6 June 2013

Capital raising of $60 million for SME expansion, debt repayment

ERM Power Limited (ASX: EPW) today announced it had launched a placement to institutional and sophisticated investors to raise approximately $60 million.

The placement is being offered at a fixed price of $2.40 per share, which is a 8.7% discount to the 10 business day volume weighted average price[1], and eligible shareholders will be entitled to participate at the same price under a share purchase plan (SPP). The SPP will be capped at $10 million.

The proceeds of the placement will be used primarily to fund ERM Power's expansion into the higher margin Small to Medium Enterprise ("SME") market and to repay a $15 million corporate unsecured debt facility.

The placement is jointly managed by Macquarie Capital (Australia) Limited (ABN 79 123 199 548), RBS Morgans Corporate Limited (ABN 32 010 539 607) and Petra Capital Pty Limited (ABN 95 110 952 782).

Further details of the placement are set out in an investor presentation which has been lodged with ASX today. The presentation contains important information, including information about the risk factors, the foreign selling restrictions with respect to the placement and the placement and SPP timetable.

ERM Power shares will remain in trading halt until the earlier of such time as it makes an announcement to the market in relation to the outcome of the placement and the commencement of trading on Tuesday, 11 June 2013.

Peter Jans
Group General Counsel & Company Secretary
ERM Power Limited

[1] As at close of trade on 5 June 2013.

For further information

Garry West
Corporate Communications Manager
Phone: +61 7 3020 5165
Mobile: +61 457 140 650
Email: gwest@ermpower.com.au

About ERM Power

ERM Power (ASX code: EPW) is a diversified energy Company which operates electricity sales, generation and gas exploration and procurement businesses in Australia. Founded in 1980 as a specialist energy advisory firm, the company grew through deregulation and privatisation to become one of Australia's largest private energy sector companies before listing on the Australian Securities Exchange (ASX) in December 2010. ERM Power sells electricity to business customers across Australia, owns 442 megawatts (equity interests) of low emission gas-fired generation assets, and has a successful gas exploration business with operations in Western Australia and New South Wales.

www.ermpower.com.au

ERM POWER

Share Placement & SPP.

June 2013

Important notice - disclaimer.

Disclaimer

This presentation contains certain forward-looking statements which relate to the financial condition, operational results and business of ERM Power Limited (ERM Power). The presentation also contains certain plans and objectives of the management of ERM Power.

Such statements are forward-looking and involve both known and unknown risks, uncertainties, assumptions and other important factors which are beyond the control of ERM Power. Changes to any of those factors could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements.

None of ERM Power, its officers, advisers or any other person make any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statements or any outcomes expressed or implied by any forward-looking statements.

The information contained in this presentation does not take into account investors' investment objectives, financial situation or particular needs. Before making an investment decision, investors should consider their own needs and situation and, if necessary, seek professional advice.

To the maximum extent permitted by law, none of ERM Power, its directors, employees or agents, nor any other person accepts any liability for any loss arising from the use of this presentation or its contents or otherwise arising out of, or in connection with it.

Non-IFRS information

This document may contain certain financial measures and other defined financial terms that are not included in the International Financial Reporting Standards (IFRS).

The directors believe the presentation of certain non-IFRS financial measures is useful for the users of this document as they reflect the underlying financial performance of the business. The non-IFRS financial measures used by ERM Power include but are not limited to:

- EBITDAIF - Earnings before interest, tax, depreciation, amortisation, impairment and net fair value gains / losses on financial instruments designated at fair value through profit and loss and gains/losses on onerous contracts including profit from associates.
- Statutory NPAT - Statutory net profit after tax attributable to equity holders of ERM Power unless otherwise stated.
- Underlying profit or Underlying NPAT- Statutory net profit after tax attributable to equity holders of ERM Power after excluding the after tax effect of unrealised marked to market changes in the fair value of financial instruments and impairment.

The above non-IFRS financial measures have not been subject to review or audit. However, the Company's auditors, PricewaterhouseCoopers, have separately undertaken a set of procedures to agree with ERM Power the non-IFRS financial measures where ERM Power has disclosed to the books and records of the consolidated entity.

All references to $ are a reference to Australian dollars unless otherwise stated. Individual items and totals are rounded to the nearest appropriate number or decimal. Due to rounding of individual components the aggregate of some items may not equal the total.

This presentation in not for distribution or release in the United States of America (U.S.) or to, or for the account or benefit of, U.S. Persons.

Equity Raising Summary.

Offer Size	▪ Placement to raise ~$60 million* from qualified sophisticated and institutional investors. ▪ SPP to raise up to ~$10 million* – up to $15,000 per shareholder.
Shares	▪ New shares will rank equally with existing ERM Power shares including entitlement to FY2013 final dividend.
Issue price	▪ Issue price of $2.40 per new share under the placement, representing an 8.7% discount to the 10 day VWAP and a 10% discount to the closing price on 5 June 2013. ▪ SPP issue price will be the same as the placement price.
Use of Proceeds	▪ ~$45 million to fund the electricity sales business' working capital and prudential requirements as it expands into the higher margin Small to Medium Enterprise ("SME") market. ▪ ~$15 million to reduce debt by repaying the corporate unsecured debt facility.

* Placement and SPP are not underwritten.

Placement and SPP timetable.

Placement	Date
Trading halt	6 June 2013
Bookbuild opens	1.00pm, 6 June 2013
Bookbuild closes	12.00pm, 7 June 2013
Trading halt lifted	11 June 2013
Settlement of new shares issued under the placement	14 June 2013
Allotment of new shares issued under the placement	17 June 2013
Normal settlement trading of new shares issued under the placement	17 June 2013

SPP	Date
Record date for determining eligibility to participate in the SPP	6 June 2013
SPP offer period	21 June – 5 July 2013
Allotment of new shares issued under the SPP	15 July 2013
Normal settlement trading of new shares issued under the SPP	16 July 2013

The above timetable is indicative only and subject to change. ERM and the Joint Lead Managers reserve the right to amend any and all of these events, dates and times subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws. The commencement of quotation of new shares is subject to confirmation from ASX. All references to time in this investor presentation are to Sydney time.

Offer Rationale.

SME Expansion (~$45 million)

- At IPO, ERM raised $40 million to increase cash reserves for growth of its Electricity Sales C&I business. Having met its stated growth targets, ERM continues to grow the C&I business with 20% EBITDAIF[1] growth expected for FY2013[2].
- Having secured > 13% C&I market share, ERM's natural next step is into the higher margin SME segment. ERM is raising ~$45 million for working capital and prudential funding requirements to ensure ERM's growth into SME is not limited by available capital.

