



**GEODYNAMICS**  
LIMITED

## QUARTERLY REPORT

PERIOD ENDING 30 September 2015

**ASX CODE:** GDY

**SHARES ON ISSUE**

563.2 million

**MANAGING DIRECTOR AND CEO**

Mr Geoff Ward

**COMPANY SECRETARY**

Mr Tim Pritchard CPA CSA (CERT)

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### KEY ACTIVITIES

*Our primary activities for the quarter were the completion of the Quantum Power acquisition and the integration of Quantum projects and operational activities into the business.*

**FOLLOWING IS A SUMMARY OF KEY ACTIVITIES FROM THE QUARTER:**

- Completion of the acquisition of Quantum Power
- Secured a long term Power Purchase Agreement (PPA) to supply a WA based pork producer with biogas generated electricity. Under this PPA, Quantum Power will build, own, operate and maintain a biogas production and electricity generation facility located on the customer's premise.
- Completed final remediation activities at our Hunter Valley, NSW tenements. The company has previously advised we will be surrendering these tenements.
- Progressed approvals and activities for the planned P&A (Plug and Abandon) campaign for the remaining deep geothermal wells in our Cooper Basin tenements. With the completion of our operational program in the Cooper Basin at the end of 2013 it is now planned to carry out final plug and abandon works, remediation and rehabilitation works for all remaining Cooper Basin facilities through FY2016.

***The Company's cash position at the end of the quarter stood at \$25.84 million.***





# Letter to Shareholders

Dear Shareholders,

The first quarter for the 2016/17 financial year has been a significant one for Geodynamics as we completed the acquisition of Quantum Power. This acquisition is the first step in transitioning Geodynamics into a diversified clean energy and services company.

Quantum Power provides an excellent platform from which we can grow new opportunities in clean, distributed energy, integrated and smart energy solutions for industrial customers and other clean-tech services. The Quantum biogas projects are of manageable capital size (-\$3 - \$10 million capex), have a very strong customer proposition providing reduced power costs, greater energy self-sufficiency and resilience, and reduced waste emissions and costs, while providing good commercial returns to Quantum as the project owner and operator.

In August we welcomed the Quantum team into the office and established a combined team to focus on completion of existing projects, acceleration of activities to deliver key green-field sites scheduled to come on-line in 2016 (Goulburn, NSW and the WA Piggery Project) and enhanced business development activities. There are currently more than 20 proposals under active development in the pipeline and we hope to secure between 5 to 10 new projects over the coming 24 months to secure an order-book of projects under development in the range of \$25-50 million. Our key target markets are the intensive agribusiness sector and municipal waste markets.

During October we presented the new direction for Geodynamics at the DH Flinders Microcap Investment Conference and also presented at industry Waste and Energy forums. The feedback from these presentations highlights the increasing demand and interest in renewable, distributed and cleaner, smarter solutions for businesses. Electricity price certainty and energy self sufficiency are key drivers for businesses, pushing them to seek alternatives to existing grid supplied power. Biogas energy is an excellent solution to these issues, providing reliable, programmable supply that can be dispatched to meet customer needs through the capacity for internal storage of energy. It can reduce network and demand charges, as well as offset internal usage. We are encouraged by the diverse interest that is being shown in our project solutions and the possibility of integrating these with other renewable energy sources in new and innovative solutions.

As we complete the transition period following the merger we continue with our search for complementary investment opportunities. From the growth platform available to us through the Quantum acquisition and the combined entities skill set we are well positioned for growth and expansion into larger scale integrated energy projects. For further insight into the Company's strategy I invite shareholders to download a copy of our latest investor presentation presented at the DH Flinders Australian MicroCap conference in Melbourne, available from the Announcements section of our website.

For further information, please check our website ([www.geodynamics.com.au](http://www.geodynamics.com.au)) or contact Mr Geoff Ward on + 61 7 3721 7500. Media and investor inquiries may also be directed to Friederike Graser, on +61 7 3721 7588.

Regards,




Geoff Ward  
Managing Director and Chief Executive Officer



# Quantum Power

## Project Summary

Quantum Power currently has three projects under development. Of these one is nearing final commissioning and two are in the planning and approval stage with construction to commence in 2016.



