

Energy Developments Limited (ASX: ENE)

Monday, 30 November 2009

For Immediate Release

ASX Release

Pacific Equity Partners - Takeover Offer

Energy Developments Limited (“**ENE**” or the “**Company**”) refers to the announcement earlier today from Greenspark Power Holdings Ltd (“**Greenspark**”), a company jointly owned by entities advised by Pacific Equity Partners (“**PEP**”) detailing Greenspark’s highly conditional takeover offer for ENE at a cash price of \$2.75 per share (“**Offer**”).

On Monday, 19 October 2009, the Board announced its unanimous rejection of PEP’s earlier proposal to acquire 100% of the Company via a scheme of arrangement at a cash price of \$2.65 per share (“**Scheme Proposal**”). Notwithstanding its clear view that PEP’s Scheme Proposal was substantially below the intrinsic value of ENE, the Board also decided to release PEP from its standstill obligations. This was done to allow PEP, if it so wished, to proceed with a takeover offer.

On 2 November 2009, the Board released a report from independent expert, Lonergan Edwards & Associates Limited (“**LEA**”) advising that the Scheme Proposal was “*neither fair nor reasonable*” and “*not in the best interests of ENE shareholders taken as a whole*” and that the Company’s shares were valued in a range of \$3.17 to \$4.09 per share on a 100% controlling basis.

It is the view of the majority of the Board, excluding the two Infratil nominee directors, that the new PEP Offer still represents inadequate consideration for the acquisition of a controlling interest in the Company.

PEP’s latest Offer for ENE comes as the Company is well placed to deliver earnings growth for shareholders through enhanced cash flow, improving profitability on the back of the completion of several large energy projects in recent years.

ENE is forecasting to achieve a normalised EBITDA in excess of \$135 million for the financial year ending 30 June 2010 providing capacity for a material uplift in dividends. This will be discussed in further detail in the Company’s Target Statement.

The ENE Chairman, Mr Brook, said; “Unlike many ASX-listed companies, ENE has not needed to raise any additional funds from equity markets to fund growth projects and operations in the past five years, and continues to grow its low-risk earnings, and cash flow streams, which will enable the Company to pay substantially higher dividends to shareholders in the coming periods”.

“In addition, our substantial contribution to carbon abatement through generation of electricity from waste coal mine methane in Australia and land-fill gas projects around the world makes ENE an increasingly attractive business as the world begins its transition to a low carbon economy. PEP has clearly recognised the opportunity in this trend as acquiring ENE would be their first ever energy sector investment.”

“We acknowledge the statement in the Offer documentation that four shareholders representing 42.4% of the Company’s issued share capital (including Infratil at approximately 32.5%) have indicated publicly that they are supportive of the Offer. However, we also note that there is still a strong divergence of views between blocks of shareholders over the value of the Company, and accordingly, the Board remains committed to ensuring that the interests of all shareholders are adequately considered in any bid for control,” Mr Brook said.

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The Company's second largest shareholder, Investors Mutual Limited owns ~13% of ENE and has indicated it is not supportive of the Offer.

The Company urges shareholders to take no action at this stage in relation to the Offer, and the Board will respond more formally as part of the Company's Target Statement, which will be sent to shareholders in the ensuing weeks.

LEA has also been requested to determine whether the Offer is "fair and reasonable".

The Company has retained Palladio Partners as its financial adviser and Freehills as its legal adviser in relation to the Offer.

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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.

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