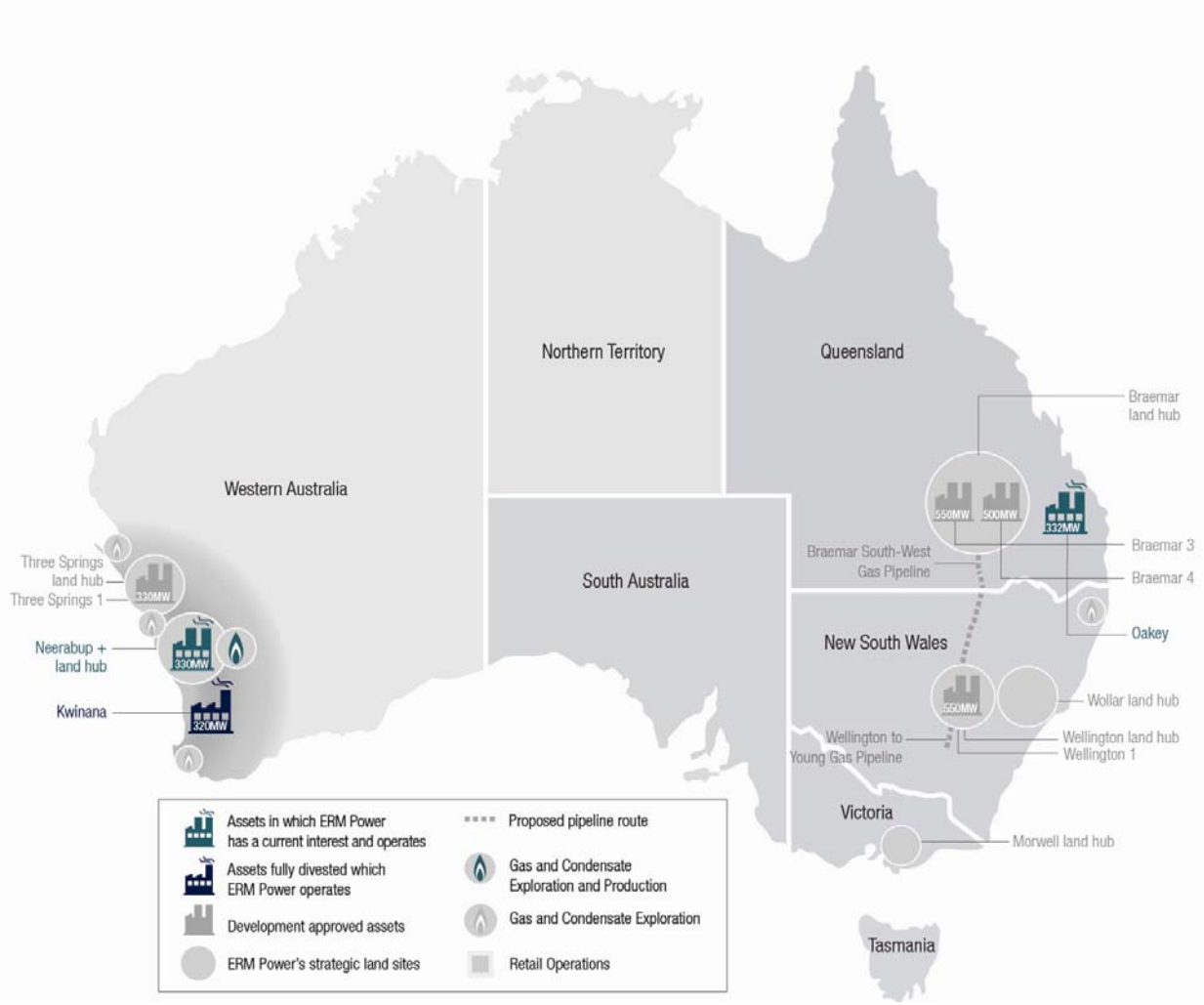
Repaying Corporate Debt (~$15 million)

- ERM will use ~$15 million of the funds raised to repay its unsecured corporate facility[3] and in so doing both simplify ERM's capital structure and leave debt head room available for future strategic acquisition opportunities.

[1] Earnings before interest, tax, depreciation, amortisation, impairment and net fair value gains / losses on financial instruments designated at fair value through profit and loss and gains/losses on onerous contracts.
[2] FY2013 $37m EBITDAIF estimated in ERM's recent guidance announcement of 3 May 2013.
[3] Sunset Power, being an entity controlled by Trevor St Baker, holds 1/3rd of this debt with the remaining 2/3rds held by unrelated ERM shareholders.

ERM – a national footprint.

- Market cap of circa $476 million[1].
- 4th largest electricity retailer in Australia with > 13% of the commercial and industrial ("C&I") market up 41% on last year[2].
- Highest customer satisfaction ratings in the industry (see slides 17-20).
- Expanding into the SME electricity market following its success in C&I.
- 442MW equity interests in 662MW of peaking power stations and operator of 972MW.
- Gas production, reserves, and exploration interests; footprint on the east and west coasts.



[1] Based on the closing share price of $2.67 on 5 June 2013 and 178.3 million shares on issue.
[2] Based on ERM Power's forecast for volume of electricity sold in the National Electricity Market for FY2013. This Australian Electricity Market size = 210 TWh, comprising 40% (or 84 TWh) for Commercial and Industrial (C&I) Market and 30% (or 63 TWh) for SME Market and Residential Market respectively. The analysis draws on 2011 SRES scheme liability data, ERM Power signed contracts and broad assumptions about the market and participants. This is not an independently verified forecast.

Why now SME?

- Gross margins in SME are ~5 times larger than C&I and the size of the market in terms of gross margins available is ~4 times larger.
- Operating costs are higher in SME. Opportunity to create a competitive advantage similar to C&I where we estimate our operating costs are half our competitors.
- Opportunity to set a new standard for SME customer service as we have done with C&I customers.
- Many C&I customers have SME loads that we haven't previously serviced. ERM's C&I market share provides a natural SME path to market.

	C&I market	SME market
Size of market (TWh)	84	63
Average gross margins $/MWh	$4.50	$22.00
Size of market gross margin	$378 million	$1,386 million
Current ERM Market Share	> 13% (from zero 5 years ago)	< 1%

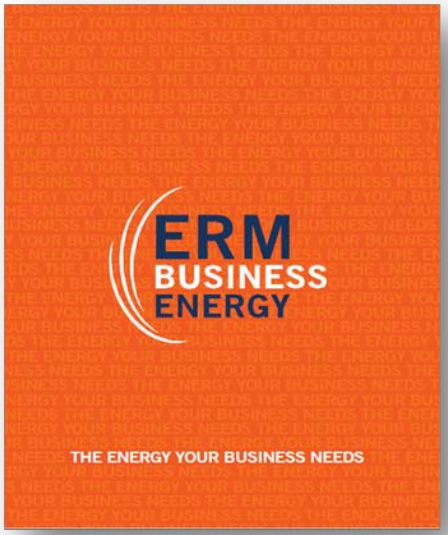
Source: ERM Power estimates

SME expansion underway.

