Stonehenge
METALS LTD

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Market Announcements Platform
ASX Limited,
Exchange Centre,
20 Bridge Street,
Sydney NSW 2000

Protean WAVE ENERGY

SPECIALIST ELECTRICITY MARKET ADVISOR JOINS STONEHENGE

- **Scott Davis to advise the Company on its business development and commercialisation activities.**
- **20+ years' experience across the Electricity and Resource sectors in Australia, Canada and the Solomon Islands.**
- **Led the introduction of a location based renewable energy buyback tariff for Regional Western Australia together with the introduction of generation management requirements for solar – a first for Australia.**
- **Led innovation in the design of Power Purchase Agreements to facilitate significant cost reductions, balance sheet benefits, and more effective management of customer demand and renewable energy integration.**

Stonehenge Metals Ltd (**Stonehenge** or the **Company**) is pleased to advise that Mr Scott Davis has been engaged to advise the Company on its business development and commercialisation activities. Mr Davis is an energy industry professional with significant experience in Sales and Marketing and Market Reform roles in the electricity sector. Mr Davis has a particular depth of expertise in electricity pricing and integration of renewable energy into isolated power systems.

Mr Davis is presently employed as Project Director Market Reform, by Western Australia's largest regional electricity supplier, Horizon Power. While with Horizon Power Mr Davis has led a program of work to respond to the impact of new technology and business models on the electricity value chain. As Project Director, Mr Davis has engaged with State Treasury and the Public Utilities Office to provide strategic insights to the Minister for Energy and the Horizon Power Board on a range of significant issues.

Mr Davis holds a Master's degree in Renewable Energy from Murdoch University and has been an innovator in the commercialisation of renewable energy technologies. He has extensive experience in working with industry and key stakeholders in creating projects that integrate renewable energy technologies into isolated power systems and edge of grid environments.

"Mr Davis's capabilities and experience will be a great complement to those of Sean Moore, Bill Toman and SMVG, specifically in the areas of integrating wave energy into existing electricity grids and networks, constructing power purchase agreements and developing wave farm project proposals. His knowledge of and connections with the Western Australian state government and his experience of working with the community on new power projects will also be of real assistance to us as we strive to commercialise the Protean WEC technology in WA and abroad" commented Bruce Lane, Stonehenge MD.

Stonehenge is particularly pleased to have secured Mr Davis's experience in isolated power systems, a key channel in the Company's commercialisation program. His unique skills, experience and professional relationships will add vital impetus, credibility and know-how to the Company's commercialisation strategy. Appendix 1 overleaf contains a more detailed summary of Mr Davis's qualifications and experience.

Mr Davis said, *"I am delighted to be teaming up with Stonehenge to help drive the commercialisation program for the Protean Wave Energy Converter. I believe that the Protean technology is unique in the world of wave energy and that it promises to deliver real solutions for many of the problems currently being faced by utilities, end consumers and renewable energy generators. I believe that the Protean wave energy technology is favourably positioned to succeed."*

For further information see:

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APPENDIX 1

SCOTT DAVIS – SUMMARY OF QUALIFICATIONS & EXPERIENCE

- Currently Project Director Market Reform at Horizon Power. Responsibilities have included tariff and subsidy reform; investigation of new electricity supply models; and restructuring of Power Purchase Agreements to enable more flexibility in meeting company objectives.
- Extensive knowledge base and analytical expertise in commercial energy business development, including contract development, business model development, energy infrastructure siting, public outreach, project funding, and marketing the products of energy systems.
- Significant experience in developing and analyzing electric power/energy projects and operations.
- Experienced in development of marketing strategy, pricing policy and rules, retail and network access pricing and cost to supply modelling and analysis.
- Statistical analysis of customer needs including probabilistic demand and energy forecasting, design and development of products (technical and behavioral change), product promotion and provision of product collateral, billing engine requirements and training to all customer-facing staff.
- Experienced in Stakeholder Management including regular preparation of briefing papers and presentations to the Minister for Energy, key Government agencies and Board.
- Master's Degree in Renewable Energy and Bachelors Degree in Energy Studies (Vice Chancellors award for Academic Excellence) - Murdoch University.
- Bachelors Degree in Mining Engineering – University of NSW.
- Managerial Finance – University of Western Australia (High Distinction).
- PROSCI Change Management Process Accredited.
- Six Sigma Green Belt Trained (Process Improvement Methodology).
- Advisor to EnviroDevelopment Green Leaf Energy Standard 2013.

