

17 July 2017

Australian Stock Exchange
Company Announcements Office
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Update – XEPT Completion

As previously reported Completion of the XEPT Transaction*¹ was originally scheduled to occur by 31 December 2016 if all conditions precedent were satisfied by that date. The conditions were not satisfied by the due date and the parties agreed an extension for Completion until 31 March 2017 (the “first extension”) and a further extension until 15 July 2017 (the “second extension”).

AnaeCo completed all matters required of it under the relevant agreements within the original scheduled timeframe. However, all conditions precedent have still not been satisfied within the extended period and we understand the Buyer is not in a position to proceed to Completion. Accordingly XEPT as Buyer and Monadelphous Group Limited as Seller are negotiating a further extension to the scheduled completion date.

Whilst the Tripartite Deed of Sale and Cooperation remains current AnaeCo’s funding requirements will be met through the Loan Agreement with Monadelphous Group Limited, as necessary.

*¹ “XEPT Transaction” means the purchase by Xiaoqing Environmental Protection Technology Co Ltd (XEPT) of the major portion of a loan owed by AnaeCo to Monadelphous Group Limited and the conversion of that loan, and the residual loan owed to Monadelphous, into equity, as is more fully described in the Notice of General Meeting of AnaeCo shareholders dated 15 September 2016. The transaction agreement is the Tripartite Deed of Sale and Cooperation dated 4 August 2016.

ENDS

For further information, please contact:

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About AnaeCo

AnaeCo delivers Alternative Waste Technology (AWT) facilities based on the AnaeCo™ System, incorporating the patented DiCOM™ bioconversion process. The AnaeCo™ System includes advanced sorting, recycling, anaerobic digestion and aerobic composting to recycle municipal solid waste (MSW) into renewable energy from biogas, organic fertiliser and recyclables such as steel, aluminium, glass and plastics, thus maximising diversion from landfill and ensuring social, economic and environmentally sustainable management of MSW.

The AnaeCo™ System enables resource recovery intervention closer to source, with enhancement of existing waste transfer stations now a viable waste management option. AnaeCo's experienced team provides design, and commissioning services for AnaeCo™ AWT facilities.

For further information go to www.anaeco.com