ENHANCED SYSTEMS TECHNOLOGIES LIMITED

ACN 000 090 997

REPLACEMENT PROSPECTUS

for

a non-renounceable Rights Issue of new fully paid Ordinary Shares to Eligible Shareholders at a price of 10 cents per Ordinary Share on the basis of 1 new Ordinary Share for every Ordinary Share held, with, for each new Ordinary Share issued, an Option to acquire a further Ordinary Share exercisable at 10 cents on or before 30 November 2015.

THE OFFER CLOSES AT 5.00 pm MELBOURNE TIME ON

4 December 2014

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Offer, then you should consult your stockbroker, accountant or other financial adviser without delay. Certain capitalised terms and abbreviations used in this document have defined meanings which are set out in the Glossary.

The Ordinary Shares and Options offered by this Prospectus are a speculative investment.

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ENHANCED SYSTEMS TECHNOLOGIES LIMITED

Corporate Directory

Directors:

John Byrne (Chairman)

Malcolm Jacques

Tim Horgan (Proposed Executive Director)

Robert Reynolds

Robert Vallender

Secretary:

Alwyn Davey

Registered and Principal Office:

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Tel: +61 (03) 9236 2800

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Share Registry:

Computershare Investor Services Pty Limited

452 Johnston Street, Abbotsford, Victoria 3067

Tel: 1300 787 272

UK Depositary:

Computershare Company Nominees Limited

The Pavilions, Bridgwater Road, Bristol BS99 6ZZ

Stock Exchange Listing:

Australian Securities Exchange (ASX)

Code: ESY

For more information regarding this Offer please contact:

Alwyn Davey, Company Secretary on +61 (03) 9236 2800

IMPORTANT INFORMATION

This Replacement Prospectus is dated 26 November 2014 and a copy of this Replacement Prospectus was lodged with the Australian Securities & Investments Commission (ASIC) on that date. This Replacement Prospectus replaces the original Prospectus which was dated, and lodged with ASIC on, 7 November 2014. ASIC takes no responsibility for the content of this document.

No securities will be allotted or issued on the basis of this, Replacement Prospectus later than 13 months after the date of the Original Prospectus.

This Replacement Prospectus is hereafter referred to as "the Prospectus", except where the context otherwise requires.

This Prospectus has not been approved by the Financial Conduct Authority in the UK as a prospectus under the Prospectus Rules (made under Part VI of the UK Financial Services and Markets Act 2000) or by London Stock Exchange plc.

Timetable

Closing date for receipt of acceptances and payment	4 December 2014
Shares and Options quoted on ASX on deferred settlement basis	5 December 2014
Shortfall notification date	8 December 2014
Issue of Offer Shares and Options	10 December 2014
Deferred settlement trading ends	10 December 2014
Closing date by which the Shortfall Shares, remaining after the Offer has completed may be placed by the directors	2 March 2015

The Company reserves the right to extend the Closing Date, in which case subsequent dates will alter accordingly. The ASX Listing Rules require at least 3 Business Days' notice to be given of any extension to the Closing Date.

Summary of Key Changes in this Replacement Prospectus

Page 4: Updated timetable as set out above, and consequential changes to dates throughout the Prospectus.

Page 7: Inclusion in the Key Terms of the Offer and in Section 4.16, of the minimum subscription requirement as previously set out on page 32.

Page 7: Update to the ASX re-instatement of trading requirements in particular the decision by the Company to reduce its ownership in WNEA and Recurrent.

Page 24: The removal of the text formally on pages 25 and 26 with regard to a report on the technology.

Page 28: Reference to the Frost & Sullivan report being prepared for the Company, and to its date (1 May 2014).

Page 55: Updated Pro-forma Balance Sheet incorporating the effect of the Offer, as well as the pro-forma effect of the reduction in ownership of WNEA and Recurrent.

1 LETTER TO SHAREHOLDERS

Dear Shareholder

As previously advised to the market, the Company is undertaking a non-renounceable Rights Issue to raise gross proceeds of approximately $4.38 million to improve the Company's financial position. This Prospectus contains details of the Offer. You should read this Prospectus carefully.

Company Update

After completion of a strategic review into the operations of the Company following the Company's entry into, and subsequent emergence from, administration, and discussions with a number of potential strategic partners, the Company has decided to restructure its power division into two groups that will focus on two separate regions, being Asia and the rest of the world respectively. The Company's previous strategy of building and operating its own power plants has been deferred for the foreseeable future and until such time as partnerships have been secured and suitable joint projects identified.

Enhanced Power Technologies (EPT)

Enhanced Power Technologies, a 100% owned subsidiary, will be focused on the industrialisation of the Kalina Cycle® Technology through licensing and other arrangements in all areas outside of Asia. EPT will manage the Company's IP and knowhow as a company specifically focused on building commercial relationships with global Engineering, Procurement and Construction (EPC) companies which design installations, procure the necessary materials and build the plants, with the objective of achieving near-term scalability and rapid adoption of the technology. The partnerships will enable EPC's to offer Kalina Cycle plants as an integral component of the projects they undertake. It is anticipated that EPT will work collaboratively with major industry partners to provide specialised engineering and IP development opportunities for those partners within their sectors. In the near term EPT will be funded by the Company. However, it is anticipated that as collaboration agreements are formalised with EPC partners, EPT will become self-funding as it generates revenues through licensing, collaboration and engineering fees. EPT will aim to secure relationships with EPC partners that are major industry participants, with global operations and significant experience in their target industries.

Wasabi New Energy Asia Limited (WNEA)

WNEA is focussed on the commercialisation of the Kalina Cycle in Asian Territories, and has continued to discuss fundraising with potential investors throughout the year with the aim of listing on a stock exchange during 2015. Key to this is the completion of the Sinopec Hainan 4MWe Kalina Cycle plant being built by SSNE, the Kalina Cycle licensee for China. SSNE has been working closely with its engineering and construction partners to deliver this first major Kalina Cycle power plant in China for Sinopec (which was rated the third largest company by revenue in the Global 500 2014 rankings by Fortune Magazine). Major items have now been completed on this project and the turbine and generator are expected to be installed in the fourth quarter 2014, with the project scheduled for completion in 2015. The directors believe that completion of the project will be the catalyst for a number of new Kalina Cycle projects with other major industrial firms in China as well as with Sinopec. To support this growth, SSNE has entered into a framework agreement with Sinopec Nanjing Engineering & Construction Incorporation (SNEI). This agreement is for a period of 5 years and sets out the parameters for SSNE and SNEI to work exclusively on the bidding, design and delivery of Kalina Cycle plants for Sinopec and non-exclusively for other customers.

This framework agreement includes the support for the roll out of a 4MWe Kalina Cycle modular plant across different sectors on a partnership basis.

While the initial discussions have progressed, final agreements are not yet completed, but the directors believe a successful relationship with one or more major partners will provide significant momentum to the delivery of the WNEA and SSNE business plans.

Existing Kalina Cycle Plants

There are 6 operational power plants utilising the Kalina Cycle technology, which are located in Pakistan, Germany and Japan. Additionally, the 3 projects under construction are located in China, UAE and Germany. The project most recently completed is located in Pakistan and was a project delivered by FLSmidth. (see page 9).

Key Strategic partners

The directors believe that by focussing on the industrialisation of the Kalina Cycle technology with key strategic partners, the risk to the Company on a project level will be greatly reduced as the partners will have significantly more resources to deliver projects from initial design through to completion. In addition, the directors believe that focussing on the core strength of the EST Group with regard to the provision of engineering services for the Kalina Cycle plants will significantly reduce the capital required to operate the business compared to equity participation in projects, as well as removing the need for the large number of staff required to implement projects owned by the group.

Administration

The Company entered into Voluntary Administration on 30 December 2013 and appointed Ferrier Hodgson as administrator. Following negotiations with the creditors of the Company, agreement was reached to settle the debts of the Company through the issue of 2 new shares for each $1 of debt owed to creditors. A Deed of Company Arrangement (DOCA) was executed on 20 February 2014 and the shareholders passed the resolutions necessary for the implementation of the DOCA with regard to the consolidation of shares and issue of new shares to creditors on 16 May 2014. Ferrier Hodgson ended their role as administrators under the DOCA on 23 June 2014.

Following the completion of the DOCA process and recapitalisation of the Company through the debt to equity swap with creditors, the directors are offering all Shareholders this opportunity to participate in the recovery and growth of the Company as it moves forward.

Key Terms of the Offer

- 1 new Ordinary Share for every 1 Ordinary Share held on the Record Date
- 1 accompanying Option per Offer Share exercisable at 10 cents per share, on or before 30 November 2015.
- shareholders with a registered address in Australia, New Zealand, Switzerland or the UK may participate
- the Offer price is 10 cents per new Offer Share
- UK Eligible Shareholders are able to apply for their entitlement in British Pounds. For them, the price per Offer Share is 5.5 pence using the exchange rate of $1:£0.55
- the Offer closes at 5:00pm (Melbourne time) on 4 December 2014
- the deadline for applications from holders of Depositary Interests in the UK is 5pm (London time) on 4 December 2014
- the Offer is partly Underwritten
- the minimum amount to be raised is $1,800,000 (excluding Underwriting)

Further information on the terms of the Rights Issue is set out on pages 33 to 40 of this document.

ASX Trading

The Company will make a final submission to the ASX with regard to the recapitalisation of the Company, a key component of which is the Offer, during the course of the Offer. The ASX, in calculating the minimum cash amount required by the Company, has taken account of the consolidated group financial statements. While the Company has a clear business objective for the subsidiary companies to undertake their own financing, in order to meet the minimum funds required, the ASX would require the Company to raise sufficient capital to cover the liabilities of WNEA with regard to the purchase of SSNE by them. As it is the intention of the Company to raise capital at the subsidiary or associate level at the appropriate time for the individual financing requirements of each entity, the Company has resolved to sell at least 7,500,000 shares it owns in WNEA, thereby reducing its percentage ownership to <49.5% of WNEA. WNEA will therefore not form part of the consolidated group financial statements. In addition, the Company is in discussions for the establishment of an associate company which will hold the North America license for the Kalina Cycle as well as the sale of either all or a majority of Recurrent Engineering. A pro forma balance sheet including the effect of the sell down of WNEA and the effect, if implemented, of a change in ownership levels of Recurrent is set out in Section 7 of this Prospectus. Following the implementation of the WNEA sell down, it is anticipated that the ASX will approve the re-instatement to official quotation of the Company's securities, subject to certain other conditions with regard to the listing rule requirements as to shareholder spread and the lodgement of certain documents such as the 20 largest shareholders at the conclusion of the Offer. The directors, anticipate that the Company will be able to meet all of the required conditions through the Offer and the placement, if required, as set out below, and anticipate the securities of the Company will be re-instated shortly after these conditions have been met.

If the Company is not able to satisfy the conditions and therefore the Company's securities are not re-instated to official quotation and the Shares under the Offer are not granted official quotation, within 3 months of the date of this Prospectus, no Shares will be issued under the Offer and all application moneys will be returned (without interest) to Applicants.

AIM Listing

As a result of the Company being suspended from trading on AIM since 20 December 2013, the admission of its shares to the AIM market of the London Stock Exchange was cancelled on 24 June 2014. The directors have considered the requirements to seek to maintain the listing on AIM and the costs involved in meeting those requirements, as well as discussed the situation with the Company's UK advisor. Having considered these aspects associated with seeking to maintain the AIM listing it was prudent to accept the cancellation of the listing. The directors will consider seeking an admission to AIM in the future if the circumstances allow and following the successful funding of WNEA.

The Company will maintain its depository interest register with Computershare. While there will be no market in the UK via AIM, depositary interest holders will be able to settle private trades via CREST.

If a depositary interest holder wishes to trade on the ASX they should contact Computershare to transfer their holding to the Australian register.

Use of Proceeds

As indicated above, the Offer will raise up to approximately $4.38 million (gross) together with a further $4.6 million if the Options are all exercised. The Company will use these funds, (i) to repay $500,000 in relation to the sole remaining creditor from the DOCA (ii) as working capital of the Company and EPT (iii) to repay other outstanding debt of $2,500,000 and (iv) as working capital for the corporate operations. Further information on the use of proceeds is set out on page 21 of this document.

At the meeting of shareholders on 16 May 2014, the shareholders approved the placement of up to 5 million shares each with an attaching option. Immediately prior to the date of this Prospectus, 2.85 million shares were placed at 10c per share with an attaching option on the same terms as those proposed to be issued under the Offer. This placement raised $285,000 as additional working capital for the Company. The shares issued in the placement are eligible for participation in the Offer. Additionally the directors are in discussions with various investors and the balance of shares may be placed during the period of the Offer.

Any further shares placed before the Record Date will be entitled to participate in the Offer. Any shares placed after the Record Date will not have any entitlement to participate in the Offer. The directors are also in discussions with investors to underwrite the balance of the Offer.

A number of investors have indicated a willingness to invest in the Company, but only if the Company's shares are restored to quotation on ASX. The Offer is designed to achieve that position; and the directors intend to call a general meeting of shareholders of the Company as close as possible to the completion of the Offer, for the approval of the issue of up to 20 million new shares with an attaching option on the same terms and conditions as the Offer to enable it to take advantage of the potential to raise further capital from those investors. Five million of these new shares will be granted to China Shiny to reduce the debts of WNEA by the equivalent of $500,000 and secure an extension by the lender to WNEA. Funds raised by the issue of the balance will be used, to the extent possible, to retire up to $1,500,000 of the secured debt of the Company and to increase the working capital of the Company. Further details of the approvals to be sought will be included in the notice of meeting and explanatory statement which will be sent to shareholders shortly.

The Company has been in discussion with potential new board members who have experience in the power industry in particular. It is expected that following the successful completion of the Offer, new directors will be appointed to assist in the growth and delivery of the business plans of the Company.

The Board and management are confident that the revised strategy and market opportunities for the Company provide a solid basis for growth and rejuvenation of the Company.

Yours Sincerely

John Byrne

Chairman

2 INVESTMENT OVERVIEW

This information is a selective overview only. Investors should read the Prospectus in full before deciding whether to invest.

The Company	Enhanced Systems Technologies Limited ("**EST**" or the "**Company**") is a technology company focussed, through its subsidiaries, on exploiting its ownership of the Kalina Cycle Technology. The Kalina Cycle utilises waste heat generated from industrial processes, such as steel or cement making, to produce electricity to supplement the purchased power requirements of the manufacturing facilities, thereby reducing the plant's overall operational costs. The Kalina Cycle can also be used to generate power from geothermal and solar thermal sources (see pages 22 and 23). The EST Group will seek to generate revenues by establishing long-term industrial relationships through licensing the Kalina Cycle, and engineering services (see page 24). EST, through its wholly owned subsidiary, KCT Power Limited ("KCT") and Recurrent Engineering LLC ("Recurrent"), owns over 200 patents and trademarks for the Kalina Cycle. The Kalina Cycle was demonstrated in the early 1990s on gas turbines at a US Department of Energy site in California. The demonstration ran for a period of five years. The first commercial application of the Kalina Cycle was in 1999 when a 4MWe Kalina Cycle power plant commenced operations at the Sumitomo Metals (now Nippon Steel & Sumitomo Metals Corporation) Kashima Steel Works in Japan. This plant has had a highly successful operating history with reported system availability of 97-99%. Sumitomo has reported that the Kalina Cycle has saved 6,600 kilolitres of oil per annum which is equivalent to reducing greenhouse gas emissions from the plant by approximately 17,000 tonnes CO_2 per annum.
Kalina Cycle update	There are currently 6 operational Kalina Cycle power plants with another 3 plants under construction and planned to commence operations in 2014/2015. Each of the power plants have been developed by third parties under licence agreements with companies forming part of the EST Group. As outlined below and in section 10 of this Prospectus, FLSmidth holds the Kalina Cycle license for Cement and Lime worldwide, except the China Territories, and is a leading provider of engineering services to the cement and lime industries. FLSmidth has two Kalina Cycle power plant projects. The first 8.6 MWe power plant at the DG Khan cement plant in Pakistan has been completed. This plant has been operating at reduced levels due to provision of heat at lower than design levels. Notwithstanding this, the plant has been producing approximately 6MWe of power on average and is only expected to operate at its nameplate capacity of 8.6MWe if the expected heat is available.