While at Horizon Power delivered a new Power Purchase Agreement (PPA) to deliver +$20M NPV benefit, off balance sheet solution with a step-change in contract flexibility.

Initiated and led the development of a new distributed generation management standard and location based feed-in tariff pricing to stimulate market development of 'solar energy smoother' technologies. This increased customer uptake of distributed renewable energy in areas that increased Horizon Power profitability.

Led the development of terms and conditions, by-law changes, legal & regulatory requirements for new products, and design and evaluation of Expression of Interest (EOI) and Request for Proposal (RFP) processes.

Led the introduction of a network access pricing model and leadership of a process to clarify, train and produce supporting material for customer facing staff to resolve under recovery of network augmentation costs.

Created a robust Integrated Demand & Energy Forecast framework that included Demand Side Management and Renewable energy impacts, probabilistic forecasting and high stakeholder acceptance.

While at Ernst & Young created and facilitated processes to deliver earlier and more effective project decision making for large mining and water infrastructure projects. This included the integration of a set of corporate sustainability principles into business decision-making.

While at BHP Billiton Iron Ore developed a process to maximise overall product to market by utilising spare supply chain capacity and integrating new infrastructure. Output grew from 106 Mtpa to 130 Mtpa during this period.

Led and delivered a number of leadership summits for BHP Billiton Iron Ore to align senior leaders to company objectives, and was given the opportunity to lead the development and delivery of the Corporate Culture program heavily focussed on health and safety.

Part of the core leadership group that safely delivered production targets at lowest quartile cost performance in the gold sector while at Ross Mining Pty Ltd.

While with RioTinto led a project to develop a new system of planning to allow a more effective method of delivering trial products to market; and developed a greenhouse gas abatement strategy for the Iron Ore Division.

ABOUT THE PROTEAN WAVE ENERGY CONVERTER (WEC) TECHNOLOGY

Stonehenge has entered into an option agreement to purchase the Protean WEC technology. The Protean WEC system is based upon a point-absorber wave energy converter buoy device which floats at the water surface and extracts energy from the waves by the extension and retraction of a tether to its anchoring weight on the seabed. The device is unique in that it optimises the conversion of energy from waves at the surface through **all six degrees of wave movement**.