- Business up and running after more than 12 months spent on systems and market preparation.
- ERM-owned SAGE software company, which built the successful C&I platform, has developed the SME platform.
- Marketing under our "**ERM Business Energy**" brand.
- Focus on customer service & value and operational excellence.
- Targeting NSW and Victorian markets initially.
- Achievements to date:
  - Over 10,000 customer sites already contracted;
  - Over $150 million of forward sales contracted; and
  - Over 0.5TWh over 3 years contracted.

SME Marketing campaign.

- ERM debuted into SME with a $150m 10,000 site contract without marketing.
- This is about to change.
  - SME Marketing – Call 134ERM.
  - Leverage off existing > 13% C&I market presence.
  - Direct marketing.
  - Radio, Press, and Billboard presence.
  - Comprehensive digital media marketing plan.
  - Strategic promotional placement such as QANTAS lounge charging stations and in-flight "talking business".



SME – Capital Requirements.

- ERM is raising ~$45 million for working capital and prudential funding requirements to ensure ERM's growth into SME is not limited by available capital.
- Majority of ERM's initial SME customers over the first 12 months, including the NSW government multi-site contract, are on quarterly billing cycles with 30 day payment terms compared to the monthly billing cycles with majority 14 day payment terms in the C&I market.
- Translates to higher initial proportionate working capital requirements compared to C&I.
- As ERM grows its SME market share, the billing terms are expected to trend toward ERM's expectations of the market average which will reduce this proportionate working capital requirement.
- Smart meter ingress in due course will also reduce working capital requirements by moving many parties currently on quarterly to monthly billing cycles.
- SME growth will also require prudential funding for AEMO and contracting counterparties. This should be comparable to C&I on a $/MWh basis.

SME – Business Case.

Profitability

- Expect small profit from SME in FY2014.
- Estimate >$30 million EBITDAIF p.a. in 3-5 years.

Return on Capital

- C&I currently producing a return on capital (pre tax)[1] of ~25%.
- SME returns are expected to exceed C&I returns within 3 years of operations.

[1] Calculated as EBITDAIF divided by total of prudential capital and working capital requirements.

SME – Funding.

- ~$45 million would fund prudential and working capital equivalent to:
  - ~1.2TWh p.a. load assuming no improvement in quarterly to monthly billing percentage (<10% of current C&I load).
  - ~2.5TWh p.a. load assuming billing and payment terms trend toward our expectation of the market mix.

- Additional growth may be supported by:
  - Reinvestment of operating cashflows.
  - The introduction of a finance facility similar to the existing receivables facility used to fund the growth of the C&I business.

ERM Group Cash and Debt.

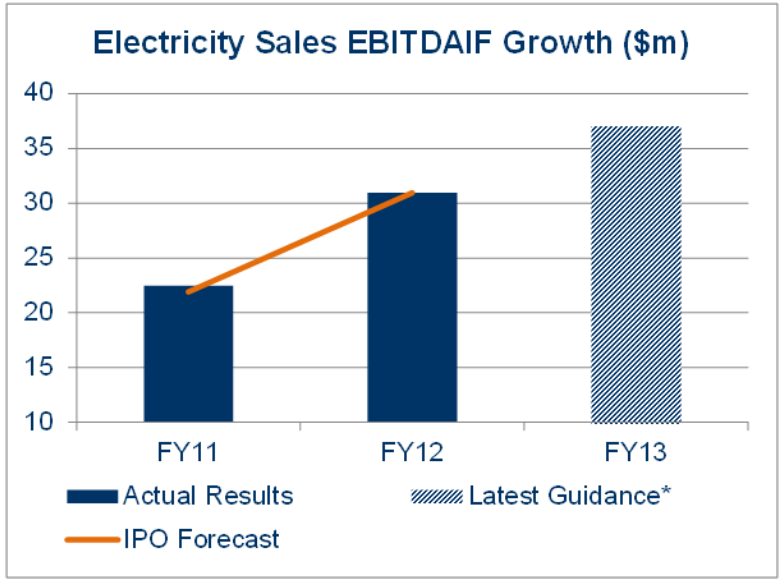
	31 Dec 12	Pro-forma post raising	Change
Free Cash	38	83	45
Restricted Cash	134	134	-
Total Cash	**172**	**217**	**45**
Electricity Sales Working Capital Facility	(29)	(29)	
Unsecured Corporate Debt	(15)	-	15
Project Recourse Debt	(252)	(252)	
Total Debt	**(297)**	**(282)**	**15**

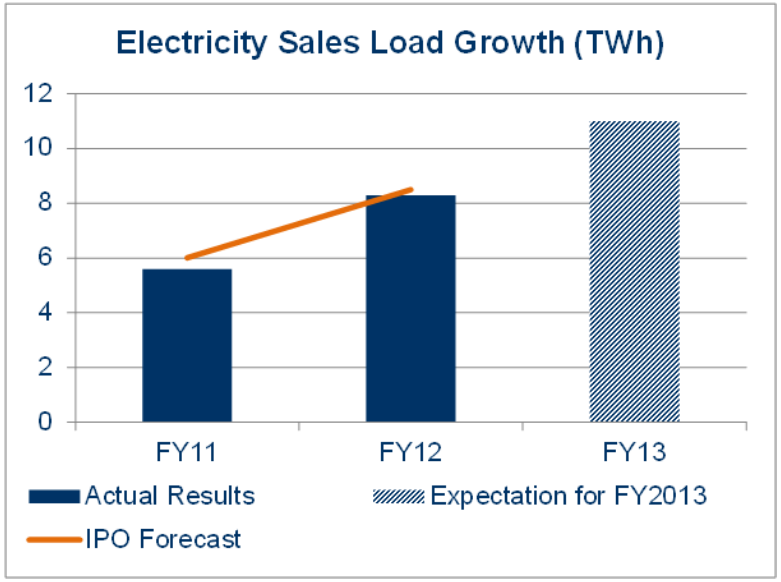
- $29.1 million drawn (as at December 2012) from $100 million receivables financing facility with recourse only to electricity sales business - $81 million drawn as at 30 April 2013, average drawn balance January – April 2013 is $37 million.
- Project debt: related to Oakey and Neerabup power stations and supported by contract revenue from sovereign and investment-rated corporations - $239 million as at 30 April 2013.
- Corporate unsecured facility to be repaid out of raising proceeds.
- Electricity Sales business interest cover ratio of more than 6x.

Electricity Sales Strong History.

IPO forecast met using funds raised

- On IPO, ERM raised $40 million to fund the growth of its Electricity Sales business.
- EBITDAIF from Electricity Sales increased from $8.5 million in FY2010 to $31 million in FY2012 in line with prospectus forecasts.
- ERM expects year on year growth in EBITDAIF of 20% in FY2013[1].
- 26TWh of forward sales contracted over the next 3 years.