	The commencement of operations at this plant marks the first installation of a Kalina Cycle power plant in the cement and lime industry. FLSmidth are also completing a 4.75 MWe Kalina Cycle power plant at Star Cement at Ras Al Khaimah, in the United Arab Emirates which is expected to be online in early 2015. Geysir, the Kalina Cycle licensee in Germany, has been developing the Geothermie Taufkirchen power plant. EST completed an engineering contract with Geothermie Taufkirchen to assist in the design of the project. Geothermie Taufkirchen and Geysir have completed equipment specifications and have commenced site preparations for the construction of the Kalina Cycle power plant which is anticipated to come online in 2015.
Licensing Arrangements	The Kalina Cycle Technology is held by two of the Company's subsidiaries, being KCT and Recurrent. KCT and Recurrent have granted to EST and EPT the Master Licence to commercialise the Kalina Cycle. A change in control of Recurrent will not impact on the Master Licence. EST has in turn granted a sub-license to commercialise the Kalina Cycle Technology to WNEA in the Asian Territories, with the exception of the China Territories. In addition to WNEA's exclusive right to commercialise the Kalina Cycle in the Asian Territories, WNEA will acquire a 50.5% shareholding in SSNE which holds the licence to use the Kalina Cycle in the China Territories upon completion of the SSNE Share Transfer Agreement. A summary of the Share Transfer Agreement is set out in section 10 of this Prospectus. The Master Licence and the sublicenses granted to WNEA are subject to the Legacy Licences outlined below. **Legacy Licences** Separate to the Master Licence and the sublicense to WNEA, the following Legacy Licences have been granted for the Kalina Cycle Technology: <u>Legacy Licences granted by reference to a territory:</u> • Licence agreement with Geysir Europe GmbH to commercialise the Kalina Cycle Technology for Germany • Licence agreement with SSNE for the China Territories • Licence agreement with Ebara Environmental Plant Co. Ltd for Japan • License agreement with Imparator Green Energy Plc for Turkey <u>Legacy Licences granted by reference to use of the Kalina Cycle Technology:</u> • Licence agreement with FLSmidth for cement and lime manufacturing plants • Licence agreement with Husavik Energy for use of the Kalina Cycle Technology at the geothermal power plant in the City of Husavik, Iceland Further details of the licensing arrangements are outlined in section 10 of the Prospectus.

Why the changes from the Old Business Model?	The EST Group had been focused on a power production business model with a goal to own an initial 25MWe of power production in operation or construction by 2015. The core project to underpin this target was the Tuzla Geothermal Project in Turkey. This model required significant investment in projects, business development and technical resources to deliver. In addition, the directors believe ownership and related risks in projects are generally far greater than those involved in providing services to third party owners. Following the Group's unsuccessful capital raising in December 2013, it became necessary to reconsider the key aspects of that business model and develop a different model which is robust and more capital efficient thereby imposing less capital demands on the Group. The directors concluded that the ability of the Company to undertake business development at one end of a project lifecycle and project implementation at the other end were constrained by the capital available to the Company and the ability of the engineering team to generate income for services versus the time required in business development that typically was non-revenue generating. By entering key partnerships such as with major EPC groups who have the scale and resources to deliver a project end to end, the Company will be relieved of the business development required to secure new projects, as that will be undertaken by the partners in their ordinary course of business. The Company proposes to provide specialist engineering to the partners for them to be able to offer key technology advantages to their clients through the Kalina Cycle. The capital and human resources required for these engineering services will be scalable based on the partners' needs and project flow. It is anticipated that a centre of excellence may be established in which the proposed partners will have access to dedicated engineering resources delivering Kalina Cycle solutions for their target industries. (Centre of excellence has become a recognised term to describe a team or shared facility that provides best practise, leadership or research for a focus area.) The EST Group currently has engineers and support staff in place to establish a centre of excellence and to provide the services to its major partners. The Group is in negotiations with the potential partners and is targeting entering into an arrangement with at least 1 partner by early 2015. (See pages 23 to 26)
The New Business Model	The Company's business model will now concentrate on extracting value from its ownership of the Kalina Cycle as well as its strategic investments without assuming the risks inherent in developing its own power plants: ▪ The Company's goals are to: - provide advantageous technologies to industry to improve the efficiency of thermal power generation globally - become a partner of choice for leading industry players looking to reduce their power costs by adopting efficient power cycle technologies; and - develop a second generation modular Kalina Cycle unit

- Its strategy is to:
  - industrialise the Kalina Cycle with leading energy industry players including EPC and OEM groups
  - collaborate with industry through a co-development model where industry funds the industrialisation of the technology
  - create opportunities to value add to the core technology, through additional commercial relationships
  - strengthen its core strengths: engineering, optimisation and validation of innovative power cycle technologies
  - potentially create a Centre of Excellence to support the partnerships; and
  - support WNEA growth in Asia
- The Company proposes to create strategic value by:
  - pursuing opportunities with its EPC partners to integrate the Kalina Cycle into fast growing or very large industrial markets
  - positioning the Company to generate revenues and value without taking the risk of large capital investments; and
  - retaining ownership of the technology and seeking to evergreen the IP portfolio through technology co-development

The Core Income Streams (see page 24) are anticipated to flow from:

- Engineering and design support for Industrial partners; and
- Licensing of the Kalina Cycle through both an upfront fee and royalty

Strategic Subsidiaries and Investments (see pages 24-28) will provide:

- a mechanism for growth for KCT and control of technology
- EST shareholders with exposure to Asian regions through WNEA while reducing funding commitments.

Financials

See pages 43 - 54 for more detail

	12 months to 30 June 2014 $	**12 months to 30 June 2013 $**
Revenue from continuing operations	485,424	1,467,591
Loss for period	(32,252,726)	(11,933,583)
Current assets	4,014,962	8,632,883
Non-current assets	32,155,581	33,154,138
Total assets	36,170,543	41,778,021
Current liabilities	21,240,592	18,026,291
Non-current liabilities	748,699	5,699,330
Total liabilities	21,989,291	23,725,621
Net assets	**14,181,252**	18,052,400

The major items that have impacted the Loss for the period as set out above are:

- Impairment of assets relating to the Tuzla geothermal project in Turkey of approximately $9,000,000
- Impairment of Investments of approximately $2,900,000
- Financing and borrowing costs in relation to the purchase of SSNE of approximately $10,000,000

Directors and Management	BOARD AND MANAGEMENT Board & Executive **John Byrne – Executive Chairman** John Byrne has over 30 years experience in the natural resources industry as an investor and resource business developer. Mr. Byrne has founded and built a number of companies from the ground up, including resource companies from development through to production. In this period he has been instrumental as either CEO or Executive Chairman in overseeing the building of 6 coal mines (in Canada, the US and the UK) along with 4 wash plants, totalling in excess of $500 million of expenditure. Until May 2010 Mr. Byrne was Chairman of Western Coal Corporation, a global coal producer. Since retiring from Western Coal Corporation he is the Chairman of Enhanced Systems Technologies Limited (formerly Wasabi Energy Limited). Through EST, Mr. Byrne is concentrated on identifying projects in, and solutions to, a number of sustainability issues that exist in the world today.
	Tim Horgan – Proposed Executive Director Tim is a qualified lawyer and business executive with over 20 years experience in Europe, Africa, Asia and Australia. Tim practiced law with Minter Ellison in Australia before moving to London where he acted as Counsel for S & P 100 Company, The Gillette Company. He sat on Gillette's Africa, Middle East and Europe Operational Board overseeing annual sales in excess of USD 1.2 Billion. Tim also has extensive licensing experience having overseen the USD 1.2 Billion acquisition of the 2002 and 2006 FIFA world cup broadcast rights and their USD 1 billion world-wide licensing. Tim has acted as founder, director and advisor to numerous Mining and Energy Companies. His recent experience includes listing South African Coal Company Universal Coal Plc on the ASX and Hungarian Energy Company Wildhorse Energy PLC on AIM. Tim has extensive experience in China including with Gillette, South China Resources Plc and more recently in advising Kalahari Minerals on its USD 1 billion takeover by China Guangdong Nuclear Power Corp (CGNPC).
	Robert Vallender – Non Executive Director Mr. Vallender has over 30 years of management and new technology product development experience in Australia and North America. Mr. Vallender is a consultant providing independent marketing and capital project sales advice to the Australian and European iron and steel and primary metals industries. He has dealt with major manufacturers and producers including Alcoa, U.S. Steel and General Motors.

Robert Reynolds – Non Executive Director

Mr. Reynolds is a mining engineer with more than 30 years experience in Australia and marketing as well as coal mining management and engineering. He has previously worked as a consultant providing marketing advice and services to a number of national and international coal producers and has held senior roles with BHP, Yang Coal and Walter Energy Inc.

Malcolm Jacques – Non Executive Director

Dr Jacques is an independent energy consultant, focusing on the Renewable and Clean Energy sectors, with special emphasis on technical and regulatory issues associated with the integration of distributed and renewable energy sources into existing power grids. Dr Jacques maintains close working relationships with policy makers, regulators, financial organizations and consultants in the energy sectors in Europe and the USA.

Dr Jacques' international career has embraced research, development and implementation of numerous energy technologies in both the public and private sectors. He has worked with several well known companies and organizations including BP Ventures (UK), The Energy Laboratory, MIT (Cambridge, USA), Strategic Research Foundation (Australia) and has played key roles in the establishment and management of public and private energy technology companies in Australia and North America.

Bahay Ozcakmak – General Manager, Enhanced Power Technologies

Mr. Bahay Ozcakmak has extensive experience in corporate strategy development, business development and technology commercialisation, with a particular focus on the global energy sector. Mr Ozcakmak has worked closely with many executive teams across the power generation sector where he has contributed to the successful development of projects by working closely with developers, IPP's, investors, OEM's, regulatory authorities and service providers, including EPC's. As Managing Director of Imparator Green Energy, Mr Ozcakmak was instrumental in the development of Imparator Group, EST's Turkish subsidiary. Under Mr Ozcakmak 's leadership, he oversaw TGPP and managed a series of engineering studies and commercial arrangements culminating in the completion of a pre-feasibility study for a 30 MWe expansion, indicating a NPV of $142 million for the proposed expansion. In addition to his broad professional skills, Mr Ozcakmak holds several qualifications from the University of Melbourne in the fields of science and commerce.

Mark Mirolli – CTO, Recurrent Engineering

Mark Mirolli is Chief Technology Officer and head of Recurrent Engineering's engineering and technical support staff. Holding a chemical engineering degree from Worcester Polytechnic Institute and a mechanical engineering degree from Rensselaer Polytechnic Institute, Mr. Mirolli has had over 25 years experience in thermal power generation system design and construction.

Formerly the director of Technology Development for ABB Combustion Engineering, Mr. Mirolli was responsible for ABB's R&D engineering functions relating to utility steam generation technology. He has authored over 25 major published papers on advanced power plant design and operations, he is a widely regarded thermal power expert and one of the original minds behind the development and commercialization of fluidized bed boiler technology.

Corporate Governance	The Company seeks to ensure that the requirements of good Corporate Governance are adhered to at all time. It strives to meet and exceed the guidelines set out around the principles of Corporate Governance. A detailed summary of the Company's Corporate Governance can be found in the Company's 2013 Annual Report, lodged with ASIC. The Company will provide a copy of the Annual Report free of charge to anyone who asks for it during the period in which applications may be made under this Prospectus.
Deed of Company Arrangement	On 30 December 2013, the Company entered into Voluntary Administration as a result of not raising sufficient funds in a rights issue announced on 27 November 2013. The directors made this decision when it became clear that the Company would be unable to repay $7.4 million owing to secured lenders as and when the debts became due. Prior to the rights issue, the directors had been relying on the sale of non-core assets, being holdings in Clean Teq Holdings Limited and Lignol Energy Corporation, to repay the note holders, but these companies did not perform as expected on their respective stock exchanges, and the sale of the Company's holdings became difficult. On 20 February 2014, the Company and the directors entered into a DOCA with its creditors which gave it the opportunity to recover value for its shareholders (which now include the majority of its former creditors). The key terms of the DOCA were: - A consolidation of the existing shares on the basis of every 765 shares being consolidated into 1 share - The issue of 2 new shares for each $1 of debt owed (other than to minor creditors) - The payment of cash to minor creditors (totalling $9,846) - Salida Accelerator Fund S.a.r.l retaining $500,000 (50%) of its secured debt. Shareholders voted to approve the consolidation and issue of shares to creditors to allow the DOCA to be implemented on 16 May 2014. (see pages 31-32)

Material Contracts	Secured Loans Salida Accelerator Fund retained $500,000 of its debt under the DOCA. In addition, since entering into Administration, through to the date of this Prospectus, working capital funds have been provided to the Company in order to preserve the business. The loans provided to the Company are on the basis of 10% interest rate per annum, are repayable on 30 November 2014 and, where the funds have been advanced by a non-related entity, to be secured over the assets of the Company. It is anticipated that these loans will be discharged from the proceeds of the Offer, or shortly after the Offer utilising the authorities being sought at the proposed shareholder meeting as set out in the letter to shareholders on page 8. Further details of the loan agreement are set out in Section 10. (see page 61-62)

Key Company Risks	
China Shiny Loan to WNEA	WNEA has granted a first ranking charge over its assets to China Shiny. If the loan is not repaid, and this security is enforced by China Shiny, the ability of the Company to realise value for its investment in WNEA, depending on the specific assets over which China Shiny exercises security for repayment of its loan, will be materially affected. Notwithstanding any enforcement of the security by China Shiny, WNEA may still retain certain of its assets in the Asian region to be able to continue, in part, with its business plan.
Going concern	As set out in the in the Preliminary Financial Statements in Section 6, for the year ended 30 June 2014, the consolidated entity incurred a net loss of $32,252,726, had net operating and investing cash outflows of $7,568,293 and was in a net current liability position of $17,225,630 as at 30 June 2014. Notwithstanding the above factors, the financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Directors have considered the above factors and are of the opinion that the consolidated entity will be able to continue as a going concern and will be able to pay its debts as and when they fall due, based on forecasted cash flows through to December 2015. The above opinion is underpinned by certain key assumptions including: a) Continued financial support by the Executive Chairman, J Byrne, until completion of the placement and rights issue detailed below; b) A placement by the company in November 2014 which raised $285,000; c) This rights issue by the Company, to raise $4,380,000; d) With regard to Wasabi New Energy Asia Limited, the successful capital raising in the first half of 2015 of a minimum of $2,500,000 as well as over the course of 2015 such further fundraising (if required) sufficient to complete the purchase of SSNE. This capital raising is planned to be underpinned by the successful completion of the current plant by SSNE at Sinopec Hainan. This project is expected to be completed by the first quarter of 2015. Major items including the heat exchangers and condensers have been erected on the site and the turbine and generator are ready for delivery to the site for installation in the near future; e) the sale of non-core investments held in listed entities at approximately $1,300,000 being a value higher than that which has been disclosed in the statement of financial position at $1,262,033 as assets classified as available-for-sale-current; f) A reduction in operating cash outflows; g) Continued support of creditors and lenders and in particular the ability to continue to defer the amount outstanding as detailed above in point d); h) Resumption of trading on the Australian Securities Exchange; and i) Deferral of funding of Wasabi New Energy Asia Limited until the funding sources above have been secured. If the above assumptions do not eventuate, the consolidated entity has a number of other options available to provide cash that the Directors believe will enable the consolidated entity to pay its debts as and when they fall due including: • the ability to sell other non-core investments; • ability to further license the Kalina Cycle Technology; and • the ability to source additional debt funding.