**QUEENSLAND PIGGERY**

**Location:** Clifton, Queensland


**Business type:** Piggery

**Methane Potential:** 1,600 m<sup>3</sup>/day

**Power capacity:** 400 kWe

**Project Type:** Turnkey

**Project Phase:** Commissioning



**NSW ABATTOIR**

**Location:** Goulburn, NSW

**Business type:** Abattoir


**Methane Potential:** 2,100m<sup>3</sup>/day

**Power capacity:** 1.7 MWe

**Project Type:** BOOM

**PPA:** 20 years

**Project Phase:** Planning & Approvals  
Construction Start early 2016



**WA PIGGERY**

**Location:** Near Perth, WA

**Business type:** Piggery

**Methane Potential:** 4,200 m<sup>3</sup>/day

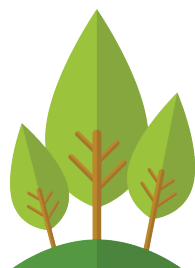
**Power capacity:** 1 MWe

**Project Type:** BOOM

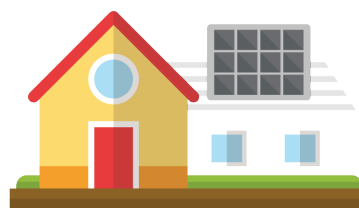
**PPA:** 10 + 5 + 5 years

**Project Phase:** Planning & Approvals  
Construction Start early - mid 2016

*Through the destruction of the methane at a typical facility Quantum power is avoiding the equivalent of annual greenhouse gas emission from:*



**665,000**  
Carbon sequestered by  
Tree seedlings  
grown for 10 years



**3,500**  
Homes' electricity  
use for one year



**60,000**  
Barrels of Oil Consumed



**5,500**  
Passenger Vehicles



**9,300**  
Tons of waste sent



# Quantum Power

## Western Australian Piggery

### SELF SUFFICIENCY FOR AGRIBUSINESSES

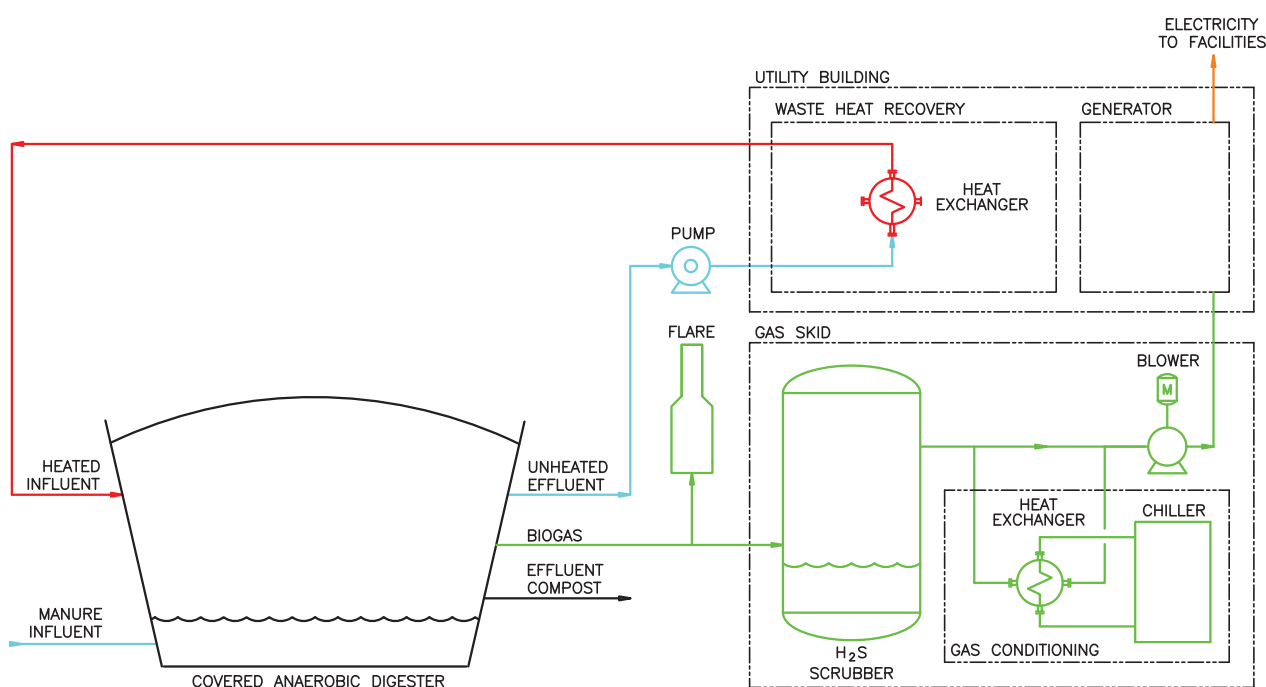
During the quarter Geodynamics announced that Quantum Power had secured a bioenergy project with a Western Australian pork producer. The project will be developed under a Build Own Operate Model, meaning Quantum Power will retain ownership of the Biogas assets, selling the renewable generated power to the producer. The project will generate up to 1 MWe which will offset 100% of grid-supplied electricity, making the pork producers operation energy self-sufficient.

