



Emefcy Group Limited Announces Strategic China Partnership to Deploy MABR in Rural Wastewater Treatment Plants

- Agreement has potential to lead to over 10,000 rural wastewater treatment plant deployments
- Strengthens near term pipeline potential of nearly A\$800M, with an estimated A\$130M in first year of deployment
- Management to host live webcast to discuss details on December 6th at 8:00am IST / December 6th at 5:00pm AEDT / December 6th at 1:00am ET

November 25, 2016

Melbourne, Australia and Caesarea, Israel: Emefcy Group Limited (ASX: EMC) (“Emefcy”) is pleased to announce the signing of a distribution and deployment partnership with China Gezhouba Group Investment Holding Co.,Ltd, (CGGC INV) to utilize up to 10,000 Membrane Aerated Biofilm Reactor (MABR) Modules in the Hubei, Hebei, and Guangdong Provinces in rural China in initial projects under negotiation.

China Gezhouba Group Corporation (CGGC) is one of China’s largest construction and engineering companies which operates in over 100 countries, with over 4,000 successful projects, including the great Three Gorges Dam Project. CGGC INV, a wholly owned subsidiary of CGGC, is a leading enterprise both within China and internationally in the wastewater treatment, water, transportation and energy sectors.

“This is an important partnership with a leading Chinese engineering company which is anticipating to receive the largest allocation of rural wastewater treatment plants from the Chinese government,” said Richard Irving, Executive Chairman of Emefcy. “We look forward to becoming CGGC INV’s preferred provider of low energy, high efficiency biological wastewater treatment solutions, delivering class 1A effluent quality for these deployments.”

This partnership is the fourth and largest strategic partnership that Emefcy has entered into in recent months, continuing the progress the company has made in being recognized as a preferred solution to China’s need for energy efficient, cost effective wastewater treatment solutions in rural areas.

Emefcy has hosted delegations from CGGC at multiple sites for almost two years, which has established a strong relationship prior to entering into this partnership. China RBL Group Pte, Emefcy’s strategic consultant in China, has been instrumental in facilitating these partnership discussions and this successful outcome.

CGGC INV has a stated corporate objective of tripling its water industry installed capacity to over 10 Million m³/day within 2018. Emefcy believes its MABR (Membrane Aerated Biofilm Reactor) product



family can be an important part of that strategy. MABR is a modular, decentralized wastewater treatment process that uses just 10 percent of the energy used by conventional technologies. This energy saving delivers nearly 50% lower OPEX. In rural communities with limited energy generation capacity, MABR enables deployment using alternative renewable sources of energy to operate these plants. This technology is based on spirally-wound respiring membranes which provide oxygen to the process and support the growth of a nitrifying biofilm. Through an integrated process of simultaneous nitrification and de-nitrification, the MABR produces high quality effluent with less operational input than any similar alternative available on the market.

“Emefcy’s innovative MABR technology makes it an important strategic partner of CGGC INV as we deploy rural wastewater treatment plants throughout key provinces in China. Emefcy was carefully selected after a substantial technological and economic evaluation as a key vehicle to support our growth strategy in the wastewater treatment market in China,” said Mr. Song Ling, Chairman, CGGC INV. “Following successful deployments, we also anticipate partnering with Emefcy to offer scalable treatment solutions around the world.”

Pursuant to the Memorandum of Understanding, the partnership commences with the immediate deployment of a 20,000 litre/day demonstration plant in Jingmen, Hubei Province, with the costs shared between the parties. In parallel, in order to promote early deployment of Emefcy product solution, CGGC INV and Emefcy are proposing to jointly bid on an initial 345 rural wastewater treatment plants of varying capacity from 50,000 litre/day to 200,000 litres/day in two key Districts in Hebei and expect to start deployment in first half 2017.

Subject to the satisfactory performance of the demonstration plant, in Phase II of this engagement, the parties anticipate signing a long-term agreement whereby CGGC INV commits to purchase at least 10,000 MABR modules in the first year after signing the agreement in order to secure an exclusive position for the Provinces of Hubei and Hebei where the company has a substantial presence. In recognition of the planned surge in demand for MABR products, Emefcy anticipates building a dedicated production line to support CGGC INV’s deployments, once the latter has purchased 60,000 MABR modules.

Audio Webcast

Management will host a live audio webcast to discuss this partnership on December 6th at 8:00 am IST / December 6th at 5:00 pm AEDT / December 6th at 1:00 am ET. The webcast will be available live at the Investor Relations section of the Company’s website, <http://www.emefcy.com/investors/>, or through the following address: <http://public.viavid.com/index.php?id=122134>.

For those unable to listen to the live webcast, a replay will also be available on the Company’s website for approximately 90 days.



About Emefcy Group Limited

Emefcy develops, manufactures and markets new, energy-efficient MABR based wastewater treatment solutions, aiming to change the economics of various markets and addressing the growing global demand for clean water in municipal and industrial plants.

Customer contracts have already been signed in Israel, US Virgin Islands, Ethiopia, and China, and plants in Israel and the US Virgin Islands have been successfully commissioned. Additional MABR-based wastewater solutions from Emefcy's extensive R&D operations are scheduled to be announced in the coming year.

Emefcy's advanced manufacturing facility in Israel is equipped with state of the art production machinery, enabling the Company to control the quality and meet the current quantity requirements of its markets. With several global innovation awards and a strong scientific background, Emefcy is at the forefront of the next generation of MABR based wastewater treatment.

Emefcy Group Limited (ASX: EMC) is a public company traded on the Australian Stock Exchange. Visit our website: www.emefcy.com

Any forward-looking statements in this announcement are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management.

China Gezhouba Group Corporation

China Gezhouba Group Corporation (CGGC), founded in 1970, is a core member of China Energy Engineering Group Co., Ltd., a super central state-owned enterprise. CGGC's businesses cover the design, construction, investment and operation in water conservancy, hydropower, thermal power, nuclear power, wind power, power transmission & transformation, highways, railways, bridges, municipal works, airports, ports, waterways, industrial and civil buildings, as well as real estate, production of cement and civil explosives, energy engineering, etc.

In China, CGGC is one of the most competitive listed companies with very strong financing capabilities. As a transnational operation enterprise with the fastest growth in China, CGGC's has expanded its business in more than 100 countries and regions, ranking among the foremost 100 in the ENR Top 250 International Contractors.

In the past 40 years, CGGC has been dedicated to improving people's lives and promoting social development via construction and investment. CGGC has contributed over 4,000 outstanding engineering projects including the Three Gorges Project to the world, and been providing the world with robust power, sustainable light, clean water, high-quality life and convenience beyond imagination.



For further information, please contact:

USA

Richard Irving, Executive Chairman

E: richard@emefcygroup.com T: +1 408 382 9790

Israel

Eytan Levy, Managing Director & CEO

E: eytan@emefcygroup.com T: +972 4-6277555

Australia

Ross Kennedy, Company Secretary and Advisor to the Board

E: rossk@emefcygroup.com T: +61 409 524 442

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