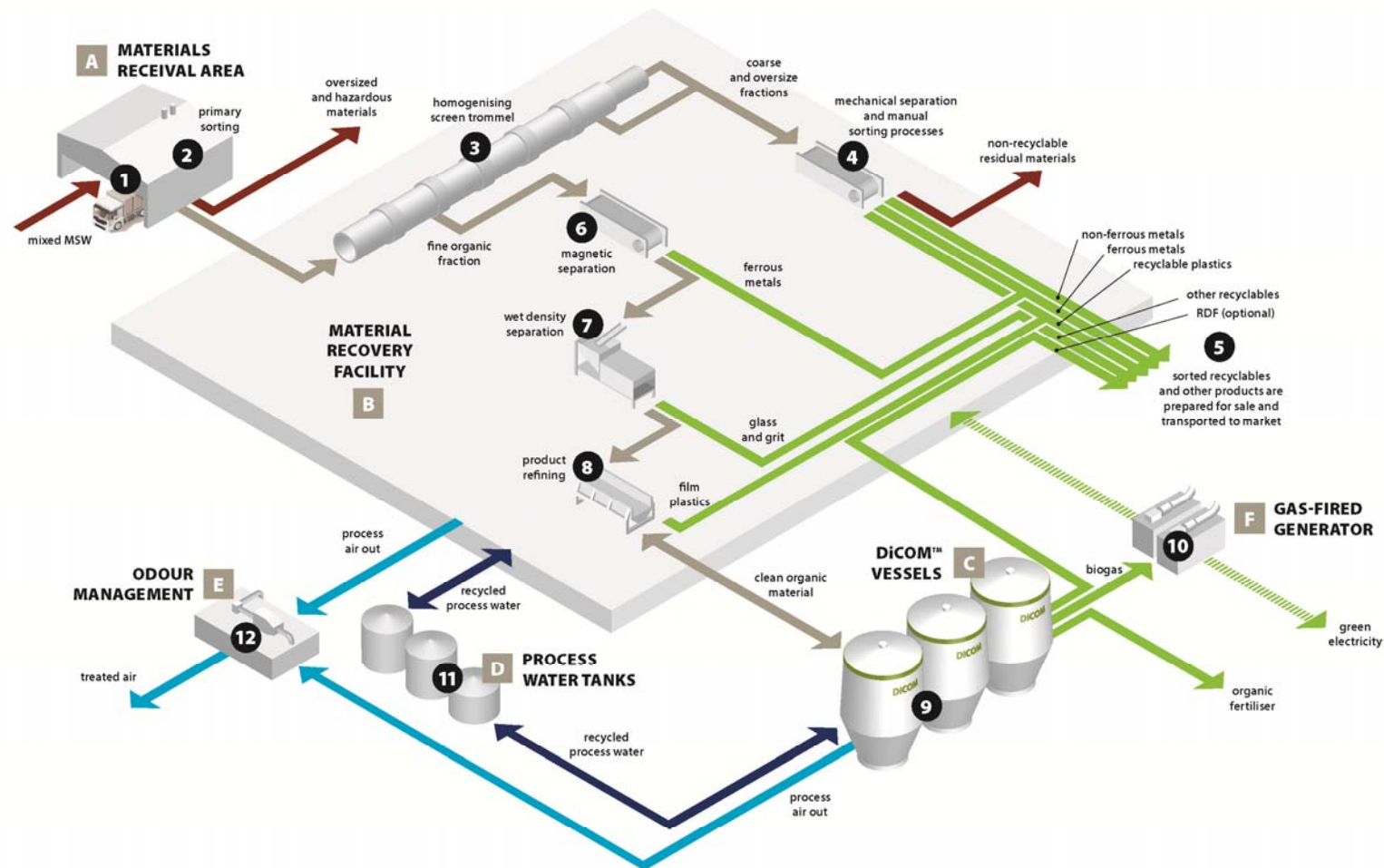
Source: Bank of America, Merrill Lynch, 2013. No time to waste – global waste primer.
 Frost & Sullivan, 2014. Global Municipal Solid Waste Management Services Market Report.
 Hoornweg, Daniel; Bhada-Tata, Perinaz. 2012. What a waste : a global review of solid waste management.

2. AnaeCo System™ Competitive Advantages

- Receives mixed MSW.
- Does not rely on source separation.
- Higher landfill diversion with high resource recovery.
- Short bioconversion processing cycle to produce high quality outputs.
- Lower land requirements.
- Lower environmental impacts such as odour and noise emissions.
- Suitable for integration with existing waste infrastructure such as transfer station upgrade.

The combined benefits of a unique process design, compact footprint, ability to retrofit existing infrastructure, scalability and low environmental impact ensures viability in urban areas.

2. AnaeCo™ System Process Flow



2. Intellectual Property

Strong IP protection headlined by thirteen patent families will underpin Technology Transfer and Licensing. These patents cover method and apparatus across a range of unique aspects of the AnaCo™ System.