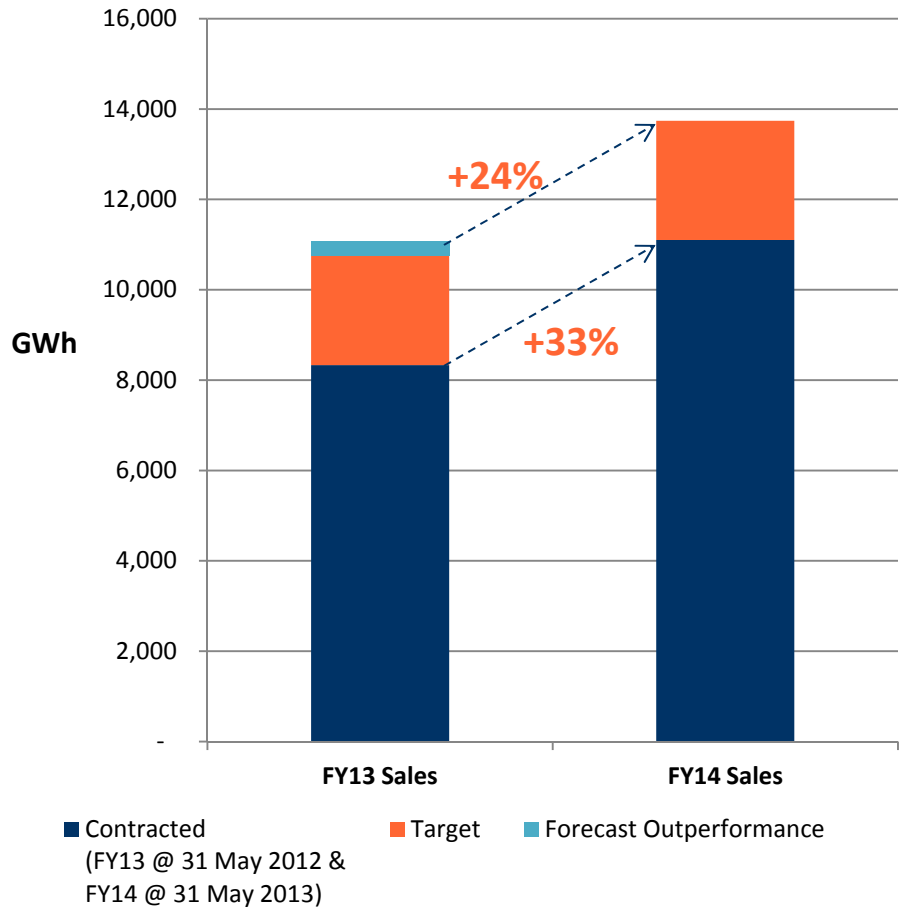
[1] FY2013 $37 million EBITDAIF estimated in ERM's recent guidance update announcement released to the market on the 3 May 2013.

C&I Sales Performance.

- 33% growth in forward contracted[1] load for the next FY from the same time last year.
- FY14 Target is 24% higher than FY13.
- FY13 Forecast is 3% above FY13 Target.
- FY14 numbers only include C&I, SME forecast of additional 394 GWh.

[1].

Business C& I Sales Performance & Targets



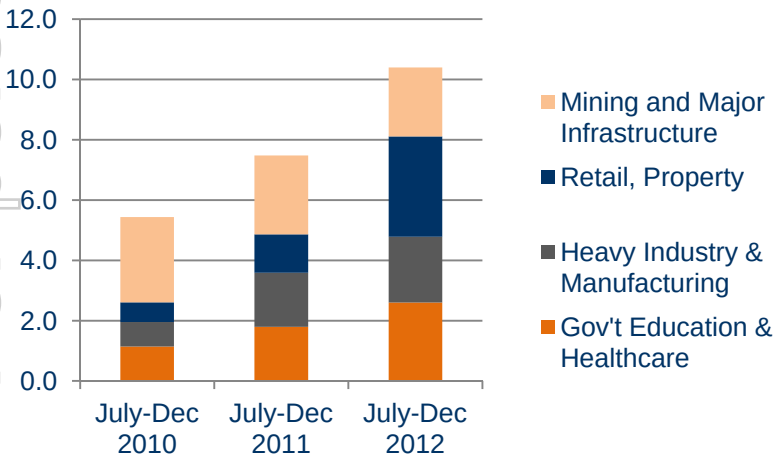
[1] Forward contracted load is a forecast of customer consumption for the financial year.

Electricity Sales Strong History.

Growth through diversification reduces business risk

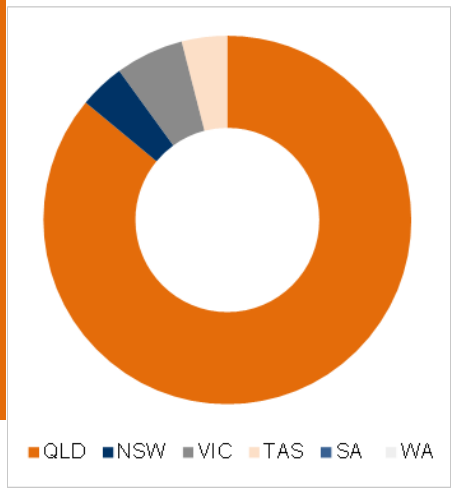
- ERM Electricity Sales has significantly diversified geographically and by customer industry over the past 2 years.
- ERM's continued strong year on year growth in load, particularly into Victoria (127%) and NSW (91%), further diversifies geographic concentration.
- ERM's national C&I presence means it is well positioned to penetrate the SME market successfully.

Annualised Half Year Load Growth by Industry Sector (TWh)



Geographic Load Diversity

December 2010 (IPO)



