

Energy Developments Limited (ASX: ENE)

Thursday 8 October 2015
For Immediate Release



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ASX Release

Scheme Meeting – Chairman’s Address and Presentation

Attached are:

- the Chairman’s speech; and
- the slide presentation

for Energy Developments Limited’s Scheme Meeting to be delivered today.

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About EDL

Energy Developments Limited ABN 84 053 410 263 is an international provider of safe, clean, low greenhouse gas (GHG) emissions energy and remote energy solutions.

EDL currently owns and operates a diversified international portfolio of power stations in Australia, the United States, the United Kingdom and Greece from a range of fuel sources including landfill gas, waste coal mine gas, natural gas and liquefied natural gas.

In the year ended 30 June 2015:

- EDL’s worldwide operations produced approximately 4 million MWh of energy, enough to power over 650,000 homes; and
- EDL’s landfill gas power stations around the world, and waste coal mine power stations in Australia abated and avoided approximately 13 million tonnes of carbon dioxide equivalent of GHG emissions, equivalent to removing 3.8 million cars from the road

Note: in this release, all amounts are Australian dollars unless otherwise specified, and all numbers are approximate unless otherwise specified.

Energy Developments Scheme of Arrangement

As announced to the ASX on 20 July 2015, EDL has entered into a Scheme Implementation Deed with companies forming part of the DUET Group under which it is proposed that a DUET Group company will acquire all of EDL’s shares on issue by way of a Scheme of Arrangement. Full details of the conditions precedent to the Scheme and other agreed terms are set out in the Scheme Implementation Deed, a copy of which is attached to EDL’s announcement to the ASX on 20 July 2015. Subject to the conditions precedent to the Scheme being satisfied, the Scheme is expected to be implemented in late October 2015.

Shareholder Information Line

EDL shareholders with questions about the DUET proposal or their shareholdings are encouraged to call the EDL Shareholder Information Line: 1300 657 159 (within Australia) or +61 1300 657 159 (outside Australia).

Energy Developments Limited ABN 84 053 410 263

2015 Scheme Meeting

Thursday 8 October 2015 at 10.00am

Chairman's Address

WELCOME [PRESENTATION PAGE 1]

{Rob Koczkar} Good morning – my name is Rob Koczkar and I am the Chairman of Energy Developments Limited. I would like to welcome you to this meeting of Energy Developments Limited shareholders to consider the proposed scheme of arrangement involving Energy Developments Limited and the DUET Group.

Before we begin proceedings, I would like to acknowledge the traditional custodians of the land on which we meet today, being the Gadigal People of the Eora nation, and I pay my respects to their elders both past and present.

As a safety matter, please note that the fire exits are shown on the door in the unlikely event that we have to evacuate this room due to safety concerns.

The Company Secretary, Glen Marshall, has confirmed to me that we have a quorum present. As such, I formally declare this meeting open.

I am joined today by my fellow directors:

Greg Martin
Philip Kapp
Tony Duthie
David Grayce
Greg Pritchard

AGENDA [PRESENTATION PAGE 2]

The purpose of this meeting is for Energy Developments' shareholders to consider and formally vote on the proposed Scheme of Arrangement with the DUET Group.

Before we conduct the formal vote, I will run through:

- the background to the proposed Scheme
- your director's views on the proposed Scheme
- the key benefits to shareholder from the proposed Scheme
- the current status of the Scheme conditions precedent and the Scheme timetable; and
- the voting process and the proxy votes received to date

BACKGROUND TO THE SCHEME [PRESENTATION PAGE 3]

By way of background, the Boards of EDL and DUET announced on 20 July 2015 that EDL and the DUET Group had entered into a Scheme Implementation Deed under which it is proposed that the DUET Group will acquire all of the EDL shares on issue by way of a Scheme of Arrangement, subject of course to EDL shareholder approval and certain other conditions.

If the Scheme is approved and becomes effective, then EDL shareholders will receive \$8.00 cash per share on the Implementation Date, which is proposed to be Thursday 22 October 2015.

Full details of the proposed Scheme of Arrangement are set out in the Scheme Booklet which was formally dispatched to EDL shareholders on 7 September 2015.

