



ASX Announcement

30 October 2020

September 2020 quarterly activities report

Highlights

- Completion of sale of 30% interest in the Goulburn and Beaudesert bioenergy projects.
- Progressed the abandonment programs for the two remaining geothermal wells located in the South Australian Cooper Basin.
- Cash holdings at 30 September 2020 of \$2.677 million, an increase of \$0.228 million from 30 June 2020.
- Board and management progressing consideration of new projects, corporate combinations and acquisition opportunities.
- Change of Company Secretary.

Coinciding with the release of its September 2020 quarterly cash flow report, ReNu Energy Limited (**ReNu Energy**) (**ASX: RNE**) is pleased to provide an update on its recent activities.

Sale of ReNu Energy's 30% interest in bioenergy projects to Alliance partner

During the September 2020 quarter ReNu Energy announced it:

- Entered into a Securities and Asset Sale and Purchase Agreement (**SPA**) with Resonance Water Finance UK Limited (**Resonance**) on 31 July 2020 for the sale of its 30% interest in the Goulburn and Beaudesert bioenergy projects for \$500,000.
- Completed the SPA on 17 August 2020 with the Company receiving \$500,000 and further payments of approximately \$280,000 for the second generator project at the Beaudesert facility, accrued interest on project loans and other services.

The decision to divest followed a period of underperformance of the projects due to external factors at each site and with a capital contribution needed to meet ongoing operational requirements. As a minority partner in the Alliance with Resonance and after considering a number of alternatives, the Board and management believe that the decision to divest represented the best opportunity for the Company to offset the requirement for a cash call and add to cash holdings. The sale proceeds represented a multiple on FY2020 EBITDA for the bioenergy projects of more than 8 times. Please see the Company's announcement on 31 July 2020 for further details.

Following completion of the sale of the bioenergy assets to Resonance, ReNu Energy is better positioned to complete the works to finalise its geothermal remediation activities in the Cooper Basin and actively seek new opportunities.

Cooper Basin remediation

Progress continued during the September 2020 quarter toward the abandonment of the two remaining geothermal wells and surrender of the GRL3 geothermal tenement located in the South Australian Cooper Basin.

Following a meeting on 31 July 2020 with the South Australian Department for Energy and Mining (**Regulator**) to discuss the proposed abandonment activities, some modifications to the well plans have been incorporated and requests for pricing have been made to better quantify the costs of the program. Further work is required during the December 2020 quarter to optimise the well abandonment plans and costings, and mitigate contingencies before the abandonment programs are finalised.

The Board and management consider that cost savings may be achieved by scheduling the abandonment of the wells for the first half of 2021, rather than late 2020 as envisaged in the Company's June 2020 quarterly activities report.

Corporate

ReNu Energy has \$2,677,000 in cash reserves at 30 September 2020, an increase of \$228,000 from the previous quarter. Cash was boosted by approximately \$780,000 under the terms of the SPA with Resonance. Cash outflows primarily related to remediation activities, completing the additional generator installation works at the Beaudesert facility and corporate costs. The Board and management are pleased to note that corporate costs for the September quarter are below the costs forecast following completion of the restructure of the Company's cost base.

The Board and management continue to actively explore new projects, corporate combinations and acquisition opportunities and, as announced on 31 July, the Company appointed KPMG Corporate Finance to assist the Company with the identification of opportunities to be financed with ReNu Energy scrip and/or external capital.



Change of Company Secretary

ReNu Energy is pleased to announce the appointment of Jillian Bell as Company Secretary effective today. Greg Watson will resign from the Company Secretary role, remaining as CEO of the company.

Jillian joined the Company in March 2020 as Finance Manager on a part time basis reporting to the CEO. Jillian is a Chartered Accountant with more than 15 years' accounting and commercial experience. Prior to joining ReNu Energy, Jillian was a Director at Deloitte Brisbane, providing financial advisory and accounting services to private businesses.

ReNu Energy Chairman, Boyd White said: "Jillian has made a substantial contribution since joining ReNu Energy. The appointment will assist Greg Watson as CEO in his focus on the Company's strategic direction. The Board and CEO look forward to working with Jillian in this enhanced capacity".

This market announcement has been authorised for release to the ASX by the Board of Directors.

For more information please contact:

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

ReNu Energy Limited

ABN

55 095 006 090

Quarter ended ("current quarter")

30 September 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	229	229
1.2 Payments for		
(a) research and development	(157)	(157)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(159)	(159)
(f) administration and corporate costs	(87)	(87)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	32	32
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
(a) expenditure on biogas EPC project	(156)	(156)
(b) business development	-	-
(c) GST received/(paid)	1	1
1.9 Net cash from / (used in) operating activities	(297)	(297)
<i>Note: the prepayment of annual insurance premiums impacted cash used in operating activities during the quarter</i>		

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	525	525
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	(a) release of security deposits to cash	-	-
	(b) R&D tax incentives	-	-
2.6	Net cash from / (used in) investing activities	525	525

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,449	2,449
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(297)	(297)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	525	525
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,677	2,677

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,677	2,449
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,677	2,449

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	86
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Remuneration paid to directors and their associates</p>		

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	N/A	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(297)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,677
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	2,677
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	11.1
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Not applicable	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Not applicable	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Not applicable	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2020

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.