



16 September 2009  
ENERCO\ASX

The Company Announcement Platform  
Australian Securities Exchange  
Level 8, Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

Dear Sir/Madam

### **ENERJI EXERCISES OPTION TO ACQUIRE COGEN ORC POWER**

The Board of Directors of Enerji Limited (**Enerji** or **Company**) is pleased to announce that it has exercised its option to acquire Jamalcom Pty Ltd trading as Cogen Orc Power (**CoGen**).

#### **Overview of CoGen**

CoGen is a "green tech" company specialising in the application of low grade waste heat recovery in conjunction with the reliable and tested organic Rankine cycle (**ORC**) Opcon AB (**Opcon**) ([www.opcon.se](http://www.opcon.se)) Powerbox to generate complementary and base-load power.

CoGen was originally incorporated to design commission and operate low-grade waste heat recovery power generation systems initially focusing on generating carbon-free electricity generation systems from the low-grade waste heat produced from fossil fuel electricity generation at mines and remote regional centres/communities.

CoGen has an exclusive distributor agreement covering Australia for Opcon's Powerbox which is a product developed by Opcon for the production of new carbon-free electricity from low grade waste heat at temperatures as low as 55C. The Opcon Powerbox utilises its patented "twin screw expander" technology which extracts up to 40% more power from a low grade heat source than its known closest competitor. Further to this, the Opcon Powerbox is the only ORC technology that Opcon is aware can profitably produce electricity from low grade waste heat temperatures as low as 55C. A standard Opcon Powerbox produces 0.7MW of zero fuel and zero emission electricity and can be installed in large process-industry plants, gas pipeline compressor pumping stations and fossil fuel burning power stations. The Opcon Powerbox is modular and can be scaled up to produce 10MW to 100MW with supply, installation and commissioning measured in months.

Low grade waste heat is a huge and largely untapped resource for the production of new electricity around the world. According to the US Department of Energy, there is more waste heat energy available in American industry than all of the electricity produced from all renewable energy sources in the US put together.



This is true zero pollution, zero emission energy. The fuel to create it is already paid for and consumed and, by definition, CoGen is only dealing with the waste heat that is otherwise lost. If applied in a blanket manner across future commercial onsite distributed energy systems, waste heat recovery also becomes a nation-wide pollution solution by reducing the total carbon emissions by up to 30% produced in fossil fuel burning power stations.

Waste heat's 'energy-environmental' ratio is much greater than any ethanol, biodiesel, or biomass 'renewable' and typically tax subsidized energy programs. It requires no grand technology development investment such as fuel cells or solar cells. Further to this, there is no drilling required (in the case of geothermal generation), no environmental approvals (in the case of wind and solar generation) and no transmission costs. CoGen simply applies the Opcon Powerbox to an already impacted power generation site with transmission and distribution networks and starts producing emission free electricity which CoGen can sell to the client or grid.

### Transaction Terms

The consideration to be paid by the Company to the sole shareholder in CoGen (Mr Greg Pennefather) will be satisfied through the issue of fully paid ordinary shares in the Company with a value of \$5 million (based on 85% of the volume weighted average price of Enerji's shares as traded on ASX during 5 trading days prior to exercise of the option).

The issue of the shares referred to above will be subject to shareholder approval.

Now that the option has been exercised, the Company will be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules as it will result in a significant change to the nature and scale of the Company's activities.

This includes the preparation of a full form prospectus and a capital raising through the issue of shares at a price of not less than \$0.20 per share.

### Capital Structure

On the basis that Enerji completes the acquisition of CoGen on the terms set out above, Enerji's capital structure will be as follows:

Event	Number
Current issued Shares	474,925,766
Shares issued on exercised of Options	58,745,240
Shares issued to acquire CoGen	41,701,418
Shares issued under Prospectus (@ \$0.20)	25,000,000
<b>TOTAL</b>	<b>600,337,575</b>

Under its prospectus, the Company proposes to raise up to \$5 million with the ability to accept oversubscriptions for a further \$5 million.

The above table assumes that all Options that are currently on issue are exercised on or prior to the date the Company seeks reinstatement to trading on ASX after completing the acquisition of CoGen.

### **Balance Sheet**

A draft pro-forma Balance Sheet for Enerji incorporating the effect of the acquisition and the capital raising is attached to this ASX announcement.

### **Indicative Timetable**

The anticipated timetable for completion of the acquisition of and the balance of the matters referred to above is set out below:

<b><u>Event</u></b>	<b><u>Date</u></b>
Exercise of Option to acquire CoGen	15 September 2009
Suspension of Enerji's securities from trading on ASX at the opening of trading	5 November 2009
General Meeting to approve Acquisition and Change in Nature and Scale of Activities	5 November 2009
Lodgement of Prospectus with the ASIC	5 November 2009
Opening of Offer under the Prospectus	12 November 2009
Closing Date of Offer under the Prospectus	4 December 2009
Settlement of acquisition of CoGen	9 December 2009
Anticipated date the suspension of trading is lifted and Enerji's securities commence trading again on ASX	14 December 2009



**Ross Smith**  
**Chief Executive Officer**

# ENERJI LIMITED

## DRAFT PRO FORMA BALANCE SHEET AS AT 14 SEPTEMBER 2009

	Enerji Limited Consolidated	Acquisition Jamalcom	Capital raising	Pro forma Consolidated
<b>Assets</b>				
Property, plant and equipment	42,106			42,106
Opcon Power Box Investment	-	5,972,112		5,972,112
<b>Total non-current assets</b>	<b>42,106</b>			<b>6,014,218</b>
<b>Cash and cash equivalents</b>				
Trade and other receivables	4,415,648		4,550,000	8,965,648
Other investments	623,808	(609,859)		13,949
	-			-
<b>Total current assets</b>	<b>5,039,456</b>			<b>8,979,597</b>
<b>Total assets</b>	<b>5,081,562</b>			<b>14,993,815</b>
<b>Equity</b>				
Share capital	34,688,461	5,000,000	4,550,000	44,238,461
Reserves	4,047,438			4,047,438
Retained earnings	(33,843,085)			(33,843,085)
<b>Total equity</b>	<b>4,892,814</b>			<b>14,442,814</b>
<b>Liabilities</b>				
Loans and borrowings	2,500			2,500
Trade and other payables	185,748	362,253		548,001
Provisions	500			500
<b>Total current liabilities</b>	<b>188,748</b>			<b>551,001</b>
<b>Total liabilities</b>	<b>188,748</b>			<b>551,001</b>
<b>Total equity and liabilities</b>	<b>5,081,562</b>			<b>14,993,815</b>

### Notes

1. Acquisition of Jamalcom includes consolidation of Jamalcom loan outstanding and Powerbox accrual as at the date of acquisition.
2. Capital raising of \$5 million is net of estimated prospectus and capital raising costs.

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