Your Directors have carefully considered the DUET proposal and unanimously recommend that you vote in favour of the Scheme, and the Directors intend to vote all the EDL shares held or controlled by them in favour of the Scheme.

KEY BENEFITS OF THE PROPOSED SCHEME [PRESENTATION PAGE 4]

The Scheme Booklet sets out a number of benefits for EDL shareholders from the Scheme and some reasons why EDL shareholders might wish to vote in favour of the proposed Scheme – these include that:

- The EDL Board unanimously recommends that you vote in favour of the Scheme
- The Independent Expert concluded that the Scheme is fair and reasonable and, therefore, in the best interests of EDL Shareholders
- The Scheme has been publically supported by EDL's major shareholders – and as at today, EDL's major shareholders holding approximately 89% of all EDL Shares on issue have submitted proxies voting in favour of the Scheme.
- The Scheme Consideration represents an attractive premium to the trading levels of EDL Shares on the ASX prior to the announcement of the proposed Scheme on 20 July 2015, including:
 - a 17% premium to \$6.86, being the VWAP of EDL shares on ASX for the 6 months up to and including 20 July 2015;
 - a 28% premium to \$6.27, being the VWAP of EDL shares on ASX for the 12 months up to and including 20 July 2015; and
 - a 44% premium to \$5.55, being the placement price for the institutional placement conducted in February 2014.
- The Scheme Consideration is all cash – which gives EDL shareholders immediate cash value for your EDL Shares – and there are no brokerage fees payable on the transfer of your EDL Shares under the Scheme
- No Superior Proposal has emerged as at the date of this Scheme Meeting
- The Scheme allows EDL shareholders to sell their entire shareholding in EDL Shares which have relatively low trading liquidity
- If the Scheme does not proceed, and no comparable proposal or Superior Proposal emerges, then the EDL share price may fall or trade at a price below the Scheme Consideration of \$8.00 per EDL Share in the immediate near term

In reaching its conclusion that the proposed Scheme is in the best interests of shareholders, the EDL Board also considered a number of strategic alternatives for the business. These included:

- continuing to deliver on growth prospects as an independent company;
- the potential for further beneficial capital management initiatives for shareholders; and



- a number of competing, incomplete, indicative proposals for the business and selected assets by a number of interested parties.

After detailed consideration of each of these alternatives, the Board unanimously concluded that the proposed Scheme was the most attractive option to realise value for shareholders in the absence of a Superior Proposal, and as I mentioned before, there has been no Superior Proposal to date.

STATUS OF CONDITIONS [PRESENTATION PAGE 5]

The Scheme is subject to a number of conditions and the current relevant conditions are:

- first, the approval of the Scheme by EDL shareholders – which is why we are holding this meeting today;
- second, the approval of the Scheme by the Supreme Court of New South Wales; and
- finally, there being no material adverse change, prescribed occurrence or regulatory restraint before the Scheme is approved by the Court – and I can confirm that to date the EDL Board has not become aware of any material adverse change, prescribed occurrence or regulatory restraint.

TIMETABLE TO IMPLEMENTATION [PRESENTATION PAGE 6]

If the Scheme is approved by EDL shareholders today then the next key dates in the Scheme timetable are:

- On Monday the 12th of October 2015, the Company will seek the approval of the Supreme Court of New South Wales to implement the Scheme. If the Court approves the Scheme and issues the orders sought, then on that day the Company will lodge with the Australian Securities and Investments Commission a copy of the Court's orders and the Scheme will become effective. EDL shares will be suspended at the close of trading on the ASX on that day.
- Wednesday the 15th of October 2015 will be the formal **Record Date** and all EDL shareholders who are listed on the share register on the Record Date will be entitled to receive the Scheme Consideration of \$8.00 per share. If you sell your EDL shares prior to the Record Date, you will not be entitled to the Scheme Consideration in respect of those shares sold.
- Finally, the **Implementation Date** will be Thursday the 22nd of October 2015, which is when payment of the Scheme Consideration will be made to eligible EDL shareholders.

VOTING THRESHOLDS [PRESENTATION PAGE 7]

In accordance with the Corporations Act, in order for the Scheme Resolution to be passed, two voting thresholds must be met.