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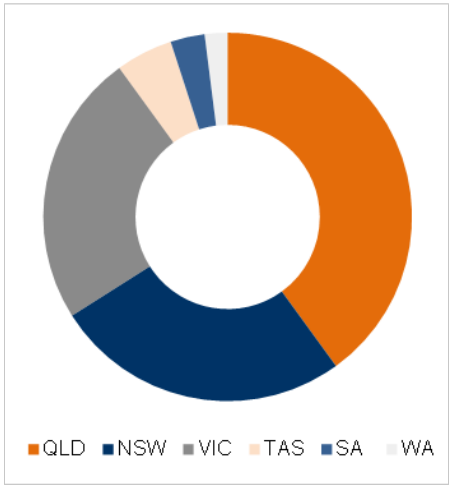
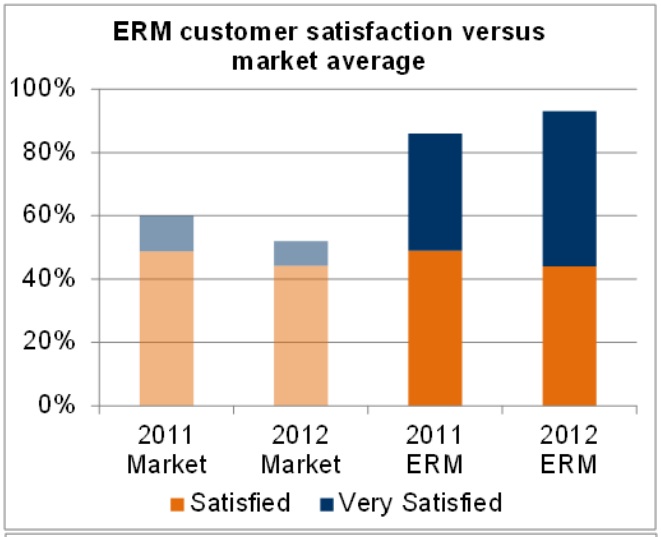
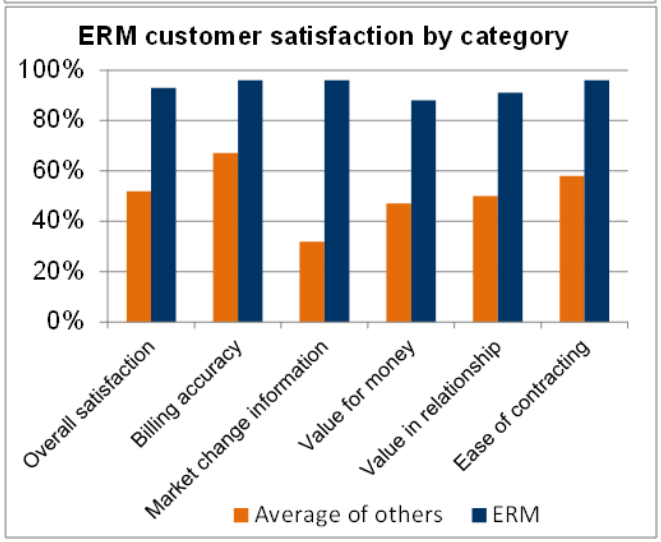


Electricity Sales Strong History.

Growth without compromise

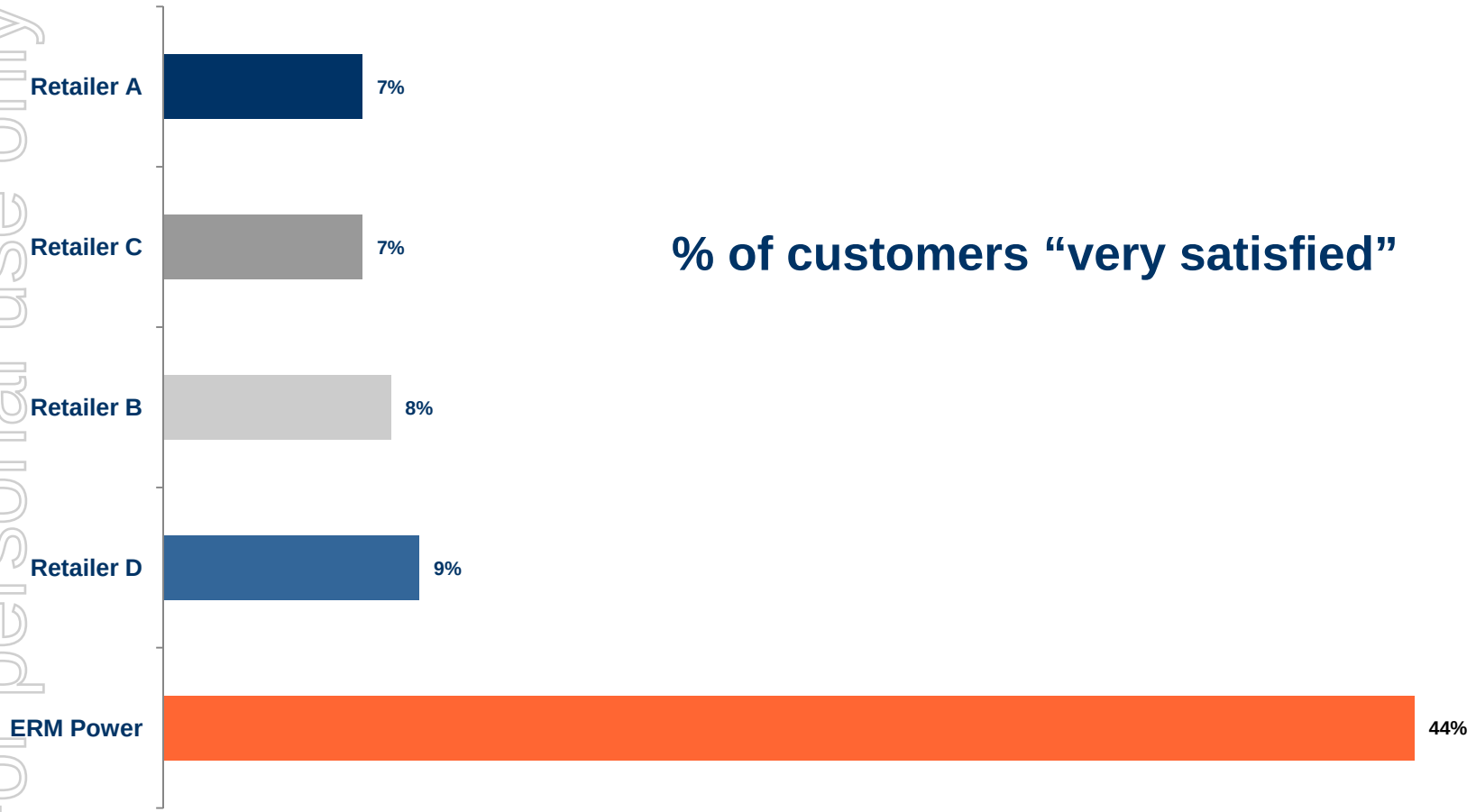
- Customer service excellence redefined:
  - In 2011 86% customer satisfaction versus the next best at 60%[1]. ERM's customers were 3x more likely to be very satisfied at 37% than the average of ERM's competitors.
  - In 2012, notwithstanding increasing sales load by >30%, ERM beat its own record with 93% customer satisfaction[2]. ERM's customers were 5x more likely to be very satisfied (44%) than the average of ERM's competitors.
  - More customers are being converted from "satisfied" to "very satisfied".
- Outstanding operational performance:
  - Billing accuracy of 99.94%, and
  - Billing collection rate 99.97%.
- Conservative electricity price risk management policies remain paramount.
- ERM Power has achieved this industry leading performance level by designing, building, owning and operating its own retailing processes and IT systems which make it very difficult to replicate.





[1] Utility Market Intelligence (UMI) survey by independent research company NTF Group in its 16th year. Research based on interviews with 597 business electricity customers; 6 major electricity retailers participated.
[2] Utility Market Intelligence (UMI) survey by independent research company NTF Group in its 17th year. Research based on interviews with 495 business customers; 5 major electricity retailers participated.