Adoption of Technology	Major companies with large scale industrial plants most suitable for the application of the Kalina Cycle Technology may be slower than anticipated to adopt the technology, or may not adopt it to the extent necessary to generate the revenues required for EPT and WNEA to become self-funding. If the costs of power generally falls, the economies of applying the technology to industrial processes may be less attractive. If any of the above risks eventuate, the sustainability of the business model will be threatened.
Delayed Project Delivery	In part, the future revenues of the EST Group are based on royalties expected to be received as projects are completed by its partners and licensees. Delays in completion of these projects may lead to delays in the EST Group receiving the royalty payments and this will impact on the working capital available to the EST Group.
Future capital requirements and subsidiary business model	The Company's strategy of developing relationships with major industry partners will reduce its future need for capital. The Company will seek to meet the reduced future funding requirements through the creation of subsidiary or associate companies that will raise capital on their own account through a combination of equity and debt. However, if the subsidiaries or associates and the Company are not able to secure the necessary capital which will still be required, the Company may not be able to implement its new business plan. The Company has currently established, or intends in the future to establish, subsidiaries or associates to further the business of the EST Group. Regulatory, commercial, environmental or political risks may impact on the ability of the Company to establish and/or continue to operate subsidiaries or associates in various global jurisdictions. These factors may also impact on the ability of the subsidiary or associate companies to raise or generate capital on their own account. While the Company will seek to continue to operate existing subsidiaries or associates and to form new subsidiaries or associates, there is a risk that if those subsidiaries or associates fail to become self-funding, or cannot secure the necessary capital which will still be required, the Company may not be able to implement its new business plan.
Technology	Although the Company has a defined and proven technology, newer and alternative technologies may come onto the market, and reduce the opportunities for the Company to continue in its current business.
Foreign exchange	Foreign exchange risk is relatively high due to the global nature of the Company's core business. Foreign exchange risk arises as it is likely to receive payment for services in currencies other that the Company's functional currency. In addition the value of its investments, assets and liabilities in foreign jurisdictions will be affected by currency movements and will therefore impact on the Company's financial statements

Dependence on Proprietary Technology	**KCT Power Limited ("KCT")** The Company and EPT's success and ability to compete is dependent upon its proprietary technology. The Company and EPT rely on a combination of patents, copyrights, trade secrets and non-disclosure agreements to protect its technology. KCT holds a number of US patents and US patent applications. KCT also has patents and applications pending in other countries that cover the same subject matter covered by US patents and pending applications. There can be no assurance that patents will be issued with respect to pending or future patent applications or that KCT's patents will be maintained or upheld as valid or that their granting will prevent the development of competitive technologies. The Company, EPT and KCT enter into confidentiality or licence agreements with its employees, licensees and others, and limits access to its documentation, software and other proprietary information. There can be no assurance that steps taken by the Company, EPT and KCT in this regard will be adequate to prevent misappropriation of its technology or that KCT's competitors will not independently develop technologies that are substantially equivalent or superior to KCT's technology. In addition, the laws of some foreign countries may not protect KCT's proprietary rights against others. Third parties may assert infringement claims in the future with respect to KCT's current or future technologies. Such claims may require the Company, EPT and/ or KCT to enter into licence arrangements or result in protracted and costly litigation, regardless of the merits of such claims. No assurance can be given that any necessary licence will be available or that, if available, such licenses could be obtained on commercially reasonable terms. The Company and KCT have agreed, in certain cases, to indemnify the licensees for liability incurred in connection with the infringement of a third party's intellectual property rights. Any claim(s) under those indemnities may cause significant detriment to the Company or KCT in the future. The uncertainty of the legal environment in certain foreign countries could make it more difficult for the Company and KCT to enforce the intellectual property rights and other rights under agreements relating to projects located in those countries.
International Operations/ Sovereign Risk	The Company and EPT expect to derive a portion of their revenues from non-recurring royalties earned from the construction of power plants internationally. Power plant projects entail political and financial risks (including uncertainties associated with first-time privatisation efforts in some countries involved, currency exchange rate fluctuations, currency repatriation restrictions, political instability, civil unrest and expropriation) and other structuring issues that have the potential to cause substantial delays in, or material impairment of, the value of the project being developed.

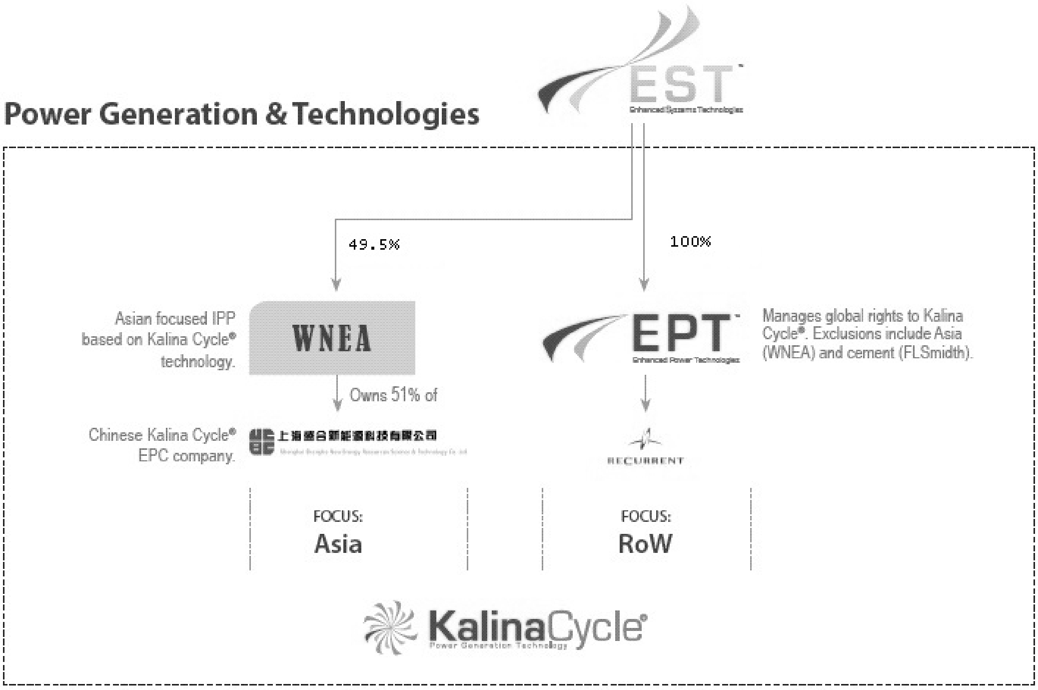
Government Legislation Policy Changes	Government legislation and policies are subject to review and change from time to time. Such changes are likely to be beyond the control of the Company and may affect profitability. The operation of power plants is subject to extensive environmental laws and regulations and owners may be required to obtain a licence to operate in a manner designed to promote safety and to prevent the release of hazardous substances from the plants. Violations of these requirements could result in liabilities that affect the operator's financial condition. Revenue and expenditure of the Company may be affected by change in international, federal, state or local government laws, regulations or policies, or in taxation legislation.
Lending facilities	The Company currently has a lending facility for working capital of $2,500,000 which is fully drawn down and which may be repaid with the proceeds of the Offer assuming it is fully subscribed. In addition, the Company has received a further $1,000,000 which has been utilised (along with a portion of the working capital facility) to reduce the China Shiny debt by RMB8,000,000. These funds are secured by a charge over the assets of the Company and will be repaid as set out on page 16. If in the future, the Company requires loan facilities it may not be successful in securing these facilities.
Management – Reliance on key personnel	The Company's success depends largely on the core competencies of its directors and management, and the directors and management of the companies in which it has invested and their familiarisation with, and ability to operate in, a renewable energy business or clean technology business such as is carried on by the relevant company and their ability to retain their key executives. While there is stable senior management in the Company it is possible that personnel changes could impact on the business of the Company. If required, identification of suitable candidates with skills in power production, technology development or other relevant areas may take longer than the Company would expect. This could place extra pressure on existing management to operate the Company effectively.
Liquidation of Investments in Listed Companies	In order to fund its operations, the Company has in part relied on capital raised through the sale of some of its listed investments, all of which have relatively low liquidity. The Company may continue to fund its activities, in part, through the realisation of its investments but the market value of those investments may be affected by low liquidity and/or volatility in value, driven by shifts in underlying share prices or changes in accounting treatment. There is no guarantee that the Company will be able to sell its shares in listed companies when it may wish to do so or that it will be able to realise full market value for those investments, with a consequent impact upon the Company's ability to fund its operations.

Key Offer Statistics	
Offer price per Share	$0.10
Existing Shares	43,795,695 Ordinary Shares
Existing Options	2,850,000 options exercisable at $0.10 on or before 30 November 2015
Shares and Options offered under this Prospectus	43,795,695 Ordinary Shares with 43,795,695 attaching options
Total issued Shares at conclusion of the offer	87,591,390 Ordinary Shares
Market Capitalisation at the offer price	$8,759,139
ASX Listed Options on issue*	46,645,695 exercisable at $0.10 on or before 30 November 2015
Unlisted Options on issue	Nil
Funds and Use of Proceeds	The Company intends to use its current funds and the funds raised from the offer as follows: Offer expenses including cost of the Prospectus — $240,000 Repayment of Salida Debt# — $500,000 Repayment of other Debt — $2,500,000 Working Capital* — $1,139,569 **Total (AUD) — $4,379,569** *The above use of funds assumes full subscription. The directors reserve the right to place any Shortfall and the above is based on the assumption any Shortfall is placed. If less than the full amount is raised and the Shortfall is not placed, the directors will negotiate with the lenders to the Company, for a position that provides sufficient working capital for the Company. #The Company is seeking the agreement of Salida to have the repayment of this debt from the proposed placement to be considered by shareholders in a general meeting directors intend to call on or about the Issue date. If this negotiation is successful, the $500,000 raised under the Offer will instead of repaying the debt, become additional working capital. In addition the Company completed a placement of $285,000 as working capital on or about the date of this Prospectus.

3 COMPANY AND PROJECTS

Enhanced Systems Technologies Limited conducts its Kalina Cycle business directly and through the following subsidiaries and associates:

- Enhanced Power Technologies Limited (EPT) which is seeking to develop relationships with major EPC partners to industrialise the Kalina Cycle.
    - KCT Power (100% owned) owns the Kalina Cycle patent portfolio together with Recurrent Engineering (currently 100% owned) which does the design and development of the Kalina Cycle and will work with EPT.
    - Imparator Enerji (100% owned) is situated in Turkey and has an exclusive Kalina Cycle license (excluding for cement and lime plants) for that country and the directors intend that it will be overseen by EPT.
- Wasabi New Energy Asia (WNEA) (an associate), will operate within Asia from Mongolia to Indonesia and Myanmar and China across to Japan. WNEA is in the process of purchasing 50.5% of Shanghai Shenghe New Energy Resources Science and Technology (SSNE), and owns the royalty stream from SSNE's Kalina Cycle license for China, Taiwan, Hong Kong and Macau and a Kalina Cycle license for the Asian Territories.



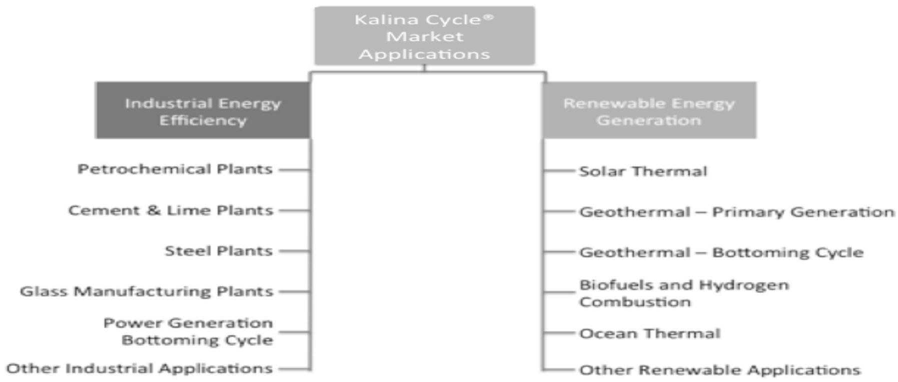
These subsidiaries and associates have management teams and are focused on a specific outcome, either in partnerships or regions. It is proposed that the subsidiaries and associates will look to access additional sources of funding thereby reducing their dependency on the Company to fund their business during the next growth phases. It is anticipated that the companies outlined above will continue or commence funding processes, including private equity, Pre-IPO and IPO during 2015.

<u>The Technology</u>

The Kalina Cycle is an innovative power cycle technology, owned by the EST Group, which involves the patented use of ammonia-water mixtures in specific ratios as a highly efficient working fluid based around a modified steam Rankine Cycle configuration for power generation.

The superior thermodynamic properties of ammonia-water mixtures, including boiling at variable temperatures, means that the Kalina Cycle delivers significant improvements in power output from a given heat source. The Kalina Cycle is applicable at a variety of heat ranges but has its greatest efficiency in low heat range.

The Kalina Cycle has application in a wide range of industrial and renewable energy sectors. These have been divided into two key areas – industrial energy efficiency and renewable energy generation. The Industrial Energy Efficiency sources heat generated as a by-product or waste from an existing industrial process, including power generation. The Renewable Energy Generation is based on heat from a renewable source, for example, geothermal groundwater or solar thermal applications.



Strategic Objective

The strategic objective for EST is to utilise EPT for the commercialisation of the Kalina Cycle in all areas outside of Asia. EPT will consolidate the management of the EST Group's IP (held by KCT Power and RE) and knowhow into a company specifically focused on building commercial relationships with global EPC companies, with the objective of achieving near-term scalability and adoption of the technology.

Business Model Comparison

EST, through EPT in particular, intends to deliver a "Technology Focused" business model utilising the Kalina Cycle. The directors believe this business model (as summarised below) has benefits over the power generation model previously followed by EST, particularly in significantly reduced capital requirements and project risk.

	BUSINESS MODEL COMPARISON	
	Technology Model	Build-Own-Operate Model
	The generation, optimisation and commercialisation of IP in collaboration with major industrial strategic partners.	The development of power generation projects by working with partners to design, finance, construct and operate a range of projects.
SUMMARY		
Business	**IP generation & core engineering services**	Power plant - design, build, own & operate
Competitive Position	**High**	Low
Industry	**Technology**	Heavy industrial & power generation sectors
Capital Intensity	**Low**	Very High
Risk Profile	**Low**	High
Rapid Scalability	**Achievable**	Difficult
VALUE CREATION		
Value Realisation	**Partnering with industry to lead adoption of IP**	Developing power generation projects
Value Monetisation	**Licensing IP & core EPC related revenues**	Sale of electricity and/or divestment of project
Time to Market	**1 - 3 years**	3 - 5 years
Value Horizon	**near term - long term**	medium - long term
Return on Equity	**High**	Low - Moderate

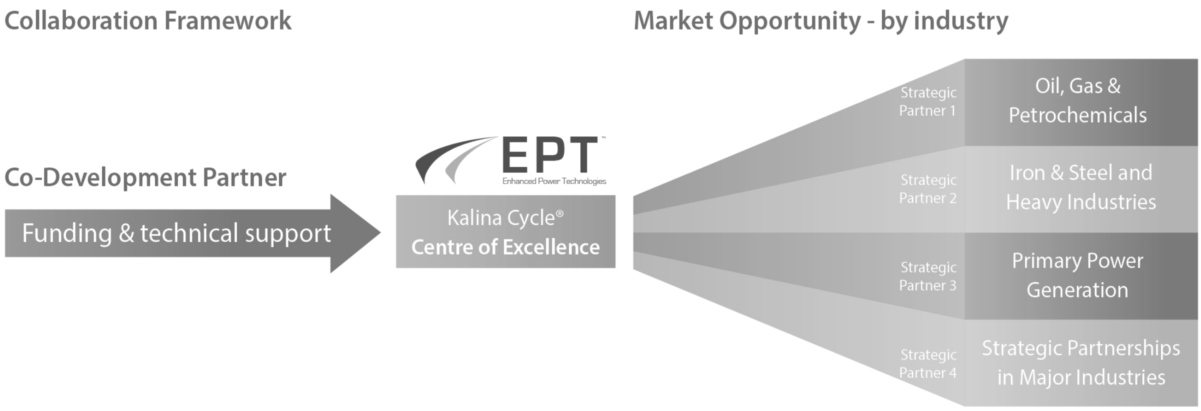
Revenue and Value Creation

EST will receive revenues from EPT if it is successful in its aim to work collaboratively with major EPC partners in specific industries to provide specialised engineering and IP development opportunities for those partners within their sectors. This will encompass fees for engineering services and through licensing the Kalina Cycle Technology.