The **first** threshold is that the formal Scheme Resolution needs to be approved by a majority in number of the holders of EDL shares voting at this Scheme Meeting in person or by proxy – that is, more than 50% of the shareholders voting today need to be in favour of the Scheme Resolution.

And the **second** threshold is that the formal Scheme Resolution needs to be approved by at least 75% of the votes cast on the Scheme Resolution in person or by proxy.

PROXIES [PRESENTATION PAGE 8]

The vote on the Scheme Resolution today will be determined by means of a poll, and a summary of the proxies received to date in respect of the Scheme Resolution is shown on the current slide – approximately 152 million proxy votes have been received from shareholders which represents approximately 89% of EDL's issued shares.

As referenced in the Proxy Form, in my capacity as Chairman of this meeting, I intend to vote all undirected proxies I hold in favour of the Scheme Resolution.

SCHEME RESOLUTION [PRESENTATION PAGE 9]

I now move to the formal business of today's meeting.

The Scheme Booklet including the Notice of Scheme Meeting was formally dispatched to EDL shareholders on 7 September 2015, and I will take the Notice as read.

The Resolution for today's Scheme Meeting as set out in the Scheme Booklet is:

"That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme, the terms of which are contained in and more particularly described in the Scheme Booklet (of which this Notice of Scheme Meeting forms part) is approved (with or without modification as approved by the Court)."

The Board unanimously recommends that you vote in favour of the Scheme Resolution.

I will now take any questions that you may have. I ask that all questions be addressed to me as Chairman.

QUESTIONS, IF ANY [PRESENTATION PAGE 10]

As Chairman of the meeting I now put the Scheme Resolution to a vote and I call for a poll to be taken. Mr Michael Spruyt of Link Market Services, the Company's Share Registrar, will conduct the poll as returning officer.

As Chairman of this meeting I retain the right to make all final decisions on who may vote, the votes cast, and the declaration of the result of the poll.

I ask Michael to announce the poll directions, on my behalf.

{Link}

[Michael Spruyt] (Link): Good morning. We will now conduct the poll on the Scheme Resolution.

If there is any person present who believes they are entitled to vote but has not registered to vote, would you please raise your hand and a member of my staff will assist you.

The persons entitled to vote on this poll are all shareholders, representatives and attorneys of shareholders, and proxyholders who hold Blue admission cards.

Your Blue admission card includes your voting paper which details the motion being put to this poll.

I will now go through the procedures for filling in the voting papers.

If you are a proxyholder and have only directed votes (for and/or against) as shown on the

summary of votes attached to your admission card, all you need to do is lodge your voting card in the ballot box.

If you are a proxyholder with open votes, you need to mark a box beside the motion to indicate how you wish to cast any open votes.

Shareholders also need to mark a box beside the motion to indicate how you wish to cast your votes.

When you have finished filling in your voting paper, please lodge it in the ballot box. You must lodge your voting paper in the ballot box for your votes to be counted.

{Rob Koczkar: after voting is complete}

I now declare the poll closed. The results of the poll will be released to the ASX later today.

There being no further business, that concludes the business of this meeting and I declare the meeting closed.

Thank you, members and guests, for your attendance today. My fellow directors would be delighted if you would join us for tea, coffee and light refreshments in the foyer.

-ooOoo-

Energy Developments Limited

Scheme Meeting

8 October 2015



Leaders in Remote and Clean Energy

Agenda

- ▶ **Background to the Scheme**
- ▶ **Reasons to Vote in Favour of the Scheme**
- ▶ **Status of Conditions**
- ▶ **Timetable to Implementation**
- ▶ **Voting Thresholds**
- ▶ **Proxies**
- ▶ **Scheme Resolution**
- ▶ **Questions**

Background to the Scheme

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- On 20 July 2015, Energy Developments Limited (“Energy Developments” or “EDL”) and DUET Group (“DUET”) announced execution of a Scheme Implementation Deed under which it is proposed that DUET will acquire all issued Energy Developments shares by way of a Scheme of Arrangement (“Scheme”)
- If the Scheme is approved and becomes effective, Energy Developments shareholders will receive A\$8.00 cash per share on the Implementation Date (anticipated 22 October 2015)
- Full details of the DUET proposal are contained within the Scheme Booklet that was sent to Energy Developments shareholders in September 2015
- **Your Directors have carefully considered the DUET proposal and unanimously recommend that you vote in favour of the Scheme**
- Your Directors intend to vote all the Energy Developments shares held or controlled by them in favour of the Scheme