Biogas projects provide a range of benefits to the client include; on site power generation, savings on electricity bills, reduction of greenhouse gas emissions and the added environmental benefits of improved effluent management.

A diverse range of value streams can also be realised through the implementation of anaerobic digestion systems in waste management processes. Besides the harvested biogas, the digested waste stream has value as high grade compost. A nutrient recovery process can also be incorporated to extract high concentrations of Potassium, Nitrogen and Phosphorous.

### Typical biogas project schematic

- The effluent and organic material is broken down in the covered digester in the absence of oxygen by bacteria.
- As the organic material is broken down (the digestion process) biogas is produced. Biogas contains approximately 60-65% methane, 30-35% CO<sub>2</sub>, and trace amounts of hydrogen sulfide and other gases.
- The biogas is collected and the methane isolated for use in a Combined Heat and Power (CHP) Generator.
- The CHP produces electricity to be utilized to power the facility, the balance can be sold back to the grid through export arrangements.
- Heat that is produced through the CHP can be used to heat a facility as well as maintain the digester temperature.
- The digestion process produces both a liquid organic digestate that can be re-entered into the system to aid the digestion process or used as a liquid organic fertilizer. Solid residuals can be used as an organic compost material.





# Investor Relations

## Notice of Annual General Meeting

The Board of Geodynamics is pleased to invite shareholders to this year's Annual General Meeting. The meeting will commence at **2pm (AEST) on Monday 16 November**, at the offices of KPMG:

**KPMG**  
**Level 16 Riparian Plaza**  
**71 Eagle Street**  
**Brisbane Qld 4000**

After the conclusion of official business, we will provide shareholders with a presentation on the progress of the Company and the opportunity to ask any questions of our management team and Board of Directors. You are then invited to join us afterwards to meet and talk to the Directors and senior staff in an informal environment.

For seating purposes, we would appreciate you registering your intention to attend by Monday 9 November 2015.

Please visit our website [www.geodynamics.com.au/rsvp](http://www.geodynamics.com.au/rsvp) to register or contact Geodynamics directly on 07 3721 7500.

## Board Appointments

### **APPOINTMENT OF RICHARD BRIMBLECOMBE AS NON-EXECUTIVE DIRECTOR**

Following the completion of the Quantum Power acquisition, Geodynamics is pleased to announce the appointment of former Quantum Power Chairman Mr Richard Brimblecombe to the Geodynamics Board as a Non-executive Director.

Mr Brimblecombe is an experienced executive in the agribusiness and finance sectors, with deep industry knowledge of agribusiness and agricultural finance. Mr Brimblecombe holds an EMBA from Bond University and is a Member of the Australian Institute of Company Directors.

Geodynamics welcomes Mr Brimblecombe to the Board and looks forward to benefiting from his experience and knowledge in the agribusiness sector, as Geodynamics moves to grow and expand Quantum's biogas business.