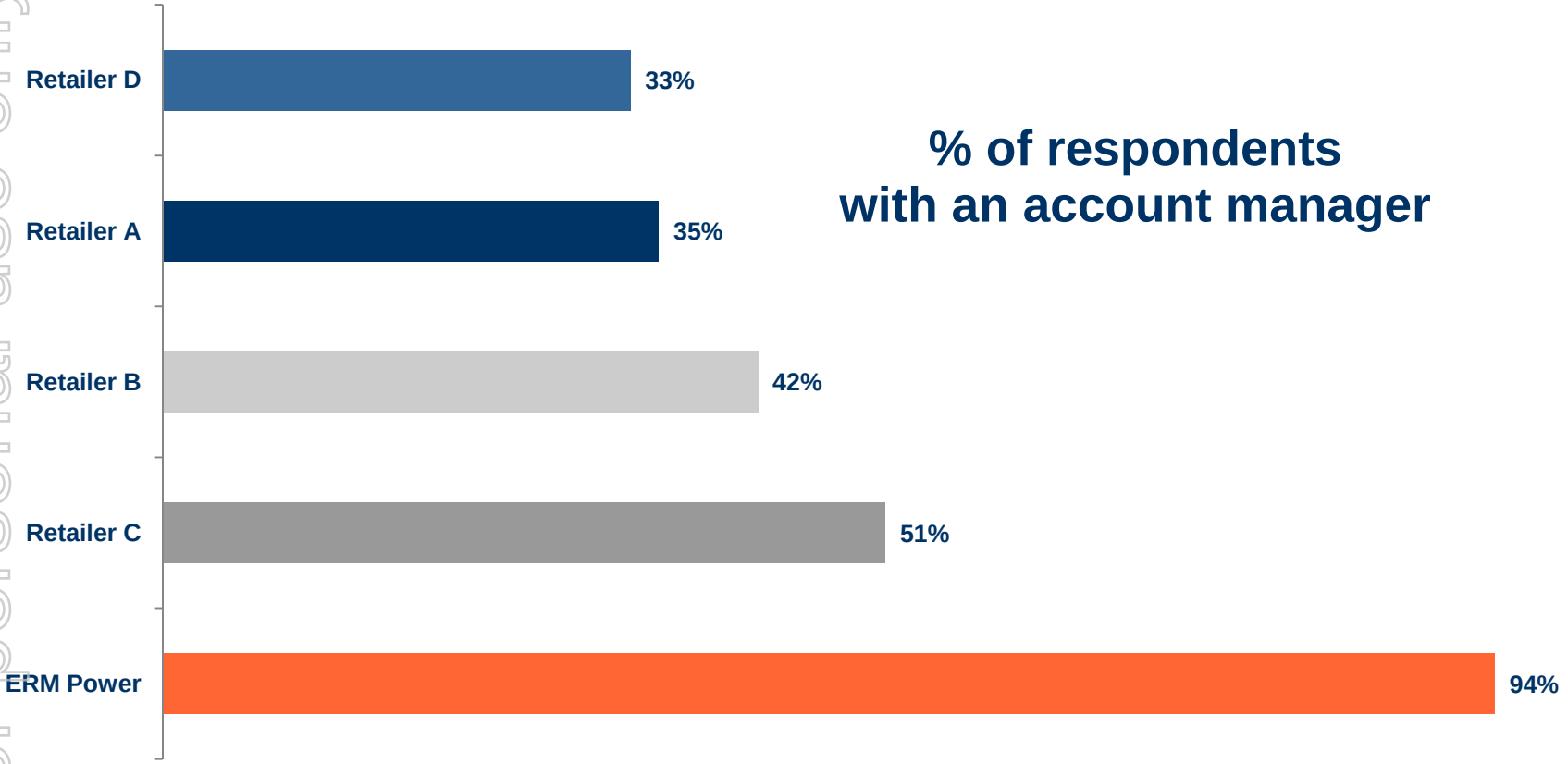
5X more likely to be "very satisfied".



- Our customers are five times more likely to be "very satisfied" when compared to the average of all other retailers surveyed.

Source: Utility Market Intelligence (UMI) survey by independent research company NTF Group in its 17th year. Research based on interviews with 495 business customers; 5 major electricity retailers participated.

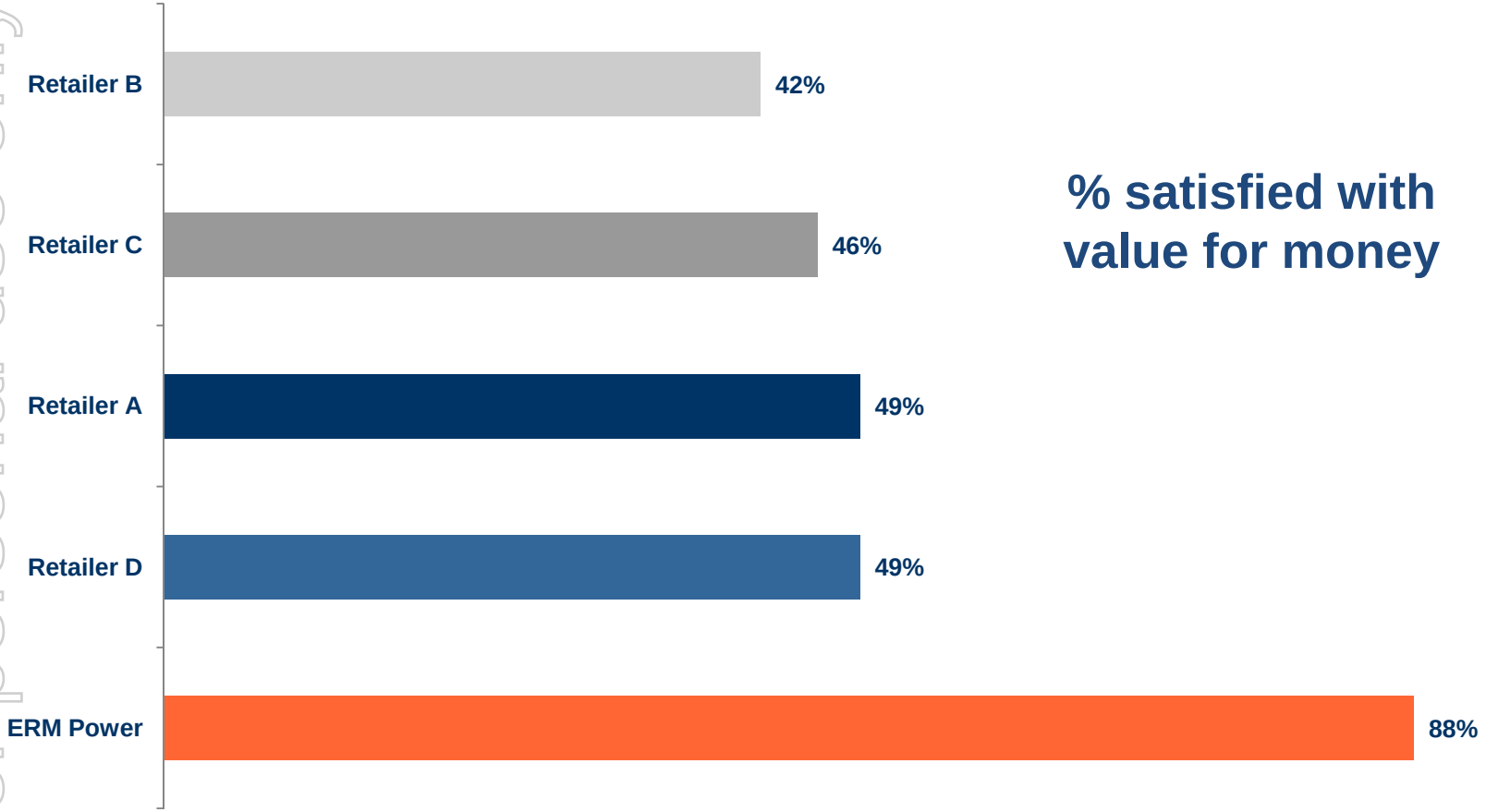
Best account management.



