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Australian Stock Exchange
Company Announcements Office
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Update – XEPT Completion – Extension to Sunset Date

Further to our announcement of 3 April 2017 we are now pleased to report that an extension to the sunset date for completion of the XEPT transaction^{*1} has been agreed.

The parties have agreed a revised date by which all conditions precedent shall be satisfied, which is 15 July 2017. If the conditions precedent are not satisfied by 15 July 2017, or waived by the party or parties receiving the benefit of any condition precedent, the Tripartite Deed of Sale and Cooperation may be terminated.

In addition to the extension to the sunset date the parties have agreed that; (1) the Buyer (XEPT) will procure design engineering services from AnaeCo for the 3 month period commencing 14 April 2017 and pay a commercial fee for these services, and (2) AnaeCo shall pay to the Seller (Monadelphous) an amount equal to any R&D Tax Incentive cash refund it receives in respect of the 2016/2017 income tax year. AnaeCo estimates the amount of any R&D Tax Incentive cash refund it may receive for the 2016/2017 income tax year will be substantially lower than the previous year.

None of these additional terms affects the shareholding percentages in AnaeCo which the Buyer and Seller will be entitled to under the Tripartite Deed, the share issue price or number of shares to be issued, or any other matter which was the subject of resolutions approved by AnaeCo shareholders at the extraordinary general meeting held on 17 October 2016.

Whilst the Tripartite Deed of Sale and Cooperation remains current AnaeCo's funding requirements will be met through the Loan Agreement with Monadelphous Group Limited.

^{*1} "XEPT transaction" means the purchase by Xiaoqing Environmental Protection Technology Co Ltd (XEPT) of the major portion of a loan owed by AnaeCo to Monadelphous Group Limited and the conversion of that loan, and the residual loan owed to Monadelphous, into equity, as is more fully described in the Notice of General Meeting of AnaeCo shareholders dated 15 September 2016. The transaction agreement is the Tripartite Deed of Sale and Cooperation dated 4 August 2016.

ENDS

For further information, please contact:

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About AnaeCo

AnaeCo delivers Alternative Waste Technology (AWT) facilities based on the AnaeCo™ System, incorporating the patented DiCOM™ bioconversion process. The AnaeCo™ System includes advanced sorting, recycling, anaerobic digestion and aerobic composting to recycle municipal solid waste (MSW) into renewable energy from biogas, organic fertiliser and recyclables such as steel, aluminium, glass and plastics, thus maximising diversion from landfill and ensuring social, economic and environmentally sustainable management of MSW.

The AnaeCo™ System enables resource recovery intervention closer to source, with enhancement of existing waste transfer stations now a viable waste management option. AnaeCo's experienced team provides design, and commissioning services for AnaeCo™ AWT facilities.

For further information go to www.anaeco.com