The directors believe that for subsidiaries or associates where EST has an interest, the future receipt of dividends or capital appreciation through the growth of that business and eventual divestment as appropriate may also result in value creation in EST.

Co-Development and Collaboration

EST, through EPT and Recurrent, has an experienced engineering team capable of working with major partners in taking a project from concept through design, engineering, commissioning services and operating manuals and training.



Licensing

EST has issued a number of key licenses for either regions or specific market applications. The licensing model involves an upfront fee that covers the transfer of technology and design reviews on the initial projects. In addition for each project undertaken using the Kalina Cycle Technology by the licensee EST will be paid a one off project royalty based on the size of the project.

Strategic Subsidiaries or Associates

EST owns, or will own shareholdings in strategic subsidiaries or associates such as EPT and WNEA.

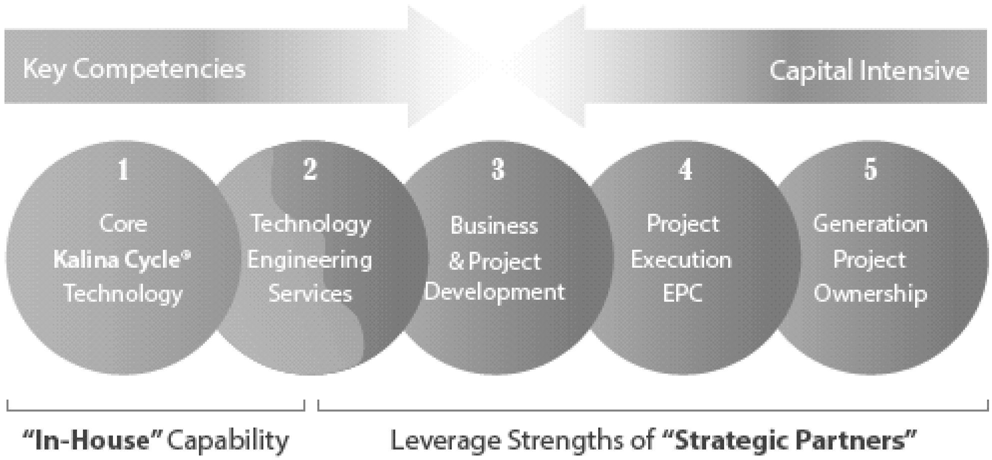
A subsidiary structure, or associate structure where EST owns a substantial shareholding provides a mechanism for growth and funding separate to EST whilst retaining control over the deployment of the technology.

EST anticipates participating in an associate which will have the North American license for the Kalina Cycle.

It is intended that the ownership of Recurrent be partly, or wholly transferred in the near future either in establishing the North America associate or to WNEA in order to combine the engineering skills of Reccurant with the WNEA group. The impact of this potential change of ownership is included in the pro forma balance sheet set out in Section 7.

<u>Enhanced Power Technologies (EPT)</u>

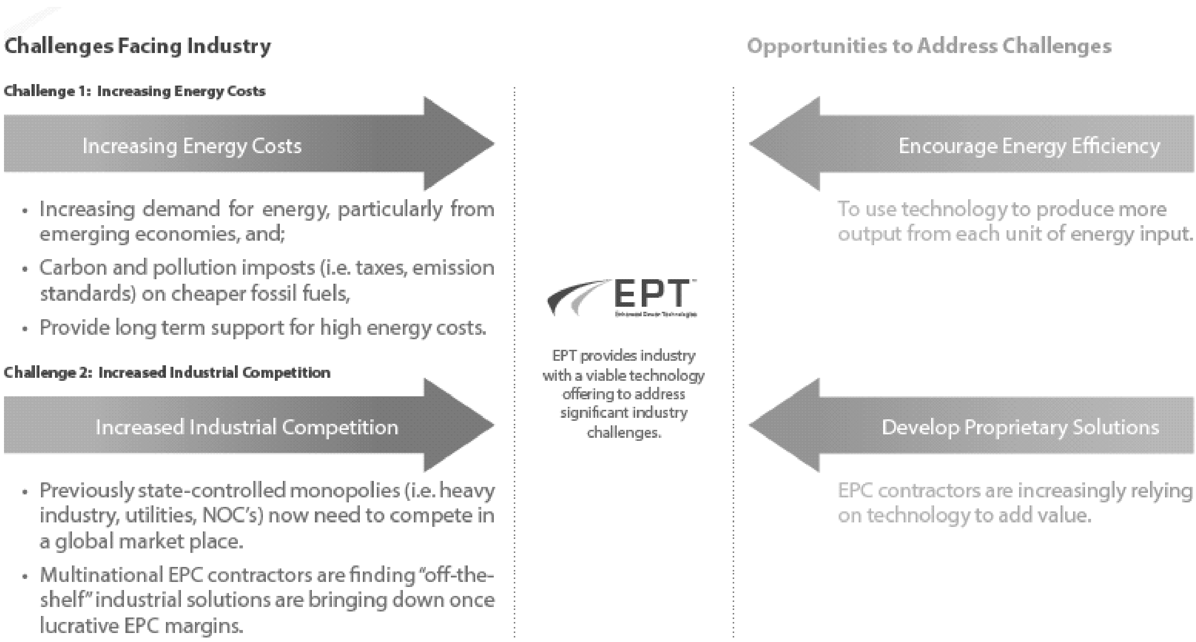
EPT will aim to industrialise the Kalina Cycle Technology through collaboration with major industry partners utilising their strengths alongside those of EPT to enable more rapid adoption of the technology in various sectors.



EPT is in discussions with its first potential industrial partners and aims to secure at least one partner during early 2015.

Opportunities for EPT

The directors believe there are significant challenges facing industry that provide opportunity to EPT.



Modularisation

It is anticipated that repeat power plant installations in specific industry applications may be suitable for a more modular approach to the power systems provided and therefore increased efficiencies. EPT intends to work with a suitable partner to develop a modular Kalina Cycle power plant that can be implemented across a number of sectors with limited additional engineering required for each project.

	ADVANTAGES OF A MODULAR APPROACH		
	Conventional Custom Build	Modular System	Advantages of Modular System
Pre-sales engineering	**high**	low	Removal of significant bottle-neck
Project cost	**high**	low - medium	Savings from economies of scale
Project schedule slippage	**high**	low	Less time on site
Scalability limitations	**high**	low	Opportunity for parallel deployments
Project quality limitations	**high**	low - medium	Fabrication quality is much higher
Overall project risk	**high**	low	As the number of modular units deployed increases, the specific modular unit design is gradually accepted as a "off-the-shelf" technology solution.
Commercial barriers	**high**	low - medium	
Project financing risks	**high**	low - medium	

Centre of Excellence

Through the establishment of a centre of excellence, which is intended to occur when the first partnership is formalised, EPT can provide a dedicated resource to partners in development of Kalina Cycle solutions specific to the needs of those individual partners. For example a petrochemical focussed solution can be designed and modularised for waste heat sources within a typical refinery. Similarly, waste heat from various processes in a steel mill can be identified and specific requirements for those heat sources developed.

The centre of excellence can focus this support into a collaborative environment and it is the expectation of the directors that it could lead to new IP for the group which will lead to enhancements and extensions to our IP portfolio.

Wasabi New Energy Asia (WNEA)

WNEA is currently a 61.6% owned subsidiary of EST. EST has resolved to reduce its ownership of WNEA to 49.5% and will implement this reduction during the period of the Offer. WNEA holds the Kalina Cycle License for the Asian Territories, as well as purchasing 50.5% of Shanghai Shenghe New Energy Resource Science Technology Limited (SSNE), the Kalina Cycle Licensee for China.

The Company has lent approximately $13.0 million to WNEA as well as previously provided guarantees for some its liabilities. WNEA borrowed RMB18,000,000 from China Shiny Holdings Limited, a Hong Kong company for its part payment for the purchase of SSNE. This has now been reduced to RMB10,000,000. China Shiny hold a first ranking charge over the assets of WNEA and a guarantee from the Company which was compromised by the DOCA as a contingent liability. China Shiny have agreed to extend the term of the loan until 31 May 2015 or two months after the completion of the Sinopec Hainan project, which ever is earliest. WNEA anticipates being able to complete a financing to make this payment based on the successful completion of the Sinopec project. If the China Shiny loan is not repaid, there is a risk that China Shiny may exercise its security over the assets of WNEA and thereby remove or reduce the ability of WNEA to deliver its business plan in Asia. In addition, WNEA has a debt of approximately RMB53,000,000 plus interest outstanding from its purchase of SSNE which will be settled from funds expected to be raised by WNEA after the completion of the Sinopec Hainan project.

The WNEA business operates in two main areas:

- China, Taiwan, Hong Kong and Macau through SSNE
- The rest of Asia directly through WNEA

WNEA will seek to generate revenue through two main streams – fee for service through EPC, (engineering, procurement and construction) contracts and selling power through build own operate power plants. In addition WNEA may also generate revenue through the licensing or sublicensing of its intellectual property.

To support this growth, SSNE has recently entered into a framework agreement with Sinopec Nanjing Engineering & Construction Incorporation (SNEI). This agreement is for a period of 5 years and sets out the parameters for SSNE and SNEI to work exclusively on the bidding, design and delivery of Kalina Cycle plants for Sinopec and non-exclusively for other customers. The agreement also provides that SNEI and SSNE will work collaboratively in solar energy, geothermal energy and geothermal from oil fields.

In addition, SSNE and SNEI will work to finalise the development and manufacture of the modular Kalina plants that will enable the large scale roll out in China

The power business is focused on two main markets – industrial energy efficiency and renewable energy generation (geothermal and solar thermal).

Within the Asian market there are a number initiatives that are in place to improve the energy efficiency of existing industries and targets for renewable power generation. Two countries have a major campaign in these targets – China and Japan.

China through its Five Year Plans has mandated energy efficiency across a range of industries and established targets for renewable energy.

SSNE has been establishing the foundations for this market and at the end of 2012 secured the first Kalina Cycle power plant with Sinopec at their Hainan petrochemical refinery. This relationship is set to grow through the development of geothermal resources in China by Sinopec as well as the proliferation of energy efficiency measures generally. The plant at the Sinopec Hainan refinery is intended to be approved as a modular design and this will enable a more streamlined process for future delivery of 4MWe Kalina Cycle plants in China. This EPC contract is scheduled for completion in 2015.

In Japan, and some other Asian countries such as South Korea and Taiwan, the issue of nuclear-based power is coming into question. In looking for alternatives their untapped geothermal resources offer baseline power alternative to these countries.

WNEA has engaged with an international broker in Hong Kong to support its funding process through to an IPO in 2015.

The WNEA Kalina Cycle license for Asia (excluding the license area for SSNE) covers all applications other than the cement and lime industries. EST will receive a royalty payment from WNEA for each Kalina Cycle power plant built based on the installed megawatt (MW) capacity.

The Asian region is well positioned for heat to power plants utilising the Kalina Cycle in both the industrial and renewable heat markets with strong heavy industry presence in China, Taiwan, Japan and South Korea and existing geothermal markets in Indonesia, Philippines and Japan.

Japan has led the world with the implementation of the Kalina Cycle technology with three operational Kalina Cycle power plants, including a 50kW geothermal plant on a geothermal hot spring.

With the strong mandate for energy efficiency and renewable power in China, SSNE is projected to grow strongly and achieve this growth through the generation of its own cash flows.

Frost & Sullivan prepared a report for the Company dated 1 May 2014 on the market potential for waste heat in China and the rest of Asia. In that report they state:

"Frost & Sullivan anticipates that the market for binary power generation systems using heat from natural or industrial sources (such as those using the Kalina Cycle technology) will grow extremely strongly in Asia over the medium term. This is as a result of several factors;

- *An increased focus on energy efficiency by industry, driven by increasing energy costs and an increasing desire by industry to use available energy sources;*
- *Government policies and programmes encouraging the adoption of energy efficiency technology;*
- *Policies to encourage renewable energy sources, such as solar thermal and geothermal; and*
- *Increased focus on lower temperature heat sources which will stimulate demand for binary systems.*

Frost & Sullivan anticipates that over the period 2014-21 an additional 29,000 MW of generating capacity will be installed in Asia in applications that could potentially use binary power generation technology. This therefore represents the total potential market opportunity for WNEA, although not all of this capacity will necessarily use binary systems. At an average capital cost of $2.5 million per MW, the market opportunity in dollar terms is $72 billion. The potential market is approximately evenly split between China and the Rest of Asia, with waste heat being the largest opportunity, followed by solar thermal and geothermal.

Additional Installed Capacity by Region and Sector, 2014-21

	China MW	***Rest of Asia MW***	***Total MW***	***CapEx ($ millions)***
Steel	*4,983*	*6,875*	***11,858***	*29,645*
Cement	*825*	*509*	***1334***	*3335*
Glass	*132*	*45*	***177***	*442.5*
Petrochemicals	*120*	*136*	***256***	*640*
Waste Heat Total	***6,060***	***7,565***	***13,625***	*34,062.5*
Solar Thermal	*7,793*	*3,949*	***11,742***	*29,355*
Geothermal	*200*	*3,150*	***3,350***	*8,375*
Total	***14,053***	***14,664***	***28,717***	***71,792.5***

Source: Frost & Sullivan estimates

Kalina Cycle Licensees

As set out above, WNEA holds the Kalina Cycle license for Asia, and SSNE holds the license for China. Imparator Green Energy holds the license for Turkey.

As previously noted, FLSmidth holds the Kalina Cycle license for Cement and Lime worldwide, except China, and is a leading provider of engineering services to the cement and lime industries.

Geysir, the Kalina Cycle licensee in Germany, has been developing the Geothermie Taufkirchen power plant. EST is completing an engineering contract with Geothermie Taufkirchen to assist in the design of the project. Geothermie Taufkirchen and Geysir, have completed equipment specifications and have commenced site preparations for the construction of the Kalina Cycle power plant which is anticipated to come online in 2015.

Details of the licence agreements are set out on pages 59 and 60

Other Subsidiary

Imparator Enerji

In 2011, the Company established Imparator Green Energy Plc, and its subsidiary Imparator Enerji ("Imparator"), to hold the Kalina Cycle license for Turkey and to develop a waste heat and geothermal business utilising the technology. The main project within Turkey was the Tuzla geothermal power project in which Imparator held an option to purchase 50% of the project.

In December 2013, due to the unsuccessful fundraising by the Company and subsequent administration process, Imparator was unable to make the final option payment required within the time frames of the option agreement.

Imparator retains certain rights in relation to the project and is continuing to discuss the situation with its associates in Turkey.

On 30 May 2014, Imparator served a notice to Egenda, the owners of Tuzla, in relation to certain claims relating to the ability of Imparator to exercise the Option and subsequent damages to Imparator and EST. Egenda have denied the claims.

Imparator has undertaken due diligence on a number of other projects within Turkey and opportunities may remain to participate in other projects where using the Kalina Cycle Technology can provide significant advantages. EPT will be responsible for overseeing the development of opportunities in Turkey in collaboration with industry partners as appropriate.

EST currently owns 100% of Imparator Green Energy and will consider its options with regards to partners and investors in order to deliver on the development opportunities in Turkey. It is intended that Imparator Green Energy will undertake its own funding process to progress its business in the future, which will likely result in EST's ownership of Imparator Green Energy being diluted. EST may seek to broaden the license area for Imparator Green Energy to cover further areas within Europe and utilise Imparator Green Energy to partner with suitable industry participants in that region.

Investments

Aqua Guardian Group Limited (AGG)

AGG is an Australian unlisted public company that was founded in 2006 to provide large scale water efficiency solutions servicing the urban water, mining, resources and agribusiness sectors. AGG has developed a product known as AquaArmour™, a floating modular cover specifically designed for large scale, exposed open water storages which reduces evaporation loss by 88% and inhibits algal growth. AGG have deployed AquaArmour™ on 9 sites in Australia.

