

# Energy Developments Limited (ASX: ENE)

Monday 19 October 2009  
For Immediate Release

## ASX Release

### Pacific Equity Partners Proposal

Energy Developments Limited (ASX: **ENE** or the “**Company**”) advises that it has received a proposal from Pacific Equity Partners (“**PEP**”) to acquire 100% of ENE on a fully diluted basis at a cash price of \$2.65 per ENE share (the “**Proposal**”).

ENE agreed to allow PEP into a confirmatory due diligence process following consultation with its major shareholders in August this year. This process is now complete.

The Proposal remains incomplete and subject to key conditions including the Board of ENE agreeing to recommend a Scheme of Arrangement.

The Board considers that the Proposal represents inadequate consideration for the long-term intrinsic value of the Company.

The Board considers that ENE's share price performance over recent months is an inappropriate reflection of the underlying value of the Company's assets, particularly due to severe share trading liquidity constraints, with the top 10 shareholders now representing approximately 80% of the Company's issued share capital and very modest volumes of shares actually traded on the market.

ENE's financial outlook has recently been strengthened through the inclusion of certain of the Company's Waste Coal Mine Gas projects under the Australian Government's Renewable Energy Target from 1 July 2011. Furthermore, on 2 September 2009, the Minister for Climate Change and Water, Senator Penny Wong, announced a transitional assistance package of \$130 million for entities potentially adversely affected by the transition from the New South Wales Greenhouse Gas Reduction Scheme to the proposed Carbon Pollution Reduction Scheme, which will be applicable to the Company's Australian landfill gas (“**LFG**”) projects.

ENE considers that its global portfolio of assets will provide significant advantages in a carbon constrained business environment as a result of related developments overseas. The Company has been encouraged by the development of carbon legislation internationally, and anticipates that these regulations will recognise and accommodate the valuable contribution to carbon abatement that ENE's operations will make in the future.

The Board is not prepared to promote a Scheme of Arrangement at the price and on the terms proposed, however it will not stand in the way of PEP making such an offer in the form of an off market takeover bid. ENE has released PEP from its existing standstill obligations, so as to allow it to make such a bid, should it wish to do so.

In anticipation of PEP's Proposal, the Board has appointed Lonergan Edwards & Associates Limited (“**LEA**”) as the independent expert to opine on whether the Proposal is “fair and reasonable”. LEA's report is expected to be finalised shortly.

The Board will consult with ENE's shareholders regarding the Proposal and will continue to engage with PEP as appropriate.

## **UK/France Offer**

The Company advises that it has terminated discussions with the international infrastructure specialist fund manager which, as previously announced, had offered to acquire ENE's UK and French landfill gas power generation interests (the "**UK/France Offer**").

Following protracted negotiations, ENE concluded that the contractual terms proposed by the bidder were unacceptable, and no longer reflects the underlying value of the Company's UK and French LFG operations and development opportunities.

The Company has retained Palladio Partners as its independent financial adviser, and Freehills as its legal adviser.

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## **About Energy Developments:**

ENE is an international provider of renewable energy and low greenhouse gas emission energy. The Company currently owns and operates a diversified international portfolio of power stations in Australia, the United States, Europe and the United Kingdom with a total capacity of approximately 600 MW 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 2009, in its worldwide operations, the Company produced approximately 2,800 GWh of clean energy, and captured and utilised greenhouse gases estimated at 9.7 million tonnes of carbon dioxide equivalent, akin to removing 2.8 million cars from the road. In Australia, the Company captured and utilised waste methane to produce approximately 2,000 GWh of clean energy, and abated approximately 6.2 million tonnes of carbon dioxide equivalent, comparable to removing approximately 1.6 million cars from the roads.