Summary of patents at various stages

Provisional patent filed	1
PCT application filed	1
National patent registrations filed	72
Granted patents	9
Total patents pending and granted	83

2. Business Model

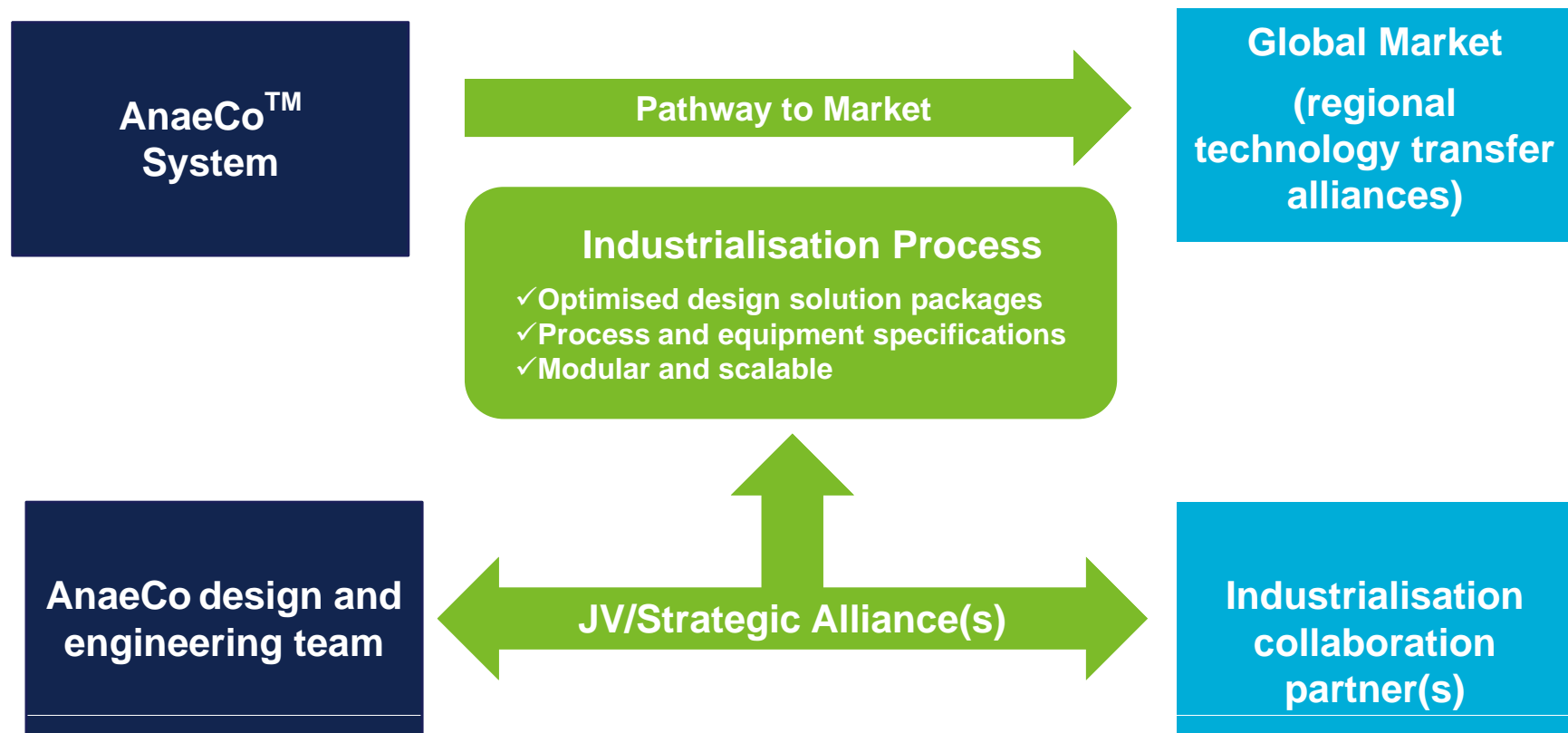
Operating Model	Customers and partners	Revenue model	Target markets
<p>Australia: technology licensing, including the packaging of engineering services and commissioning and start-up support for facilities incorporating the technology.</p> <p>International: licensing and technology transfer.</p>	<ul style="list-style-type: none"> • Waste management companies. • Local government authorities. • Project developers. • Waste infrastructure asset owners/operators. • Engineering and construction companies. • Technology developers. 	<ul style="list-style-type: none"> • Consulting services. • Technology transfer and licensing (up front). • Engineering design services. • Commissioning, plant start up and support services. • Annual royalties. 	<ul style="list-style-type: none"> • Mature markets with favourable commercial, environmental or regulatory drivers such as Australia, Europe and North America. • Developing markets such as China, S.E. Asia and India with rapid growth in urban waste generation and undergoing industry transition and evolution.

2. Pathway to Commercialisation

- AnaeCo already has a **pipeline of emerging project opportunities** with early adopters:
 - South Australia - potential 200,000tpa facility.
 - New South Wales, Australia - Selected as a tenderer for the Shoalhaven Project (~65,000tpa).
 - Memoranda of Understanding in place with a number of international organisations.
- A strategic decision has been taken to develop a Technology Transfer platform.
- This will require further development of the engineering design platform and systems and will most realistically be achieved with the benefit of additional resources. We refer to this as 'industrialisation'.

2. Industrialisation Framework

Industrialisation of the technology package will leverage on the modular nature of the process design, enabling standardisation and scalability. This expands the pathway to market via technology transfer.



2. Current Priority Objective

- Technology platform is well developed and primed to move to the next level quickly given additional resources (capital, engineering capability, business alliances).
- AnaeCo is seeking to develop alliances with regionally significant partners who may be EPC/EPCM firms, waste project developers, owners or operators.
- **The Company is now actively seeking collaboration partners to bridge the final phase of commercialisation.**
- AnaeCo's low market capitalisation (< AUD\$20 million) does not reflect the amount invested in developing the technology or the potential realisable value with even moderate market share. This is an opportunity.
- Increased activity in Asia, North America and Europe in the last few months to promote this opportunity. Multiple parties are actively reviewing technical material in our online data room.

End of presentation
Questions?