AGG has licensed the technology to Venture Services Limited, a part of the Venture Group, a major global plastics manufacturer, predominately for the automotive industry, which has been working with

AGG since 2009. The license covers Australia/NZ, Southern Africa and Chile. The aim of Venture Services is to implement ongoing improvements to the technology and to establish deployments in each of its licence areas. Venture will build on the deployments undertaken by AGG in Australia previously and has been instrumental in delivering a trial project to a major mining company in Chile which is due for completion in 2014.

AGG will receive a royalty from each module sold by Venture and retains a right to purchase 50% of Venture Services, to thereby create a joint venture, until 31 May 2017. In addition, Venture has a right of last refusal to participate in new license areas in the future on terms no less favourable than potential third party license holders.

EST currently owns 79.2% of AGG and intends to convert outstanding loans to AGG into further equity. The directors of EST intend to develop AGG into a water technology company that may seek its own listing on a suitable stock market if and when circumstance permit.

Clean TeQ Holdings Limited (Clean TeQ)

EST currently holds an investment in CleanTeQ, an ASX listed company. Clean TeQ is a leader in water treatment and resource recovery technology and an Australian leader in biological air purification. Clean TeQ develops technologies in house and partners with leading technology suppliers world wide.

Clean TeQ offers a range of business models to potential clients including licensing its technology, building and commissioning complete installations (both transportable and fixed), and building and operating installations in joint ventures, in return for a share of revenues generated through resources recovered. Clean TeQ may also acquire mining assets where its technologies can make exploitation of uneconomic ore bodies or re-processing of tailings profitable.

As CleanTeQ delivers on its business plans and its value reflects the success of its technologies, EST will aim to divest its remaining stake in CleanTeQ at an appropriate time.

Lignol Energy Corporation (LEC)

The company currently owns 22% of LEC.

On 27 August 2014, LEC announced that although management was engaged in discussions with Difference Capital Financial Inc. ("DCF") with respect to the terms of a proposed financing and the possible sale of the assets of LEC, DCF discontinued negotiations and appointed The Bowra Group Inc. (the "Receiver") as Receiver of LEC on August 22, 2014. The Receiver is currently in possession and control of LEC's assets and undertaking.

At the time of the appointment of the Receiver, LEC was in negotiations for the sale of the assets and business of LEC to a third party and was negotiating with DCF as to the allocation of the consideration to debt and equity holders. LEC management are working with the Receiver on potential options to achieve value for stakeholders of LEC. They have indicated there is no guarantee an outcome similar to what they had been negotiating prior to the appointment of the Receiver is possible.

Some value may be returned to equity holders of LEC and EST will monitor the progress of LEC.

Other Projects

Prior to entering into the DOCA, the Group was involved in other projects and companies.

The Company has not progressed the refurbishment of the Husavik Power Plant and will no longer be working on this project.

In Japan, the engineers from Recurrent completed their engineering contract with GERD in relation to the 50kWe Ecogen micro power plants.

EST had intended to own 62% of AAP Carbon which was to be the Kalina Cycle licensee for Southern Africa. However, the issue of the license and integration of the AAP Carbon team into the broader Group did not proceed following delays in the establishment of projects in Southern Africa with parties such as ArcelorMittal, TATA Steel and others. EST retains approximately 23% of AAP Carbon and will not be providing any funds to it. AAP remains active in Southern Africa and may provide value to the Group in the future.

Deed of Company Arrangement

As announced to the market on 30 December 2013, the Directors on that day resolved to place the Company into voluntary administration and to appoint John Lindholm and Stewart McCallum of Ferrier Hodgson as Administrators of the Company.

The Directors made this decision when it became clear that the Company would be unable to repay $7.4 million owing to secured lenders as and when the debts became due.

The Directors had been relying on the sale of non-core assets, being its holdings in Clean Teq Holdings Limited and Lignol Energy Corporation to repay the note holders, but these companies did not perform as expected on their respective stock exchanges, and the sale of the Company's holdings became difficult.

When it was apparent that the sale of shares in Clean Teq and Lignol for an appropriate value within the necessary time frame was unlikely, the Company undertook a rights issue to raise the necessary funds.

The rights issue failed to raise sufficient funds, and as the Company was unable to secure an extension of time from its lenders, the Directors were left with no alternative other than to place the Company into administration.

Compromise with creditors

On 7 February 2014, the creditors of the Company approved a Deed of Company Arrangement (DOCA) as an alternative to putting the Company into liquidation. The DOCA proposed that:

- the existing Shares would be consolidated such that creditors will hold 90% of the share capital of the Company subsequent to implementation of the debt to equity swaps required under the DOCA, with every 765 Shares on issue being consolidated into 1 Share;

- the majority of the creditors of the Company would convert each $1.00 of debt owed to them into 2 Shares;

- each new Share to be issued to a creditor cannot be sold, transferred or assigned until the earlier of:

  - six months from the DOCA Commencement Date; or

  - 30 days after the closing of the Future Rights Issue *(ie; this Offer);*

- Salida Accelerator Funds S.a.r.l. would remain a secured creditor for half of its debt ($509,095), and accept Shares for the other half; and

- Minor creditors (those whose debt is less than $2,000 and which total approximately $10,000) would receive a distribution anticipated to be 100 cents in the dollar instead of Shares.

Unfortunately, the only alternative to the implementation of the DOCA would have been a liquidation of the Company. The Administrators estimated that Shareholders would receive nothing on a liquidation.

The Company and the directors entered into the DOCA on 20 February 2014.

On 16 May 2014, the shareholders as at that time voted in favour of the resolutions required to implement the relevant terms of the DOCA as well as to change the name of the Company to EST.

As a result of the DOCA, the Company settled approximately $16 million of debt as well as provided for $5.73 million of contingent liabilities. The resulting balance sheet is set out in the Preliminary Final Results balance sheet on page 45.

In order to reduce the risk of this situation arising again, the directors have undertaken the strategic review and intend to implement the business plan as set out in this document.

Due to the Offer not being fully underwritten, the directors believe that by raising a minimum of $1,800,000 in addition to the Underwritten amount, the Company will be able to continue its operations and implement the business plan set out in this document.

In addition, the Company has negotiated with Pan Andean for the $1,000,000 loan which was utilised to partly repay the China Shiny debt to be repaid through the proposed placing as set out on page 8.

If the minimum amount is not raised within the time allowed by the Corporations Act, the Directors will cancel the Offer and return any application monies to the applicants.

In this event, the Directors will consider the resources available to the Company to continue to operate as a going concern in a manner that will preserve as much value for stakeholders. This will include the directors considering the costs of operating the business as a listed entity, the ability of the Company to raise further loan capital, likely on a secured basis, and options with regard to the inherent value of its holding in WNEA and the Kalina Cycle Technology.

4 DETAILS OF THE ISSUE

4.1 The Offer

The Company is inviting existing registered holders of Ordinary Shares to subscribe for new fully paid Ordinary Shares via a non-renounceable *pro rata* entitlement offer on the basis of one new Ordinary Share at an issue price of 10 cents for every one fully paid Ordinary Shares held in the capital of the Company as at the 14 November 2014, with an accompanying Option exercisable at 10 cents per Ordinary Share on or before 30 November 2015 for each new Ordinary Share issued. Fractional entitlements will be rounded up to the next whole Ordinary Share. If fully subscribed, the Offer will raise $4,379,569 (gross). If the Options are fully exercised, a further $4,645,695 will be raised.

4.2 No Trading of Rights

As trading in the shares of the Company is currently suspended there will be no trading in Entitlements to the Offer.

4.3 Offer period

Applications for Offer Shares may be lodged at any time after the receipt of this Offer Document. The Closing Date for Applications is 5.00pm Melbourne time on 4 December 2014.

The Company reserves the right to extend the Closing Date or to withdraw the Offer.

4.4 Use of Funds

The funds raised under the Offer will be applied as follows:

Offer expenses including cost of the Prospectus	$240,000
Repayment of Salida Debt#	$500,000
Repayment of other Debt	$2,500,000
Working Capital*	$1,139,569
Total (AUD)	**$4,379,569**

*The above use of funds assumes full subscription. The directors reserve the right to place any Shortfall and the above is based on the assumption any Shortfall is placed.

If less than the full amount is raised and the Shortfall is not placed, the directors will negotiate with the lenders to the Company, for a position that provides sufficient working capital for the Company.

#The Company is seeking to have this repayment of debt to come from the proposed placement to be considered by shareholders in a general meeting directors intend to call on or about the Issue date. If this negotiation is successful, the $500,000 raised under the Offer will become additional working capital.

In addition the Company completed a placement of $285,000 as working capital on or about the date of this Prospectus

The Company will use the balance of funds raised as working capital for business development, administrative and general operating costs.

4.5 Payment for Offer Shares

Australian and other non UK Eligible Shareholders

The issue price of each Offer Share is 10 cents, payable in full on acceptance. Payment from Eligible Shareholders (other than those with addresses in the UK registered with Computershare Company Nominees Limited as Depositary Interest holders as set out below) will only be accepted in Australian currency as follows:

(a) cheque or money order drawn on and payable at any Australian bank,

(b) bank draft drawn on and payable at any Australian bank, or

(c) by BPAY. If you pay by Bpay you do not need to lodge the Entitlement and Acceptance Form. Payment by Bpay should be made in accordance with the instructions set out in the Entitlement and Acceptance Form.

If paying via Bpay, Shareholders should note that their own financial institution may implement earlier cut off times with regard to electronic payment. You should take this into consideration to ensure that your Application is received before the close of the Offer.

Make sure you use the specific Biller Code and unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form.

If you have more than one shareholding of Ordinary Shares and consequently receive more than one Entitlement and Acceptance Form, use the CRN specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. DO NOT use the same CRN for more than one of your shareholdings. This can result in your application monies being applied to your entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

Your cheque, money order, bank draft must be made in Australian currency and where applicable drawn on an Australian branch of a financial institution. Such payment must be made payable to Enhanced Systems Technologies Limited and crossed "Not Negotiable".

Please ensure that you make arrangements so that your cheque, money order or bank draft is received at the below address by the end of the offer period.

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne Victoria 3001
Australia

Please do not to forward cash. Receipts for payment will not be issued. Post dated cheques will not be accepted. Entitlement and Acceptance Forms will not be accepted at any other address other than that shown above.

Application monies received in excess of your maximum entitlement or, if you apply for Additional Offer Shares and are not allocated any or are allocated less than the number you applied for, the Application Monies (and greater than A$1) will be refunded as soon as practicable after the close of the offer. The refund method will be at the discretion of the Company.

UK Eligible Shareholders - Action required by Depositary Interest holders

UK Eligible Shareholders will receive an Entitlement and Application Form with details for accepting their entitlements in British Pounds.

The issue price of 10 cents per Offer Share equals 5.5 pence based on an exchange rate of AUD$1:GBP£0.55.

Payment will only be accepted in British Currency as follows:

(a) cheque or money order drawn on and payable at any United Kingdom bank,

(b) bank draft drawn on and payable at any United Kingdom bank.

Payments must be made by cheque or banker's draft in pounds sterling drawn on a bank or building society or a branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided for members of any of these companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have a sole or joint title to the funds, and banker's drafts should be made payable to "CIS PLC re EST — Offer 2014" and crossed "a/c payee only". Such payments will be held by Computershare on behalf of EST, which is acting as principal on receipt of such monies. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or banker's draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Payments via CHAPS, BACS or electronic transfer will not be accepted.

4.6 Entitlement

The number of Offer Shares to which you are entitled (**"Entitlement"**), is shown on the enclosed Entitlement and Acceptance Form. Your acceptance of the Offer must be made on the Entitlement and Acceptance Form unless you pay by Bpay (see section 4.5(c)).

4.7 What you may do

You may:

- take up all of your Entitlement;
- take up part of your Entitlement;
- take up Additional Offer Shares
- allow whole or part of your Entitlement to lapse. If you allow your Entitlement to lapse, you will receive no benefit from the Offer, and your proportional shareholding in the Company will be diluted.

Details of how to apply for your Entitlement (in full or part) are set forth on the Entitlement and Acceptance Form.

4.8 Additional Offer Shares

Eligible Shareholders who apply for their full Entitlement, may apply for Additional Offer Shares with the minimum application being for 10,000 Additional Offer Shares ($1000). Applicants for Additional Offer Shares will be allocated Additional Offer Shares from any Shortfall prior to the Underwriting. Please note that Additional Offer Shares will only be allocated to you if there are sufficient Offer Shares available in the Shortfall. If you apply for Additional Offer Shares there is no guarantee you will receive an allocation. If you apply for Additional Offer Shares and are not allocated any or are allocated less than the number you applied for, the Application Monies in relation to those Additional Offer Shares will be returned to you, without interest, as soon as practicable. If the number of Shortfall Shares is less than the number of Additional Offer Shares applied for, the Shortfall Shares will be allocated first to those shareholders who do not hold a marketable parcel and then on a pro-rata basis having regard to each applicants holding as at the Record Date.

4.9 Offer Shares Not Taken Up by Eligible Shareholders or Underwriter

The Directors reserve the right to place any Shortfall Shares at their discretion during the 3 month period immediately subsequent to the Closing Date, at an issue price of not less than 10 cents per share. The Directors cannot participate in any such placement.

4.10 Non Eligible Shareholders

This Offer is being made only to Shareholders with a registered address in Australia, New Zealand, the United Kingdom and Switzerland.

In accordance with the requirements of the ASX Listing Rules, having regard to:

(a) the number of holders resident outside Australia, New Zealand, the United Kingdom and Switzerland;

(b) the number and value of Ordinary Shares that Shareholders resident outside Australia, New Zealand, the United Kingdom and Switzerland would be offered; and

(c) the cost of complying with the legal requirements and the requirements of regulatory authorities in places other than Australia, New Zealand, the United Kingdom and Switzerland,

the Directors have decided that it is not reasonable to extend the Offer to Shareholders resident outside Australia or New Zealand, other than to those in the United Kingdom and Switzerland.

This Prospectus and the Entitlement and Acceptance Form do not constitute an offer of, or any invitation to subscribe for, any of the Ordinary Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. Where this Prospectus has been despatched to Shareholders resident outside Australia and New Zealand, the United Kingdom or Switzerland and where the relevant jurisdiction's laws prohibit or restrict in any way the making of the offer contemplated by this Prospectus, this Prospectus is provided for information purposes only.

Shareholders resident in Australia, New Zealand, the United Kingdom and Switzerland holding existing Ordinary Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up their Entitlements does not breach the laws of the relevant overseas jurisdiction. The return of a duly completed Entitlement and Acceptance Form (or payment) will constitute a representation by the Applicant that there has been no breach of any such laws.

4.11 Allotment

In accordance with the Corporations Act, all subscription monies, before the allotment and issue of Offer Shares and Options, will be held by the Company in trust in a bank account established solely for the purpose of depositing application monies received. Any interest earned will be for the Company's account.

4.12 Applications for Listing on the ASX, Settlement and Dealings

Applications has been made to ASX by the Company for the Offer Shares and Options to be quoted on ASX.

The Company will not be issuing share certificates. The Company participates in CHESS, the electronic transfer system operated by the ASX. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation. Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Offer Shares and Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number (HIN) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders in circumstances in which there have been any changes in their security holding in the Company during the preceding month.

The Ordinary Shares will remain listed and traded on the ASX, with trades settled electronically on the Australian registry through the CHESS system.

If permission for official quotation of the Offer Shares and Options is not granted by ASX within 3 months after the Closing Date, the Company, in accordance with the Corporations Act, will either:

(a) repay all Application Moneys; or
(b) issue a supplementary Prospectus advising that the Offer Shares and Options will not be listed on ASX and give applicants one month to withdraw their application and be repaid in full.

No interest will be paid on any monies repaid.

4.13 Dividend Policy on Increased Capital

The Offer Shares offered by this document will be entitled to any dividend declared on Ordinary Shares in respect of the financial year in which the shares are issued. The Directors do not anticipate declaring a dividend during the current financial year, being the financial year in which the Offer Share will be issued.