- 94% of our customers report they have an account manager, which is more than double the average of others at 40%.

Source: Utility Market Intelligence (UMI) survey by independent research company NTF Group in its 17th year. Research based on interviews with 495 business customers; 5 major electricity retailers participated.

Best value for money.



- 88% of our customers feel they get value for money, which is almost double the average of others at 47%.

Source: Utility Market Intelligence (UMI) survey by independent research company NTF Group in its 17th year. Research based on interviews with 495 business customers; 5 major electricity retailers participated.

Other Business Areas.

Generation

Oakey Power Station - Queensland

Neerabup Power Station – Western Australia

FY2013 EBITDAIF expected to be in line with FY2012 at $47 million (excluding Oakey discount on acquisition)

Assets

- 83.33% interest in 332MW Oakey peaker in Qld.
- 50% interest in 330MW Neerabup peaker in WA.

Operating Services

- Operator of both Neerabup and Oakey achieving outstanding reliability with forced outage rate below 0.1% for each station.
- Operator of the 320MW Kwinana baseload power station.

Development and Acquisitions

- Development opportunities affected by demand.
- East coast projects well positioned to support electricity sales growth when cheaper alternate to buying market product.
- West coast projects well positioned in WA mid-west minerals province.
- Continued interest in pursuing well-priced assets in the NEM.

Other Business Areas.

Gas Production and Exploration

Red Gully gas and condensate processing facility, Gingin, Western Australia.
Source: Empire Oil and Gas Weekly Newsletter 23 May 2013

- Acreage positions on west and east coasts with sizable potential recoverable reserves of gas and oil/condensate.
- WA positions also include shale gas prospectivity.
- Production in WA expected in June with gas and condensate sales contracts to Alcoa & BP.
- Exploration focus is WA with substantial prospects to pursue.
- East coast in feasibility stage.
- Considering opportunities to realise value from our gas business (e.g. demerger and IPO).

FY2013 outlook.

- Overall the business is performing very well.
- The electricity sales business is growing strongly and maintaining good margins. We expect EBITDAIF of $37 million (from $31 million last year) which includes a $3 million expense from non-capitalised costs on the SME business, which will commence sales in FY2014.
- The generation business has performed on plan and we expect EBITDAIF to be in line with last year at $47 million (excluding discount on acquisition of an additional interest in the Oakey power station and arbitration expenses).
- The gas business has performed well but a delay on the start up of the Red Gully project has resulted in a EBITDAIF loss of $1.5 million in FY2013 against neutral budget.
- Corporate costs are in line with budget at $9.5 million.

FY2013 outlook - continued.

- The largest variable relates to a legacy construction dispute which is awaiting determination from arbitrators.
  - Our market guidance includes assumptions on costs and proceeds of the arbitration.
  - Our estimate of the net proceeds (gross proceeds less costs) from the arbitration ranges from $7 million to $12 million positive.
  - The arbitration process has taken longer than anticipated and although we expect a positive determination this financial year, it may be delayed beyond 30 June 2013.
  - If a determination is not received in FY2013, there is no prospect of receiving proceeds to offset the estimated legal costs of $4.5 million already expensed this financial year.

$ million	FY2012[3]	FY2013 Guidance	FY2013 Guidance Ex-Arbitration[4]
EBITDAIF[1]	**66**	**69 - 85**	**74**
Underlying NPAT[2]	**11**	**14 - 26**	**17**

[1] Earnings before interest, tax, depreciation, amortisation, impairment and net fair value gains / losses on financial instruments designated at fair value through profit and loss and gains/losses on onerous contracts.

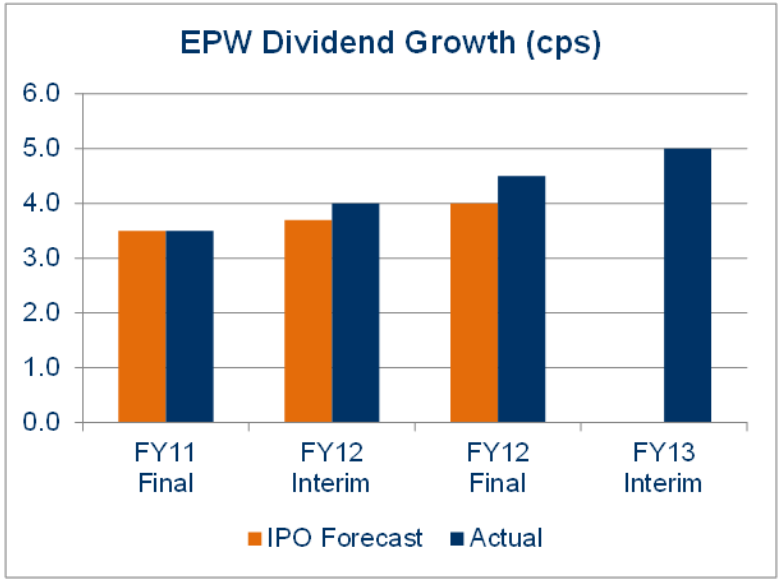
[2] Underlying NPAT is Statutory NPAT but excludes the impact of unrealised changes in fair values of financial instruments and onerous contracts, which best reflects the ongoing performance of the business .

[3] Excludes the one-off significant item of the Oakey purchase discount on acquisition of $19 million.

[4] FY2013 guidance adjusted to exclude any arbitration success upside and the $4.5 million in associated legal costs that are estimated to be expensed in FY2013.

Strong Shareholder Returns.

- Dividends to shareholders have been at or above Prospectus forecast increasing at 0.5 cps per half year.
- Total Shareholder Return over past 2½ years (since IPO) of 60%.