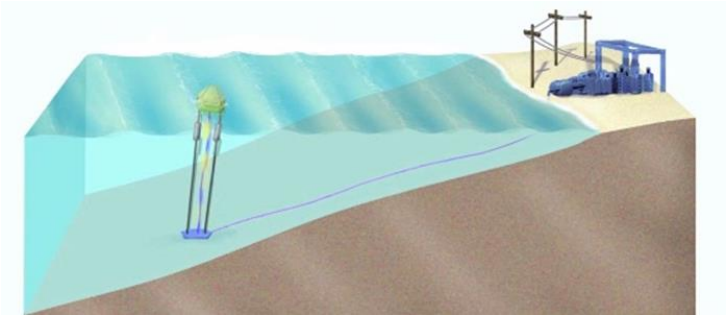
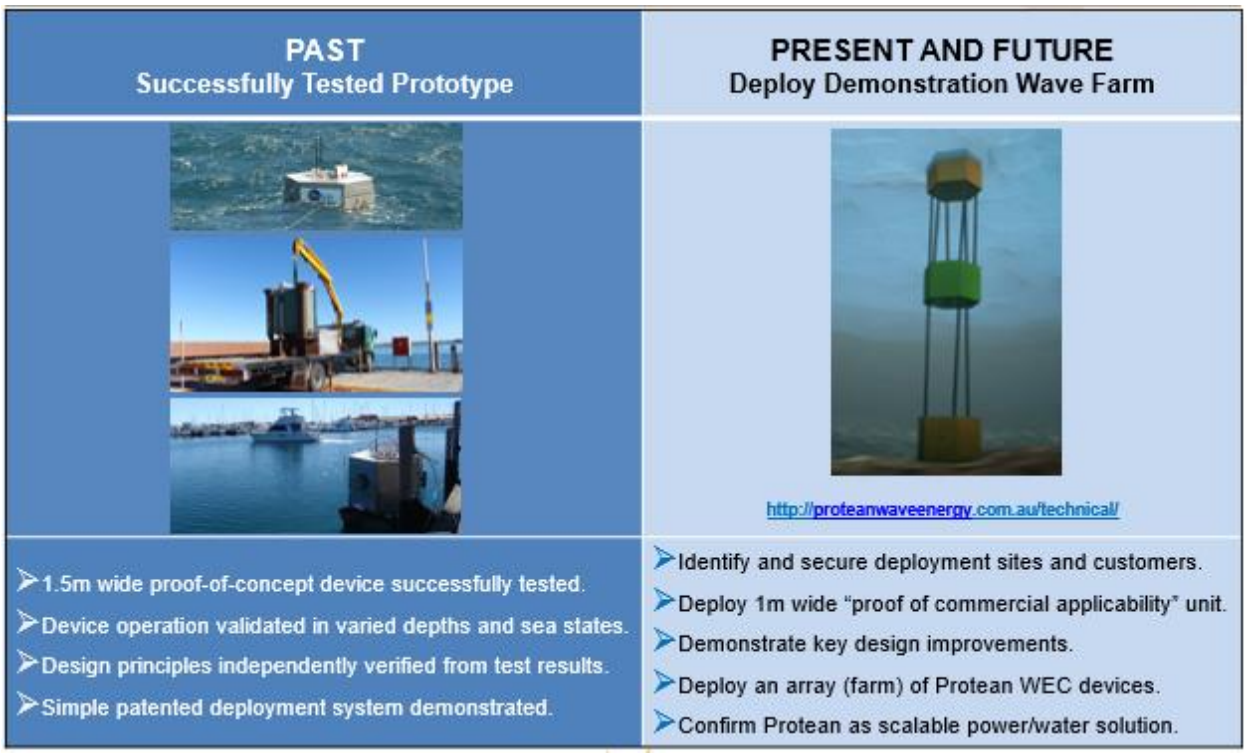


Figure 1:
Protean WEC technology

The Protean WEC has been developed to use compact architecture to produce power from a small, low cost, scalable design targeted at keeping the projected levelised cost of energy (**LCOE**)[1] down. The Protean WEC has been designed to be cost competitive to manufacture, deploy, maintain and retrieve. The future plans for the Protean WEC include the deployment of a pre-commercial demonstration of a dynamic, configurable and scalable power array prior to moving the technology into early commercialisation. During the Option period the Stonehenge assessment program aims to:

1. **Refine** the tried and proven scale device to produce a suitable pre-commercial model;
2. **Create** a scalable power array so as to provide the power requirements of a prospective customer;
3. **Test** the scalable power array for its potential to deliver cost effective power,
4. **Verify** the results, including commissioning of an independent expert to qualify the testing results; and
5. **Commence** commercialisation of the scalable array for small to medium customers.

Protean Wave Energy Converter (WEC) Design, Fabrication and Deployment



For further information visit: www.proteanwaveenergy.com.au or www.stonehengemetals.com.au

[1] Levelised cost of energy is one of the industry's main metrics for the cost of electricity produced. It accounts for all of a system's expected lifetime costs (incl. construction, finance, fuel, maintenance, tax, insurance & incentives), which are then divided by the system's lifetime expected power output (kWh) & discounted for inflation & time cost of money.