4.14 Underwriting

The issue is underwritten as to $2,178,978.60 (21,789,786 Shares) by entities associated with John Byrne, a director of the Company. In addition, Entities associated with John Byrne have undertaken to take up their full entitlements under the Offer, which in aggregate amount to $321,021.40 (3,210,214 Shares).

Conditions

Notwithstanding any other provisions in the Agreement, the Underwriter is not liable in any circumstances to underwrite the Offer until all of the following conditions have been satisfied or waived:

(a) (Minimum number of applications): the Company has, by the day immediately before the date when the Shortfall Notice may first be given, received Applications for not less than 18,000,000 shares;

(b) (Underwriter approval of Prospectus): prior to issue of the Prospectus, the Underwriter approving the form of the Prospectus to be sent to shareholders and lodged with ASIC; and

(c) (Quotation) the Company has, by the day immediately before the date when the Shortfall Notice may first be given, not received correspondence from the ASX that the Offer Shares will not be granted official quotation on the securities market operated by ASX (excluding any standard conditions).

Fees and Costs

The Company must pay to the Underwriter an underwriting fee of $25,000 in accordance with the Underwriting Agreement.

Termination Events

The Underwriter may, by notice to the Company, terminate the Underwriting Agreement if any one or more of the following occurs:

i. (Company default under the Agreement) there is material default by the Company in the performance of any of its undertakings or obligations under the Agreement;

ii. (Company breach of representation or warranty) a representation or warranty made or given or deemed to have been made or given by the Company under the document proving to have been untrue or incorrect in any material respect and the matters rendering the representation or warranty untrue in such respect are not remedied to the satisfaction of the Underwriter within a reasonable period;

iii. (Prospectus defect):

    a. there is an omission from, or a statement which is, or has become, false or misleading in the Prospectus and such omission or statement is or likely to be materially adverse from the point of view of an investor;

    b. the Prospectus does not comply with the Corporations Act, the Listing Rules or any of laws of foreign jurisdiction in which the Offer is made in a material respect;

iv. (change - Company) any material adverse change occurs in the assets, liabilities, financial position and performance, profits, losses or prospects of the Company including without limitation any adverse change in the assets, liabilities, financial position and performance, profits, losses or prospects of the Company from those previously disclosed by the Company to the ASX;

v. (market fall) the All Ordinaries Index of the ASX closes on any Business Day at a level that is 15% or more below the level at market close on the date of the document and remains at 15% or more below that level for at least 3 consecutive Business Days or until 10am on the Shortfall Subscription Date if the Business Day on which either index closed 15% or more lower is a Business Day that is one or two Business Days before the Shortfall Subscription Date;

vi. (change of law) there is introduced or there is announced a proposal to introduce into the Parliament of Australia or any State of Territory of Australia a new law or the Reserve Bank of Australia or any Commonwealth or State or Territory authority adopts or announces a proposal to adopt a new policy, any of which does or is likely to prohibit or regulate the Business Activity of the Company, the Offer or capital issues generally in Australia, which will likely have a Material Adverse Effect;

vii. (Company breach of law) there occurs a contravention by the Company of the Corporations Act, or its constitution which will be likely to have a material adverse effect;

viii. (no ASX approval) approval to the quotation of all of the Offer Shares on the ASX is refused or not granted on or before the Allotment Date;

ix. (ASIC Prosecution) ASIC gives notice of an intention to prosecute the Company, any director or employee of the Company or (unless it withdraws that intention in writing on or before the Closing Date);

x. (Offer withdrawn) at any time after the date of the document the Company withdraws the Offer or the Prospectus;

xi. (offence by director) a director of the Company is charged with an indictable offence;

xii. (undisclosed charge over Company's assets) other than disclosed in the Prospectus or by the Company to the Underwriter in writing prior to the date of the Prospectus, the Company charges, or agrees to charge, the whole or a substantial part, of its business or property;

xiii. (Company insolvency) an Insolvency Event occurs with respect to the Company;

xiv. (Supplementary or replacement Prospectus required but not issued) a supplementary or replacement Prospectus in relation to the Offer is required under the Corporations Act and the Company fails to lodge a supplementary or replacement Prospectus; or

xv. (Company's capital structure, management, or directors changed) the Company alters its capital structure or the Constitution in any respect without the prior written consent of the Underwriter, or if there is a change in the directors or senior management of the Company.

In the event of a Shortfall the Directors are not aware of any reason why the Underwriters would not be in a position to meet their financial obligations pursuant to the Underwriting Agreements.

4.15 Taxation

The potential tax effects relating to the Offer will vary between each investor. Investors are advised to consider the possible tax consequences of participating in the Offer or to consult a professional tax adviser.

4.16 Minimum Subscription

The minimum amount to be raised under the offer is $1,800,000. If this amount is not raised, the Underwriter is not obliged to take up its entitlement and underwrite the balance of the offer. If the minimum subscription is not raised within 4 months of the date of this Prospectus, or such shorter period as may be imposed by ASX, the Directors will withdraw the Offer, and all applications monies will be returned (without interest) to Applicants.

4.17 Speculative Investment

There are risks associated with an investment in the Company and the Ordinary Shares and Options offered by this Prospectus must be regarded as a speculative investment. The Ordinary Shares offered under this Prospectus carry no guarantee in respect to the return on capital invested, payment of dividends, or future value of the Ordinary Shares.

In making representations in this Prospectus, regard has been given to the fact that certain matters may reasonably be expected to be known to shareholders and the professional advisers whom shareholders or other potential investors may consult.

Privacy Act

If you complete an Application, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess your application, service your needs as a security holder, facilitate distribution payments and corporate communications to you as a security holder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its Share Registry if you wish to do so at the relevant contact numbers set out on page 3 of this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for securities, the Company may not be able to accept or process your application.

5 CAPITAL STRUCTURE & EFFECT OF THE ISSUE

5.1 Capital Structure

Issued Capital as at date of Prospectus

Number of Securities	Class
43,795,695	Ordinary fully paid
2,850,000	Options

Securities offered by this Prospectus

43,795,695 Ordinary shares at 10 cents per share which represents 50% of the share capital of the Company post Offer as set out below along with 43,795,695 Options.

Capital Structure Post Offer

Number of Shares	Class
87,591,390*	Ordinary fully paid

Options (quoted on ASX)

46,645,695 exercisable at 10 cents each until 30 November 2015

* For the purpose of calculating this figure it is assumed that, (i) the Offer will be fully subscribed and/or (ii) any Shortfall Shares will be issued by the Directors within 3 months of the Closing Date

5.2 Effect of the Offer

Assuming the Offer is fully taken up by Eligible Shareholders, $4.38 million less expenses of the Offer, which are estimated to be $240,000, will be raised. The funds raised will be used as set out in the Use of Proceeds paragraph in Section 1 and Section 4.4 above.

If the Offer is fully subscribed, a further 43,795,695 Ordinary Shares will be issued, increasing the Company's issued capital by 100%, and 43,795,695 Options will be issued.

If the Options are all exercised, the Company will raise a further $4.6 million and the Company's issued capital will increase to 134,237,085 Ordinary Shares. Funds raised as a result of the exercise of Options will increase the Company's working capital.

5.3 Effect of the Offer on control of the Company

As the Offer is being made as a pro-rata rights issue on a 1 for 1 basis, the maximum number of new Ordinary Shares which may be issued under the Offer represents 100% of the share capital of the Company currently on issue. Accordingly, the Offer could have a material effect on the control of the Company.

By way of example, the most significant effect which the Offer could have on the control of the Company would occur if the Underwriter participated to the full extent of its underwriting.

As a required condition for the Underwriter to complete its underwriting, unless waived, is the subscription for at least 18,000,000 Shares, the maximum possible increase in the voting power of the Underwriter would be from 7.5% to 32.8%.

If the Underwriter was to waive the condition that 18,000,000 Shares be subscribed for, and no Shareholder took up their entitlement, the voting power of the Underwriter would increase from 7.5% to 41%, but would be reduced if the Company was able to subsequently place the Shares not taken up by Eligible Shareholders.

If Eligible Shareholders participate in the Offer beyond the 18,000,000 Shares which are the pre-condition to the underwriting, the proportional increase in the holdings of the Underwriter will be less than shown above.

6 PRELIMINARY FINANCIAL STATEMENTS

Statement of profit and loss and other comprehensive income for the financial year ended 30 June 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Revenue	2	485,424	1,467,591
Cost of Sales		(435,203)	(1,261,039)
Gross profit/(loss)		50,221	206,552
Other revenue		191,597	1,297,168
Finance income		8,413	60,621
Employee benefits expenses		(2,981,249)	(4,050,999)
Administration expenses		(1,175,817)	(1,799,775)
Depreciation and amortisation expenses		(219,762)	(262,502)
Bad debts	4	(306,484)	(38,956)
Travel expenses		(479,990)	(1,038,312)
Gain/(loss) on revaluation of financial assets fair valued through profit and loss		(1,812,245)	132,295
Impairment of intangibles		(757,923)	-
Impairment of investments classified as available for sale		(2,384,832)	(158,478)
Fair value of other investments		-	(447,988)
Legal and professional fees		(1,962,483)	(1,422,466)
Patent costs		(43,774)	(203,242)
Exchange variation		(445,254)	(17,321)
Fair value gain/(loss) on options		(21,519)	(5,361)
Finance costs	3	(10,637,787)	(676,896)
Provision for capitalised development		-	(567,999)
Goodwill written off		-	(2,824,674)
Impairment of other assets		(9,273,838)	-
Loss before tax		(32,252,726)	(11,818,333)
Income tax expense		-	(115,250)
Loss for the year		(32,252,726)	(11,933,583)
Attributed to:			
Owners of the parent		(27,813,484)	(11,678,777)
Non-controlling interest		(4,439,242)	(254,806)
		(32,252,726)	(11,933,583)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange reserve arising on translation of foreign operations		1,378,539	(652,011)
Gain/(loss) on available-for-sale investments taken to equity		(519,316)	(1,132,261)
Other comprehensive income for the period net of tax		859,223	(1,784,272)
Total comprehensive income for the period		(31,393,503)	(13,717,855)
Total comprehensive income attributable to:			
Owners of the parent		(26,895,013)	(13,282,21
Non controlling interest		(4,498,490)	(435,63
		(31,393,503)	(13,717,85
Loss per share			
From continuing and discontinued operations:			
Basic (cents per share)	5	(349)	(300)
Diluted (cents per share)	5	(349)	(300)

Statement of financial position as at 30 June 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Current assets			
Cash and cash equivalents		60,250	222,261
Trade and other receivables	6	868,417	1,310,574
Other financial assets	7	1,824,262	3,658,025
Assets classified as available for sale	8	1,262,033	3,442,023
Total current assets		**4,014,962**	**8,632,883**
Non-current assets			
Trade and other receivables	9	298,863	507,581
Assets classified as available-for-sale	10	31,403,935	1,000,000
Investments accounted for using the equity method	11	9,200	9,200
Property, plant and equipment		317,327	510,341
Capital work-in-progress		-	40,313
Other assets	10	-	29,431,361
Intangible assets		126,256	1,646,342
Total non-current assets		**32,155,581**	**33,145,138**
Total assets		**36,170,543**	**41,778,021**
Current liabilities			
Trade and other payables	12	15,249,589	9,475,470
Borrowings	13	5,783,799	8,282,037
Provisions		207,204	268,784
Total current liabilities		**21,240,592**	**18,026,291**
Non-current liabilities			
Trade and other payables		748,699	772,145
Borrowings	13	-	4,927,185
Total non-current liabilities		**748,699**	**5,699,330**
Total liabilities		**21,989,291**	**23,725,621**
Net assets		**14,181,252**	**18,052,400**
Equity			
Issued capital	14	83,718,959	61,873,709
Reserves		(1,282,681)	(1,387,348)
Accumulated losses		(80,993,145)	(53,179,661)
Total equity attributable to equity holders of the company		1,443,133	7,306,700
Non-controlling interest		12,738,119	10,745,700
Total equity		**14,181,252**	**18,052,400**

Statement of changes in equity for the financial year ended 30 June 2014

Consolidated

	Issued capital and contributed equity	Investment revaluation reserve	Foreign currency translation reserve	Share based payments reserve	Other reserves	Treasury Shares	Accumulated losses	Attributable to owners of the parent	Non-controlling interest	Total
	$	$	$	$	$	$	$	$	$	$
Balance at 1 July 2012	**51,404,080**	**1,358,295**	**(92,578)**	**3,556,953**	**(4,331,987)**	**(450,800)**	**(41,500,884)**	**9,943,079**	**735,212**	**10,678,291**
Loss for the year	-	-	-	-	-	-	(11,678,777)	(11,678,777)	(254,806)	(11,933,583)
Movement in foreign exchange values	-	-	(764,462)	-	-	-	-	(764,462)	112,451	(652,011)
Gain/(loss) in AFS investments	-	(838,979)	-	-	-	-	-	(838,979)	(293,282)	(1,132,261)
Total comprehensive income for the period	-	(838,979)	(764,462)	-	-	-	(11,678,777)	(13,282,218)	(435,637)	(13,717,855)
Employee options exercised	191,959	-	-	(191,959)	-	-	-	-	-	-
Issue of shares	10,615,841							10,615,841	-	10,615,841
Cost of options issued	-	-	-	220,169	-	-	-	220,169	-	220,169
Share issue cost	(658,171)	-	-	-	-	-	-	(658,171)	-	(658,171)
Exercise of options	320,000	-	-	-	-	-	-	320,000	-	320,000
Recognition of minority interest	-	-	-	-	-	-	-	-	10,446,125	10,446,125
Issue of warrants	-	-	-	148,000	-	-	-	148,000	-	148,000
Balance at 30 June 2013	**61,873,709**	**519,316**	**(857,040)**	**3,733,163**	**(4,331,987)**	**(450,800)**	**(53,179,661)**	**7,306,700**	**10,745,700**	**18,052,400**
Balance at 1 July 2013	**61,873,709**	**519,316**	**(857,040)**	**3,733,163**	**(4,331,987)**	**(450,800)**	**(53,179,661)**	**7,306,700**	**10,745,700**	**18,052,400**
Loss for the year	-	-	-	-	-	-	(27,813,484)	(27,813,484)	(4,439,242)	(32,252,726)
Movement in foreign exchange values	-	-	1,437,787	-	-	-	-	1,437,787	(59,248)	1,378,539
Movements in available-for-sale investments	-	(519,316)	-	-	-	-	-	(519,316)	-	(519,316)
Total comprehensive income for the period	-	(519,316)	1,437,787	-	-	-	(27,813,484)	(26,895,013)	(4,498,490)	(31,393,503)
Value of options issued	-	-	-	580,713	-	-	-	580,713	-	580,713
Issue of shares	21,801,728	-	-	-	-	-	-	21,801,728	-	21,801,728
Other credits	60,679	-	-	-	-	-	-	60,679	-	60,679
Share issue cost	(21,968)	-	-	-	-	-	-	(21,968)	-	(21,968)
Difference arising on decrease in control of subsidiary	-	-	-	-	(1,394,516)	-	-	(1,394,516)	1,394,516	-
Exercise of options	4,811	-	-	-	-	-	-	4,811	-	4,811
Option reserve	-	-	-	-	-	-	-	-	2,411,032	2,411,032
Issue of shares in subsidiary	-	-	-	-	-	-	-	-	2,685,360	2,685,360
Balance at 30 June 2014	**83,718,959**	**-**	**580,747**	**4,313,876**	**(5,726,503)**	**(450,800)**	**(80,993,145)**	**1,443,134**	**12,738,118**	**14,181,252**

Cash flow statement for the financial year ended 30 June 2014

	Consolidated 2014 $	Consolidated 2013 $
Cash flows from operating activities		
Receipts from customers	830,635	2,268,660
Interest and finance costs paid	(617,667)	(242,686)
Payments to suppliers and employees	(4,879,852)	(8,454,145)
Sundry Income	6,635	49,723
Net cash used in operating activities	(4,659,259)	(6,378,448)
Cash flows from investing activities		
Interest received	2,347	51,637
Payment for plant and equipment	(12,979)	(157,131)
Payments for equity investments	-	(643,916)
Payment to acquire new asset/investment	(3,292,142)	-
Payments for options to acquire new ventures	-	(7,286,696)
Payment for capitalised development	-	(212,919)
Proceeds from sale of plant and equipment	-	545
Proceeds from sale of equity investments	436,806	776,599
Loans to related party	(43,066)	(9,580)
Receipts/(payment) for deposits	-	(1,341)
Net cash inflow on acquisition of subsidiary	-	14,245
Net cash used in investing activities	(2,909,034)	(7,468,557)
Cash flows from financing activities		
Proceeds from issue of shares and options	2,041,568	9,851,855
Proceeds from borrowings	5,996,035	8,438,000
Repayment of borrowings	(539,029)	(3,820,842)
Capital raising costs	(92,292)	(472,697)
Net cash provided by financing activities	7,406,282	13,996,316
Net (decrease) / increase in cash and cash equivalents	(162,011)	149,311
Cash and cash equivalents at the beginning of the financial year	222,261	72,105
Effect of movement in exchange rates on cash balances	-	845
Cash and cash equivalents at the end of the financial year	60,250	222,261

NOTES TO THE PRELIMINARY FINAL REPORT

1. Basis of preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The accounting policies adopted in the preparation of the preliminary final report are consistent with those adopted and disclosed in the annual financial report at 30 June 2013, and as amended as disclosed in the interim financial report at 31 December 2013.