Key Risks.

Risk	
Strategy execution	ERM may not be able to execute effectively the current strategy for the growth of its SME electricity sales business. In particular, the success achieved in ERM's C&I business may not translate to the SME market for various reasons, including lower than expected margins, inability to leverage ERM's existing technology platform (or realise other synergies) or increased competition.
Contracting	There is no certainty regarding the ability of ERM's electricity sales (C&I or SME) business to continue to grow at the current rate. The volume of new sales contracts is uncertain, as is the sales prices and volumes that may apply to such contracts. Also, in the C&I business, the expiry of large contracts may be material if the contract is not renewed, or not renewed on comparable terms.
Spot market price	ERM's electricity sales business is exposed to spot market price risk where there is a mismatch between fixed price electricity sales volumes and volumes under hedge contracts. This exposure can arise from there being either short hedge cover, or long hedge cover.
Load volume	The contracts which ERM's electricity sales business enters into with its customers are not take-or-pay. Customers only pay for the electricity they use. Forecast loads are used as the basis for hedging decisions and variations between forecast and actual loads will impact on exposures to spot market prices.
Failure of trading systems	Despite having policies, procedures, systems and processes in place to manage risks associated with its trading operations, there can be no guarantee that ERM's current or future trading and risk management systems, or the skill and expertise of its employees, will be effective in preventing the occurrence of situations which result in financial losses, potentially in excess of its risk limits.

Key Risks.

Risk	
Off-take demand	In order to realise full value for the Oakey Power Station, or secure financing for future generation projects, ERM need to secure off-take agreements. Delays or a failure to secure those arrangements (or a failure to secure them on favourable terms) may affect the value of existing assets, such as the Oakey Power Station, or delay future development projects.
Electricity prices	Volatility in electricity prices as a result of factors such as weather, generator competitive behaviour, retail competitive behaviour, plant reliability, market regulation and the level of economic activity can have a significant effect on ERM's trading, generation and retail revenues.
Dependence upon key personnel	ERM depends on the talent and experience of its personnel. An inability to retain or recruit key personnel and the loss of key personnel to a competitor may adversely affect ERM Power's business.
Ability to pass on increased costs	ERM's generation assets are typically contracted under long term power purchase agreements ('PPA'), while its operating costs are predominantly fixed. There remains the risk, however, of unexpected increases in variable costs such as labour, insurance and maintenance. Where a PPA does not contain appropriate 'pass through' provisions such as change in law or increased costs provisions, ERM may not be able to pass on additional costs to off-takers or other customers.
Plant operations	ERM derives revenue from selling generation capacity and energy from power stations. Should ERM's power stations suffer disruption of any kind, for example, as a result of equipment failures, technology system failures, external service failures or force majeure events, a reduction in electricity generation and operational requirements may occur, resulting in a mismatch of exposures under hedging and off-take contracts.

Key Risks.

Risk	
interest rate risk	ERM's financial performance may be adversely affected by interest rate increases on those debt facilities where it is exposed to floating interest rates.
Credit risk	ERM Power and its subsidiaries are parties to sales contracts and hedge contracts with a number of energy wholesalers and other counterparties. Should these counterparties not be able to meet their future contractual financial obligations then ERM's operating and financial performance could be adversely affected.
Operating risks	Operating power stations, high pressure gas pipelines and associated equipment, involves potential risks such as major safety incidents, general operational hazards, failure to comply with policies, terrorism and general health and safety. ERM could suffer substantial loss as a result of any of these events, particularly if it is not fully insured against those risks. Even where ERM is insured, accidents that damage equipment could disrupt business activities.
Regulatory environment	Changes to the ways in which the electricity markets in which ERM operates are regulated could adversely affect the business or financial performance of ERM Power by the imposition of additional capital or operational obligations. Changes to taxation rates or regimes, or regulatory change in response to the potential impacts of greenhouse gas emissions are also relevant regulatory risks for ERM.
Future payment of dividends	ERM's future dividend levels will be determined by the Board having regard to the operating results and financial position of ERM. There is no guarantee that any dividend will be paid or, if paid that they will be paid in accordance with the stated dividend payout ratio policy or franked to any particular level.

Key Risks.

Risk	
Funding risk	ERM may not be able to access future funding on acceptable terms. If adequate funds are not available, ERM's growth, particularly in its electricity sales business, may be constrained, it may not be able to meet future funding obligations or take advantage of strategic opportunities. Given that the placement is not underwritten, such outcomes may result if ERM is not able to raise the funds sought under this placement.
Environmental	State and national environmental legislation and regulations affect the operations of ERM and its subsidiaries and assets. These regulations set standards regarding certain aspects of health and environmental quality, provide for penalties and other liabilities for violation of such standards and establish in certain circumstances, obligations to remediate. There is a risk that such liabilities could be imposed on ERM, its subsidiaries and assets.
General risks	Other than the specific risks identified above, the price at which ERM shares trade on the ASX may be determined by a range of factors, including inflation, interest rates and exchange rates, changes to government policy, legislation or regulation, the nature of competition in the markets in which ERM Power operates, inclusion or removal from major market indices and other general operational and business risks. The market for ERM shares may also be affected by a wide variety of events and factors, including variations in ERM's operating results, recommendations by securities analysts, and the operating and trading price performance of other comparable listed entities. Some of these factors could affect ERM's share price regardless of ERM's underlying operating performance
Litigation risk	As with all businesses, ERM is exposed to potential legal and other claims or disputes in the course of its business, including contractual disputes and other claims. In particular, ERM's FY13 guidance update (dated 3 May 2013) made reference to a construction dispute awaiting determination from arbitrators. The outcome of that dispute may be material to ERM's financial performance in FY13 or FY14.

Selling Jurisdictions.

International Offer Restrictions
This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

European Economic Area - Belgium, Denmark, Germany, Luxembourg and Netherlands
The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

Hong Kong
WARNING: This document has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (the "Companies Ordinance"), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Selling Jurisdictions - continued.

New Zealand
This document has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Securities Act 1978 (New Zealand). The New Shares are not being offered or sold in New Zealand, or allotted with a view to being offered for sale in New Zealand, and no person in New Zealand may accept a placement of New Shares other than to:

- persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or
- persons who are each required to (i) pay a minimum subscription price of at least NZ$500,000 for the securities before allotment or (ii) have previously paid a minimum subscription price of at least NZ$500,000 for securities of the Company ("initial securities") in a single transaction before the allotment of such initial securities and such allotment was not more than 18 months prior to the date of this document.

Norway
This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore
This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Selling Jurisdictions - continued.

Switzerland
The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

United Kingdom
Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States
This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

More Information:

Garry West
Corporate Communications Manager
Email: gwest@ermpower.com.au
Direct Ph: +61 7 3020 5165
Mobile: +61 457 140 650

Website: www.ermpower.com.au