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The Company Announcements Platform
ASX Ltd
Sydney NSW 2000

ENERJI SECURES \$25M BOND FINANCE FACILITY

Enerji Ltd (**ASX: ERJ**, "Enerji" or "Company") has secured a redeemable zero coupon convertible bond facility up to \$25 million that will allow it to fund the anticipated capital expenditure required for future installations of Opcon Powerbox units.

The new bond facility ensures Enerji has access to sufficient funding to capitalise on the expected market for its recovered heat technology in Australia. As previously announced, Enerji has entered into a Memorandum of Understanding with Horizon Power to install an Opcon Powerbox at its Carnarvon power station in 2011 and is in advanced negotiations with other potential customers.

The bond facility, which is subject to shareholder approval, is to be undertaken by way of redeemable zero coupon convertible bonds ("Bonds") to be issued to Fortensa Special Opportunities Fund Limited ("Fortensa" or "Subscriber").

Fortensa is a multi-strategy investment fund and is an alternative provider of capital to, and investor in, businesses in the Asia-Pacific region.

Enerji's Managing Director Greg Pennefather said the funding facility will enable Enerji to actively pursue its growth objectives.

"In order to drive shareholder value, we are seeking to create a sustainable profitable earnings stream from multiple installations of Opcon Powerboxes at customer sites. Our business model requires up front capital to fund these installations, however once in place, they become the key earnings driver for Enerji," said Mr Pennefather.

"This Bond facility allows us to focus on the execution of our strategy while also mitigating the effect on existing shareholders by the prudent drawing of money for the purchase of income producing assets based on sales to customers. This is another key plank in the growing of Enerji's business."

Mr Pennefather added, "This deal has been many months in the making. Before providing the funding facility, Fortensa undertook substantial and in depth due diligence to establish the potential of Enerji's business and to establish our commercial and personnel bona fides. The result speaks for itself. Like Horizon Power and Laing O'Rourke before them, Fortensa came to the conclusion that Enerji is a business with a bright future and certainly one worth supporting."

Fortensa's due diligence included interviews with Opcon's Powerbox customers in Europe, Opcon's management, a review of the commercial arrangements in place and examination and testing of the business model and the market potential.

The Company considered other options to fund the expansion of the business. The zero coupon convertible bond facility was considered superior to alternatives from a strategic point of view.



With the Bond facility, the framework is established once and provides up to \$25 million dollars in \$1 million Tranches with a simple request to Fortensa subject to the conditions precedent being met.

“With this hybrid financing Enerji will have the financial muscles necessary to continue executing on our business plan. It will also provide a necessary base that, together with recurring revenues from coming installations, will allow for further expansion with conventional debt funding.”

The Company is pleased to announce that Gabrielsson Invest AB, the company that heads a Swedish investor consortium led by Opcon’s chairman Mats Gabrielsson, has willingly agreed to loan Fortensa shares as required by the Subscription Agreement. The requirement is for an Enerji shareholder to loan ERJ shares to the value of 50% of the first Tranche of funds for a period of approximately 12 months.

Dependent on capital requirements and conditions being met, Enerji will issue Fortensa a minimum of \$12 million and maximum of \$25 million in Bonds. The Bonds have a 5 year term and if not converted by Fortensa prior to maturity are redeemable by Enerji at the face value. The Bonds are convertible into Enerji ordinary shares at Fortensa’s election at a price to be calculated with reference to the average trading price at the time of issue of Bonds and at time of conversion. All Bonds must be converted to Enerji shares before another Tranche can be issued, limiting the Company’s debt to bondholders to \$1 million unless otherwise agreed between the parties.

The capital raising is subject to shareholder approval at a general meeting to be held in early December 2010, and a Notice of Meeting will be distributed to shareholders shortly. The Explanatory Statement accompanying the Notice of Meeting includes full details, including a summary of Terms and Conditions of the Bond facility.

Greg Pennefather
Managing Director

About Enerji

Enerji (ASX: ERJ) is an emerging green power utility specialising in the provision of 3rd Generation Opcon Powerbox waste heat conversion technology.

Enerji has the exclusive Australian sales and distribution rights to the proven Opcon Powerbox technology, which converts waste heat into green electricity, as well as options for Malaysia, Thailand, Singapore and Sub-Saharan Africa.

The Opcon Powerbox represents a significant commercial opportunity in Australia through application to industrial, mining and power generation operations.

Enerji plans to maximise this opportunity and generate shareholder returns through revenue from long term energy off-take agreements.

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