Going concern

For the year ended 30 June 2014, the consolidated entity incurred a net loss of $32,252,726, had net operating and investing cash outflows of $7,568,293 and was in a net current liability position of $17,225,630 as at 30 June 2014. Notwithstanding the above factors, the financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

At the date of this report, the Directors have considered the above factors and are of the opinion that the consolidated entity will be able to continue as a going concern and will be able to pay its debts as and when they fall due, based on forecasted cash flows through to December 2015.

The above opinion is underpinned by certain key assumptions including:

a) Continued financial support by the Executive Chairman, J Byrne, until completion of the placement and rights issue detailed below;
b) A placement by the company in October 2014 to raise a minimum of $210,000;
c) A rights issue by the Company in November 2014, to raise $4,380,000;
d) With regard to Wasabi New Energy Asia Limited, the successful capital in the first half of 2015 of a minimum of $2,500,000 as well as over the course of 2015 a further fundraising sufficient to complete the purchase of SSNE. This first capital raising is planned to be underpinned by the successful completion of the current plant by SSNE at Sinopec Hainan. This project is expected to be completed by the first quarter of 2015. Major items including the heat exchangers and condensers have been erected on the site and the turbine and generator are ready for delivery to the site for installation in the near future;
e) the sale of non-core investments held in listed entities at approximately $1,300,000 being a value higher than their current market values by approximately $38,000, which has been disclosed in the statement of financial position at $1,262,033 as assets classified as available-for-sale-current;
f) A reduction in operating cash outflows;
g) Continued support of creditors and lenders and in particular the ability to continue to defer the amount outstanding as detailed above in point d);
h) Resumption of trading on the Australian Securities Exchange; and
i) Deferral of funding of Wasabi New Energy Asia Limited until the funding sources above have been secured.

If the above assumptions do not eventuate, the consolidated entity has a number of other options available to provide cash that the Directors believe will enable the consolidated entity to pay its debts as and when they fall due including:

- the ability to sell other non-core investments;
- ability to further license the Kalina Cycle Technology; and
- the ability to source additional debt funding.

In the event that the consolidated entity is unsuccessful in the matters set out above, there is material uncertainty whether the consolidated entity will continue as a going concern. If the consolidated entity is unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

		Consolidated	
		2014	2013
		$	$
2.	**Revenue**		
	Engineering services	331,035	111,398
	License fee	149,810	593,592
	Royalty fee	-	231,301
	Equipment sales	4,579	531,300
		485,424	1,467,591
	All revenue relates to continuing operations.		
3.	**Finance Costs**		
	Interest expenses – related parties	44,864	55,293
	Interest – other	4,844,451	621,603
	Borrowing costs - other	5,748,472	-
		10,637,787	676,896
	Weighted average rate of funds borrowed is 17.4% (2013 – 6.6%)		
4.	**Other Expenses**		
	Rental expenses	559,959	424,000
	Depreciation of plant and equipment	167,317	175,412
	Amortisation of intangibles	52,445	87,089
	Bad debts	306,484	38,956
	Employee benefit expense:		
	Defined contribution plans	84,946	137,347
	Salaries and wages	3,122,635	4,711,174
		4,293,786	5,573,978

	Consolidated 2014 Cents Per share	2013 Cents Per share
5. Earnings/(loss) per share		
Basic earnings/(loss) per share	(349)	(300)
Diluted earnings/(loss) per share	(349)	(300)

Basic earnings per share
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2014 $	2013 $
Net Loss (i)	27,813,484	11,678,777

(i) Net Loss is the same amount as loss after tax in the statement of comprehensive income attributable to owners of the parent

	2014 $	2013 $
Weighted average number of ordinary shares for the purpose of basic earnings per share	7,973,098	3,898,066

Diluted Earnings/(Loss) Per Share
The options held by rights holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 "Earnings per Share". The rights are non-dilutive as they do not increase loss per share from continuing operations.

6. Trade and other receivables: current

	Consolidated 2014 $	2013 $
Trade receivables	199,995	509,795
Goods and services tax recoverable	140,403	77,121
Receivable from key management personnel	5,228	168,985
Other receivables	521,652	548,070
Receivables from director related entities	1,139	6,603
	868,417	1,310,574

The average credit period is 30 days after end of the month in which the invoice is raised.
Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

7. Other financial assets: current

	Consolidated	
	2014	2013
	$	$
Financial assets carried at fair value through profit or loss (FVTPL)		
Held for trading derivatives that are not designated in hedge accounting relationships (i)	-	21,519
Held for trading non-derivative financial assets (ii)	1.824,262	3,636,506
	1,824,262	3,658,025

The fair values of the financial assets were determined as follows:

(i) The fair value of the options held in listed entities has been determined using the Black-Scholes option pricing method

(ii) The fair value of the share has been determined with reference to quoted market prices.

8. Assets classified as available for sale

	Consolidated	
	2014	2013
	$	$
Investments in listed entity (i)	1,262,033	3,442,023
	1,262,033	3,442,023

(i) The fair value has been determined with reference to quoted market price.
The group intends to dispose its holding in non-core investments in the next 12 months. Impairment loss was recognised at 30 June 2014.

9. Trade & other Receivables: non-current

	Consolidated	
	2014	2013
	$	$
Trade receivable	293,318	407,314
Rental bond	5,545	63,336
Deposit-Plant & Equipment	-	36,931
	298,863	507,581

10. Non Current Other Assets and Non-Current Assets Classified as available-for-sale

	Non-Current Assets Classified as available-for-sale	Non Current Other Assets
	$	$
Opening Balance	1,000,000	29,431,361
Additions	9,510,997	-
Transfers (i)	20,974,049	(20,974,049)
Impairment	(1,000,000)	(8,457,312)
Foreign Exchange	918,889	-
Closing Balance (i)	31,403,935	-

(i) The right to acquire SSNE, held as other asset at 30 June 2013, was transferred to a Non Current available-for-sale asset during the period. The investment in 50.5% of SSNE is classified as an available-for-sale asset as at 30 June 2014, due to the third and final payment due on 30 November 2013 remaining outstanding, and the consolidated entity having neither control, nor significant influence over SSNE.

11. Investments accounted for using the equity method

Name of entity	Country of incorporation	Principal activity	Ownership interest 2014 %	Ownership interest 2013 %
Associates				
Exergy	USA	Investment	46.0%	46.0%

Dividends received from associates

No dividends were received during the year (2013: Nil) from its associate.

12. Trade and other Payables

	Consolidated	
	2014	2013
	$	$
Trade payables and other payables – current		
Trade payables (i)	4,192,661	4,161,865
Other payable (ii)	10,927,193	5,184,033
Company tax payable	129,735	129,572
	15,249,589	9,475,470

(i) Payment terms for the Company and Consolidated entity during the current year and comparative period average 30 days.

(ii) Relate to final payment towards the acquisition of SSNE which was due for settlement on 30 November 2013. Interest is accruing @0.05% per day and interest payable included amounted to $1,741,485. (2013 – relate to second payment of acquisition of SSNE which was settled on 14 August 2013)

13. Borrowings

	Consolidated	
	2014	2013
	$	$
Loan from		
- Other entities – secured loan – note (i)	-	5,520,274
- Other entities – secured loan – note (ii)	509,096	6,535,899
- Other entities – secured loan – note (iii)	3,621,517	-
- Related parties – secured loan – note (ii)	-	1,094,077
- Related parties – unsecured – note (iv)	1,652,186	58,972
	5,783,799	13,209,222

	2014	2013
	$	$
In the financial statement as:		
current borrowings	5,783,799	8,282,037
Non-current borrowings	-	4,927,185
	5,783,799	13,209,222

(i) Interest is payable @ 5% per annum, secured over assets of Imparator Tuzla Jeotermal Uretim SA.

(ii) Interest payable @ 8% per annum, secured over held for trading investments and certain available for sale.

(iii) Relates to loan taken by Wasabi New Energy Asia ltd secured by first charge over its assets and guaranteed by the company and partly by John Byrne. Interest payable @30% per annum and penalty interest rate of 46.5% is payable on late payments.

(iv) Interest payable @ 10% per annum.

14. Issued capital

	Consolidated 2014 $	Consolidated 2013 $
Fully paid ordinary shares 30 June 2014: 40,975,695 (30 June 2013: 3,175,574,436)	83,718,959	61,873,709

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

	2014		2013	
	No.	$	No.	$
14.1 Ordinary shares				
Balance at beginning of year	3,175,574,436	61,873,709	2,453,273,052	51,404,080
Consolidated at 765 to 1	4,151,078	61,873,709	-	-
Exercise of options	787	4,811	18,000,000	320,000
Issue of shares	36,793,830	21,801,728	704,301,384	10,615,841
Transfer from employee option reserve	-	-	-	191,959
Other credits	-	60,679	-	-
Share issue costs	-	(21,968)	-	(658,171)
Balance at end of financial year	40,945,695	83,718,959	3,175,574,436	61,873,709

Ordinary shares carry one vote per share and carry the right to dividends.

15. Segment Reporting

(i) The following is an analysis of the Group's revenue and results by reportable operating segments:

	Segment Revenue		Segment profit/(loss)	
	2014 $	2013 $	2014 $	2013 $
Continuing operations				
Investments	4,579	531,300	(30,354,514)	(16,408,089)
Power business	480,845	936,291	(1,898,211)	(4,474,506)
Total of all Segments	485,424	1,467,591	(32,252,725)	(11,933,583)
Unallocated items				
Share of loss of associate			-	-
Total loss before tax			(32,252,725)	(11,933,583)
Gain / (loss) on available-for-sale investments taken to equity			(519,316)	(1,132,261)
Exchange reserve arising on translation of foreign operations			1,378,539	(652,011)
Total comprehensive income for the period			(31,393,502)	(13,717,855)

The segment revenue reported above represents the revenue generated from external customers. There were no intersegment sales in the current year (2013: nil)

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment loss represents the loss incurred by each segment without the allocation of share of losses of associate. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

(ii) Segment assets

	2014 $	2013 $
Investments	34,986,211	30,179,938
Power business	1,184,332	10,598,083
Total segment assets	36,170,543	40,778,021
Unallocated assets	-	1,000,000
Total assets	36,170,543	41,778,021

(iii) Segment liabilities

	2014 $	2013 $
Investments	18,971,256	21,194,904
Power business	3,018,035	2,530,717
	21,989,291	23,725,621

(iv) Geographical information

The group operates in these principal geographical areas. Australia (country of domicile), UK and the USA.

	Revenue from external customers		Non-current assets	
	2014 $	2013 $	2014 $	2013 $
Australia	4,579	531,300	31,750,075	23,577,963
UK	-	-	126,256	9,142,622
USA	480,845	936,291	279,250	424,553
	485,424	1,467,591	32,155,581	33,145,138

(v) Other segment information

	Depreciation and amortisation		Additions to non-current assets	
	2014 $	2013 $	2014 $	2013 $
Investments	197,916	240,521	10,027	695,795
Power	21,846	21,980	2,928	230,350
	219,762	262,502	12,955	926,145

16. Net Tangible Assets

	Consolidated	
	2014 $	2013 $
Net tangible asset backing per ordinary security	34 cents	412 cents

17. Compliance Statement

This report is based on accounts that are in the process of being audited.

7 PRO FORMA STATEMENT OF FINANCIAL POSITION

BALANCE SHEET	Preliminary Final Results	*Rights Issue and Placement*	Pro forma
At 30 JUNE 2014			
	30 June 2014		**30 June 2014**
	$		$
Current assets			
Cash	60,250	4,424,569	4,458,811
Receivable- Sale of WNEA	-		**3,268,000**
Trade and other receivables	868,417		146,773
Other financial assets	1,824,262		1,824,262
Assets classified as available for sale	1,262,033		1,262,033
Total current assets	4,014,962		10,959,879
Non-current assets			
Trade and other receivable	298,863		30,020
Receivable - WNEA	-		**10,609,747**
Assets classified as available for sale	31,403,935		**13,932,000**
Investments accounted for using the equity method	9,200		9,200
Property, plant and equipment	317,327		306,920
Intangibles	126,256		126,256
Total non-current assets	32,155,581		25,014,143
Total assets	36,170,543		35,974,022
Current liabilities			
Trade and other payables	15,249,589		**2,406,101**
Borrowings	5,783,799		**2,161,281**
AL-Provision	207,204		66,621
Total current liabilities	21,240,592		4,634,003
Non current liabilities			
Trade and other payables	748,699		-
Total non-current liabilities	748,699		0
Total liabilities	21,989,291		4,634,003
Net assets	**14,181,252**		**31,340,019**
Shareholders' equity			
Share capital	83,718,959	4,424,569	88,143,528
Reserves	(1,282,681)		(1,282,681)
Accumulated losses	(80,993,145)		(55,495,886)
Total equity attributable to equity holders of the company	1,443,133		31,364,961
Non-controlling interest	12,738,119		(24,942)
Total Equity	**14,181,252**		**31,340,019**

This pro forma statement of financial position set out above reflects the Company's financial position as at 30 June 2014 adjusted to show the effect of the Offer (assuming full subscription), the placement and the effect of loss of control of Wasabi New Energy Asia Limited and Recurrent Engineering LLC as if it had occurred on 1 July 2014.

Capital raising:

- Placement of 2,850,000 shares and attaching options at 10c each
- Rights issue of 43,795,695 shares and attaching options at 10c each

8 RIGHTS ATTACHING TO ORDINARY SHARES

The following is a summary of the more significant rights attaching to Ordinary Shares in the Company. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders in the Company. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Ordinary Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

8.1 General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

8.2 Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

8.3 Dividend Rights

The Directors may from time to time declare a dividend to be paid to shareholders entitled to the dividend. The dividend shall (subject to Clause 134 of the Company's Constitution and to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividends) be payable on all shares in accordance with the Corporations Act. No dividends shall be payable except out of profits. No dividend shall carry interest as against the Company.

8.4 Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

8.5 Transfer of Shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

8.6 Changes to Capital Structure

The Directors have the power to increase the number of shares that may be issued and the Company in general meeting may convert all or any of its shares into a larger or smaller number of shares, without altering the proportion between the amount paid and the amount (if any) unpaid on the shares concerned, subject to the Listing Rules.

8.7 Variation of Rights

The rights and privileges attaching to a class of shares can be altered with the approval of a resolution passed at a separate general meeting of that class by a three quarters majority of the members of that class present and voting, or with the written consent of the holders of at least three quarters of the shares on issue in that class within 2 months of the date of the meeting.