Reasons to Vote in Favour of the Scheme

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- ✓ The EDL Board unanimously recommends that you vote in favour of the Scheme
- ✓ The Independent Expert concluded that the Scheme is **fair and reasonable and, therefore, in the best interests of EDL Shareholders**
- ✓ At the date of this Scheme Meeting, **EDL's major shareholders** holding approximately 89% of all EDL Shares on issue have submitted proxies voting in favour of the Scheme
- ✓ The **Scheme Consideration represents an attractive premium** to the trading levels of EDL Shares on the ASX prior to the announcement of the proposed Scheme on 20 July 2015
- ✓ All cash consideration **delivers certainty and immediate value** for your EDL Shares – with **no brokerage costs**
- ✓ **No Superior Proposal has emerged** as at the date of this Scheme Meeting
- ✓ The Scheme **allows you to sell your entire shareholding in EDL Shares** which have relatively low trading liquidity
- ✓ If the Scheme does not proceed, and no comparable proposal or Superior Proposal emerges, then the EDL share price may fall or trade at a price below the Scheme Consideration of \$8.00 per EDL Share in the immediate near term

Status of Conditions

- The Scheme remains subject to several conditions:
 - approval of the Scheme by Energy Developments shareholders;
 - approval of the Scheme by the Supreme Court of New South Wales; and
 - there being no material adverse change, prescribed occurrence or regulatory restraint before the Second Court Date – and the EDL board has not become aware of any to date

Timetable to Implementation

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DATE	EVENT
Today, Thursday 8 October 2015	Scheme Meeting
Monday, 12 October 2015	Second Court Date to approve the Scheme
Monday, 12 October 2015	Effective Date - this is the date on which the Scheme comes into effect and is binding on EDL Shareholders. Court order lodged with ASIC and announced on ASX. EDL Shares will be suspended from trading at the close of trading on ASX on the Effective Date. If the Scheme proceeds, this will be the last day that EDL Shares will trade on ASX.
Thursday, 15 October 2015	Record Date - all EDL Shareholders who hold EDL Shares on the Record Date will be entitled to receive the Scheme Consideration.
Thursday, 22 October 2015	Implementation Date - all Scheme Shareholders will be sent the Scheme Consideration to which they are entitled on this date.

All dates following this Scheme Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court. The timetable may depend on factors outside the control of EDL, including approval from the Supreme Court of New South Wales. Any changes to the above timetable will be announced on ASX.

Voting Thresholds

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- In accordance with section 411(4)(a)(ii) of the Corporations Act, the Scheme Resolution must be approved by:
 - 1) a majority in number (more than 50%) of the holders of EDL Shares voting (either in person, by proxy or attorney or in the case of a corporate holder, by duly appointed corporate representative) at the Scheme Meeting; and
 - 2) at least 75% of the votes cast on the Scheme Resolution (either in person, by proxy or attorney or in the case of a corporate holder, by duly appointed corporate representative)

Proxies

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	For	Open ¹	Against	Total ²	% For and Open	Abstain ³
Number of Valid Votes	152,657,964	79,408	74,184	152,811,556	99.95%	663
Number of Holders	250	24	24	298	91.95%	2
% of Valid Available Votes	99.90%	0.05%	0.05%	100%	91.95%	~
% of Valid Available Voting Holders	83.89%	8.05%	8.05%	100%	91.94%	~

1. To be voted at proxy's discretion.

2. Valid votes as at close of proxies at 10.00am on 6 October 2015.

3. Votes relating to a shareholder abstaining from voting are not counted in determining the requisite majorities.

Scheme Resolution

- To consider, and if thought fit, to pass the following resolution in accordance with section 411(4)(a)(ii) of the Corporations Act:

“That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme, the terms of which are contained in and more particularly described in the Scheme Booklet (of which this Notice of Scheme Meeting forms part) is approved (with or without modification as approved by the Court).”



Questions



End of Scheme Meeting

Thank you for attending