



GEODYNAMICS LIMITED

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ASX Announcement

25 November 2016

2016 Annual General Meeting – Chairman’s Address

Address to shareholders by Mr Keith Spence, at Geodynamics Limited’s Annual General Meeting in Brisbane on 25 November 2016.

Good morning Ladies and Gentlemen and welcome to the 2016 Annual General Meeting of Geodynamics Limited. It is my pleasure to address you this morning.

Over the past 12 months the Company has successfully completed its transition to a clean energy products and services company. We hope today, to complete that transition with approval from our shareholders to rename the Company to ReNu Energy; a name which we believe is more suited to the Company’s business and growth strategy going forward than Geodynamics, which was tied to our geothermal roots.

At the start of this year we welcomed our new Managing Director, Mr Chris Murray. Chris is an experienced business leader and brings over 25 years’ experience in the power industry, particularly in the development of renewable and remote power projects. His experience has further strengthened the Company’s ability to grow as a clean energy products and services company.

As we have reported this transition has not been without its challenges. The financial results of the Quantum Power acquisition have not met our expectations and the roll out of projects will be slower than we anticipated. Over the past year we have invested considerable resources and attention into completing projects that were underway at the time of the Quantum acquisition. I am pleased to report these projects are now materially complete which puts us in good stead to continue the development of the business.

We remain bullish on the strong potential of the agribusiness sector. Key drivers of industry growth; such as increasing demand for meat and other kinds of protein, are

strong. We believe that biogas energy solutions can play an important role in developing a competitive, sustainable and low carbon agribusiness sector in Australia. To enable us to better address the diverse energy needs of this sector we have recently announced the broadening of our offering to include solar PV, battery and hybrid solutions, aligning with local suppliers and installers to deliver these projects. A biogas solution with a combination of these or stand alone solar PV options will greatly increase our ability to capture more of the market, and provide better services to our customers.

A few weeks ago we announced that the Australian Renewable Energy Agency (or ARENA) Board, confirmed it will negotiate and finalise terms of a \$2.1 million Funding Agreement for Geodynamics for the Goulburn Bioenergy Project, which will enable us to deliver our project to Southern Meats. This positive update followed an earlier announcement in August when we advised that, as a result of the Federal Government's proposed Budgets Savings (Omnibus) Bill, and the resulting impact to ARENA's grant funding mechanism, we would be suspending this biogas project. Fortunately, amendments to the Bill resulted in the retention of a significant proportion of ARENA's funding, allowing Geodynamics to progress the application for the Goulburn Bioenergy Project.

ARENA plays a critical role in assisting technologies and businesses to successfully demonstrate and commercialise emerging renewable energy technologies. The retention of ARENA's funding is not only good news for the Biogas industry but is also significant for all emerging renewable technologies in Australia.

We look forward to commencing construction of the Goulburn Bioenergy Project, and adding to what we plan will be a portfolio of renewable energy projects which the Company will Build, Own, Operate and Maintain. More details on the project will be provided by Chris Murray.

Looking ahead, we continue to see strong momentum in the renewable energy sector in Australia. In September, ARENA announced 12 large scale solar projects that were recipients of grant funding. The projects totalling more than 480 MW will be contributors to the Renewable Energy Target. The Target is an Australian Government scheme designed to reduce emissions of greenhouse gases in the electricity sector and encourage the additional generation of electricity from sustainable and renewable sources. However, the Renewable Energy Target which is set at 33,000 GWh of sustainable and renewable generation by 2020 Australia still needs in excess of 5,000 MW to be installed. To reach this goal, significant investment will be necessary over the coming three years across the renewable sector, making it a space of interest for investors.

The opportunities brought about by the continued drive to more a sustainable, fossil fuel independent economy and society are encouraging and we believe there are strong prospects for us to participate and succeed in this market. Your Board and management have assessed and evaluated a range of options on how to take the Company forward as a diversified clean energy

company. To that end, we are in active early discussions with some promising opportunities including both organic growth and acquisitions which would complement the biogas solar opportunities and align with our mission of delivering innovative clean energy products and services to our customers, creating sustainable value for shareholders.

As you would be aware, after serving on the Board and as Chairman for the last six years, it is my intention to step down from the Board this morning. Jack Hamilton has been appointed Chairman Elect, and will assume the position at the close of this meeting. Jack has a strong understanding of the energy industry and he will provide the Board continuity and strong leadership during this next phase as the Company continues to build its clean energy products and services business.

Reflecting on my eight years with Geodynamics, six of these as your Chairman, it is disappointing that the geothermal technology we developed in the Cooper Basin was not commercially viable notwithstanding the expenditure, effort and technical achievements that were made. I am pleased though that I leave with confidence that ReNu Energy has a positive future as a diversified clean energy company and I look forward to seeing it succeed.

On behalf of the Board, I would like to thank you our shareholders, for your ongoing support. To our staff members, your dedication and diligence over this past period is testament to your belief in the Company, thank you. With that, I wish the Company all the best for the future.

End of Address

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About Geodynamics

Geodynamics is a clean energy products and services company with strong commercial and technical capability in the clean energy and associated utility and infrastructure sectors. The Company's wholly owned subsidiary Quantum Power is a supplier of biogas and anaerobic digestion systems, solar PV, battery storage and hybrid energy solutions for the agribusiness and food processing sector. The Company is actively engaged in the analysis of a number of transformational opportunities that will build on the Quantum Power business and deliver shareholder value. Geodynamics is seeking shareholder approval to change its name to ReNu Energy with ASX ticker code RNE.