9 TERMS OF OPTIONS

The Options granted pursuant to this Prospectus will entitle the holder to subscribe for and be allotted Ordinary Shares on the following terms and conditions:

(a) each Option entitles the holder to subscribe for one Ordinary Share at an exercise price per Option of 10 cents;

(b) the Options are exercisable, at any time prior to 5.00pm Melbourne time on 30 November 2015 (**Expiry Date**). Options not exercised on or before the Expiry Date will automatically lapse;

(c) the Options may be exercised wholly or in part by completing an application form for Shares (**Notice of Exercise**) delivered to the Company's share registry and received by it any time prior to the Expiry Date;

(d) upon the exercise of the Options and receipt of all relevant documents and payment, Ordinary Shares will be issued ranking pari passu with the then issued Ordinary Shares.

(e) The Company will apply to ASX to have the Ordinary Shares issued pursuant to the exercise of Options granted official quotation.

(f) a summary of the terms and conditions of the Options including the Notice of Exercise will be sent to all holders of Options when the initial holding statement is sent;

(g) any Notice of Exercise received by the Company's share registry on or prior to the Expiry Date will be deemed to be a Notice of Exercise as at the last Business Day of the month in which such notice is received;

(h) there are no participating entitlements inherent in the Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, holders of Options will be notified by the Company and will be afforded 10 Business Days before the record date (to determine entitlements to the issue), to exercise Options;

(i) in the event of any reorganisation of the issued capital of the Company prior to the Expiry Date, the rights of an optionholder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation;

(j) Subject to the Corporations Law, the ASX Listing Rules and the Company's Constitution, the Options may be transferred at any time prior to the Expiry Date;

(k) Ordinary Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the date of Notice of Exercise.

(l) An Option holder will be entitled to nominate the Ordinary Share issued pursuant to the exercise of an Option to be issued by way of a Depository Interest to them.

10 ADDITIONAL INFORMATION

Material Contracts

Licence Agreements

The licence agreements have been issued either by the Company or its subsidiaries KCT and Recurrent under similar terms and conditions to each of the licensees as specified in the table below. The key provisions of the licences include:

(A) The right to utilise the technology in a specified territory and/or field of use;

(B) A licence fee and per MW royalty on future projects;

(C) Minimum performance requirements under the licence by the licensee with regards to a number of projects or total installed MW for a period, typically 5 years. A failure to meet the minimum performance requirements results in the loss of exclusivity for the territory or termination of the licence agreement;

(D) The ownership of any improvements to the technology vests in the Company and its subsidiaries and forms part of the technology under the licence;

(E) The Company, or its subsidiaries as appropriate have provided indemnities to the licence holders with respect to any loss or damage arising from a breach of a material term of a licence or any infringement on third party rights to the Kalina Cycle Technology.

(F) Recurrent provides support to the licensees on the initial projects as well as provides manuals and training to the licensees as appropriate.

The Kalina Cycle Technology has been licensed as follows:

Licensor	**Licensee**	**Territory**	**Application**	**Exclusivity Arrangement**
Master Licence Agreement				
KCT and Recurrent	EST and EPT	Worldwide	All applications	Exclusive subject to Legacy Licences
Licences granted to subsidiaries of the Company				
EST	Wasabi New Energy Asia Limited	Asian Territories	All applications	Exclusive, subject to Legacy Licences.
Legacy Licences				
KCT and Recurrent	SSNE	Mainland China, Hong Kong, Taiwan, Macau	All applications	Exclusive
KCT and Recurrent	FLSmidth	World Wide (except for the China Territories)	Cement manufacturing and lime manufacturing plants	Exclusive
KCT	Ebara Environment Plant Co Ltd	Japan	All applications, except cement manufacturing and lime manufacturing	Non-Exclusive
KCT	Geysir	Germany	Geothermal	Exclusive
			Waste Heat Power Plants	Non-exclusive
KCT	Imparator Green Energy	Turkey	All applications except cement manufacturing and lime manufacturing	Exclusive
KCT	Husavik Energy	Iceland	Project Specific Licence	*Not applicable*

Share Transfer Agreement

Under the Share Transfer Agreement, dated 18 February 2012, NETRC agreed to purchase 44.5% of the issued share capital of SSNE from existing SSNE shareholders. Since the execution of the Share Transfer Agreement, one of EST's subsidiaries WNEA acquired all of the issued share capital in NETRC. The Share Transfer Agreement is governed by the laws of China.

In accordance with the terms of the Share Transfer Agreement and Chinese law, shares representing 44.5% of the issued share capital of SSNE were transferred to NETRC. Notwithstanding this transfer, NETRC is still liable to pay part of the purchase price for the shares.

Although payment of part of the purchase price has been delayed by NETRC, after friendly consultations and communications and pursuant to the terms of a memorandum of understanding dated 8 August 2013, the vendors of the SSNE shares agreed to extend the payment terms of the Share Transfer Agreement subject to NETRC paying interest on the outstanding amount at a rate of 0.04% per day calculated from 1 April 2013 if the final payment was not made by 30 November 2013. NETRC's aggregate liabilities under the Share Transfer Agreement and the memorandum of understanding in respect of the purchase price for the shares in SSNE is RMB 53,000,000 (as at the date of this prospectus).

WNEA will undertake a fundraising in the near future, as set out in Section 3 of this Prospectus. WNEA will lend sufficient funds to pay the final RMB53,000,000, (AUD$9.25 million) plus interest. Until this payment is completed, interest at 0.04% per day will continue to accrue on the outstanding amount.

Loan Agreements

A loan agreement was entered into between Twenty Second Yeneb Pty Ltd, Silichester Property Holdings Pty Ltd, Salida Accelerator Fund S.A.R.L and Pan Andean Capital Pty Ltd ("the **Lenders**" and EST dated 20 February 2014, 9 May 2014 and 31 October 2014 respectively ("**Loan Agreement**"). Under the Loan Agreement, the following amounts were advanced to EST by way of loan:

- up to $2,500,000 from Twenty Second Yeneb Pty Ltd and Silichester Property Holdings Pty Ltd, both of which are associated with John Byrne;
- $509,096 from Salida Accelerator Fund S.A.R.L (**Salida**); and
- $1,000,000 from Pan Andean Capital Pty Ltd (**Pan Andean**)

("**the Loans**")

The interest rate applicable under the Loan Agreement is 10%. EST is required to repay each Loan and any accrued interest on 30 November 2014 or on demand thereafter. EST is required to make these payments without any set-off or counterclaim, except for any tax deduction or withholding required by law. Under the Loan Agreement, EST has provided an indemnity to the Lenders against all liabilities, losses, damages, costs, expenses, taxes, duties, or imposts incurred by the Lender in connection with:

- any event of default, including an insolvency event;
- the preparation, negotiation, performance or termination of the Loan Agreement, the General Security Agreement over all of the assets and undertaking of EST in favour of the Lenders ("GSA" and any document that amends the Loan Agreement or the GSA ("**Transaction Document**");

- any amendment to or any consent, claim, demand or waiver given or made under any Transaction Document; and/or

- any exercise or enforcement of any right conferred on the Lender under any Transaction Document.

Salida has security for its loan under a General Security Agreement, and the Company has agreed to grant security to Pan Andean under the same General Security Agreement.

Consents

The following consents have been given in accordance with the Corporations Act and has not been withdrawn as at the date of lodgement of this Prospectus with ASIC.

Computershare Investor Services Pty Limited has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which is it named.

Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Frost & Sullivan (Australia) Pty Limited has given and, as at the date hereof, has not withdrawn, its written consent to the inclusion in the Prospectus of the statements made by it on page 29 in the form and context in which those statements are included.

Frost & Sullivan (Australia) Pty Limited has had no involvement in the preparation of any other part of the Prospectus. Frost & Sullivan (Australia) Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any other part of the Prospectus.

Directors' Interests and Remuneration of Directors

Other than as set out below or elsewhere in this Prospectus, no Director, including the proposed Director, nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with ASIC, any interest in:

1. the promotion or formation of the Company;

2. property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of securities pursuant to this Prospectus; or

3. the offer of securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or shares or otherwise) and no benefit given or agreed to be given to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company or the Offer.

The Directors' interests in Shares and Options at the date of this Prospectus are:

Director	Shares	Unlisted options
John Byrne	3,210,214	Nil
Robert Reynolds	88,975	Nil
Robert Vallender	72,312	Nil
Malcolm Jacques	74,804	Nil
Tim Horgan*	919	Nil

*Tim Horgan will join as a director of the Company at the successful completion of the Offer. Mr Horgan will receive remuneration in line with the other directors of the Company. The Company will seek shareholder approval at the AGM for the relevant aspects of the remuneration of Mr Horgan, including the issue of options.

The above does not take into account any Ordinary Shares or Options the Directors may acquire under the Offer.

The Constitution of the Company provides that the Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting or until so determined as the Directors resolve (currently set at $200,000), to be divided among the Directors and in default of agreement then in equal shares.

Directors, companies associated with the Directors or their associates are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

No non-executive Director shall be paid as part or whole of his remuneration a commission on or a percentage of profits or operating revenue.

If any of the Directors are called upon to perform extra services or make any special exertions on behalf of the Company or its business, the Directors may remunerate that Director in accordance with such services or exertions, and this remuneration may be either in addition to or in substitution for the remuneration provided in the form of directors fees.

Expenses of the Offer

The estimated expenses of the Offer (excluding GST) are as follows:

ASIC fees	$2,290
Printing, mailing and other expenses	$42,500
ASX fees	$33,735
Legal fees	$51,475
Accounting related fees	$85,000
Underwriting fees	$25,000
Total	**$240,000**

11 DIRECTORS AUTHORISATION AND CONSENT

This Replacement Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors and the Proposed Director.

In accordance with Section 720 of the Corporations Act, each Director and the proposed director has consented to the lodgement of this Replacement Prospectus with ASIC.

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Mr John Byrne
For and on behalf of
Enhanced Systems Technologies Limited

GLOSSARY

Applicant means an investor who applies for Ordinary Shares pursuant to the Offer;

Asian Territories means Myanmar, Thailand, Cambodia, Laos, Vietnam, Malaysia, Singapore, Brunei, Indonesia, Philippines, Japan, South Korea, North Korea and Mongolia;

ASIC means the Australian Securities and Investments Commission;

ASX means, as the context requires, ASX Limited (ACN 008 624 691) or the Australian Securities Exchange;

Business Day means a day on which trading takes place on the stock market of ASX;

China Territories means China, Hong Kong, Taiwan and Macau;

Closing Date means the closing date of the Offer, being 5pm (Melbourne time) on 4 December 2014 (unless varied by the Directors);

Company or **EST** means Enhanced Systems Technologies Limited (ABN 24 000 090 997);

Constitution means the Company's Constitution as at the date of this Prospectus;

Corporations Act means the Corporations Act 2001 (Cth);

Directors means the directors of the Company at the date of this Prospectus;

Dollar or **"$"** means Australian dollars;

Ebara Environment Plant Co Ltd means a Japanese corporation with its principal place of business at 11-1 Haneda Asahicho, Ohya-ku, Tokyo 14409942, Japan and a wholly owned subsidiary of Ebara Corporation;

Eligible Shareholder means a person registered as a Shareholder as at the Record Date whose registered address is in Australia, New Zealand, the United Kingdom or Switzerland;

Entitlement means the entitlement of a Shareholder to participate in the Offer;

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Prospectus;

EPC means Engineering Procurement Construction;

EPT means Enhanced Power Technologies Pty Limited;

EST means Enhanced Systems Technologies Limited (ACN 000 090 997), an Australian public limited company with its principal officers located at 114-116 Auburn Road, Hawthorn, VIC 3122, previous company name "Wasabi Energy Limited";

EST Group means EST and each of its Subsidiaries;

FLSmidth means FLSmidth A/s, a Danish limited company, with its principal offices located as Vigerslev Alle' 77, DK-2500 Valby, Copenhagen, Denmark;

FLSmidth Licence means the licence for the Kalina Cycle Technology granted by KTC Power and Recurrent to FLSmidth on 9 June 2011 for Waste Heat Power Plants in the cement and lime manufacturing industries and the contingent rights to specific project licences for other Waste Heat Power Plants described in the licence;

Geysir means Geysir Europe GmbH, a privately held German limited liability company, with offices located at Bavariafilmplatz 7, 82031 Grünwald, Germany;

Husabik Energy means Orkuveita Husavikur ehf., an Icelandic limited liability company, wholly owned by Norourbing municipality, Iceland, with offices at Ketilsbraut 9, 640 Husavik, Iceland;

Imparator Green Energy means Imparator Green Energy Plc, an English Public limited company, with its registered offices located at 47 Charles Street, London, W1J 5EL, United Kingdom;

KCT means KCT Power Limited, an English limited company, with its registered offices located at 47 Charles Street, London, W1J 5EL United Kingdom, formerly known as Global Geothermal Limited;

Kalina Cycle technology means and includes all unpatented technical information that has been developed that relates to the application of the Kalina Cycle to geothermal and other types of Power Plants, including, without limitation, design data, information on materials, design manuals, engineering documents, process specifications, test instructions, algorithms and computer software (including mathematical models, program code, service code, user manual, and test cases), final research and development reports, operations data, and all patents and future patents, improvements, developments, supplements and inventions relating thereto;

Legacy Licences means in respect of each licence agreement – all licences for the Kalina Cycle Technology that were granted by EST (or its subsidiaries) to third parties prior to the date on which the relevant licence was granted, and specifically in the context of the Master Licence and the Sub-Licences, the licences listed in the summary of "Licensing Arrangements" in Section 1 (Investment Overview) of this Prospectus;

Listing Rules or **ASX Listing Rules** means the Listing Rules of ASX;

Master Licence means the licence for the Kalina Cycle Technology granted by KCT and Recurrent to EST on 16 January 2013 as amended on 28 August 2014 to include EPT as an additional licensee;

MWe means the electric output of a power plant in megawatts;

NETRC means New Energy Technology Resources Company Limited a company incorporated in Hong Kong (company number 1683445);

Offer, Issue or **Entitlement Issue** means the non-renounceable entitlement issue of one (1) new ordinary Share for every one (1) Ordinary Share held;

Option means an option to acquire an Ordinary Share;

Ordinary Share means a fully paid share in the capital of the Company**;**

Project Specific Licence means a limited, royalty free, project specific licence for use of Kalina Cycle Technology in a two megawatt (net) binary geothermal power plant in the City of Husavik, Iceland;

Prospectus means this replacement prospectus dated 24 November 2014. It replaces the original prospectus dated 7 November 2014;

Record Date means the record date for determining a Shareholder's entitlement to participate in the Offer, being 14 November 2014;

Recurrent means Recurrent Engineering, LLC, a Delaware limited liability company, with its principal offices located at 715 Folly Hill Road, Kennett Square, Pennsylvania 19348;

Share Registry means Computershare Investor Services Pty Limited ABN 710 054 858 25;

Shareholder means a shareholder of the Company;

Share Transfer Agreement means the share transfer agreement, dated 18 February 2012, between NETRC, Shanhai Shengtai Investment Management Company Limited, Mr Zhan Gao Zuo and Mr Cheng Rong Chang in respect of the sale of shares in SSNE;

Shortfall means the ordinary Shares (if any) not taken up under the Entitlement Issue;

SSNE means Shanghai Shenghe New Energy Resources Science & Technology Co. Ltd., a Chinese limited liability company, with its principal offices located at 3rd floor Wangsong Lou, Radisson Plaza, Xinguo Hotel, 1245 Huashan Road, Shanghai 200052, China;

SSNE Licence means the licence for the Kalina Cycle Technology granted by KTC Power and Recurrent to SSNE on 2 December 2008;

Sub-Licences means the WNEA Licence;

Subsidiary has the meaning given to that term under section 46 of the Corporations Act;

Underwriter means Twenty-Second Yeneb Pty Limited, a company associated with John Byrne, a director of the Company;

WNEA means Wasabi New Energy Asia Limited, a Cayman Islands limited company, with its principal offices located at 2nd Floor, The Grand Pavilion Commercial Centre, P.O. Box 10338, Grand Cayman KY1-1003, Cayman Islands;

WNEA Licence means the sub-licence for the Kalina Cycle Technology granted by EST to WNEA on 14 May 2013.