



ENERGY TECHNOLOGIES LIMITED

A.B.N. 38 002 679 469

102 Old Pittwater Road
Brookvale NSW 2100

Tel: +61 2 9938 5622 Fax: +61 2 9939 9812
www.energytechnologies.com.au

Australian Stock Exchange
Company announcements platform
25 February 2019

ABN 38 002 679 469

Placement Settlement and Advance Equipment Purchase

Placement Settlement

Energy Technologies Limited (ASX:EGY) is pleased to announce a placement of 23.65 million shares to sophisticated and professional investors to raise approximately \$4.73 million. The proceeds of the placement will be used to pay the \$2 million deposit for the acquisition of plant and equipment from Advance Cables Pty Ltd (**Advance**) which will be used in establishing EGY's new site at Rosedale, Victoria. The balance of the funds raised under the placement (net of costs) will be used in relation to the relocation to the new Rosedale site and for working capital purposes.

Advance Equipment and Settlement

In addition to the \$2 million deposit paid today, EGY (via its wholly-owned subsidiary, Bambach Wires and Cables Pty Ltd (**Bambach**)) will make further progressive payments to Advance in the coming weeks as the plant and equipment is collected up to the total purchase price of \$2.9 million.

As part of the acquisition of plant and equipment, Advance has subscribed for 7.5 million EGY shares under the placement.

EGY will also issue up to 5 million further shares to Advance as consideration for the acquisition of intellectual property and inventory which is expected to complete in early April.

The first batch of Advance equipment will be transported this week and installed at the new 10,000sqm Rosedale site. All of the Equipment purchased under the acquisition is due to be received by early April, with commissioning to occur steadily over the next 2 to 3 months.

The Advance equipment was previously used to manufacture the entire Advance product range, which in the 2018 Financial Year achieved revenues of approximately \$39 million. Significantly, this equipment has the capacity to process in excess of 700 tonnes of copper per month and deliver in excess of 250 tonnes of finished cable per month. Bambach has current capacity constraints at its Brookvale site of 30 tonnes of finished cable per month.

Up until this point Bambach has been constrained by processing capacity and inefficient equipment, the Advance equipment and new Rosedale site will enable Bambach to fulfil customer orders with greater efficiency and volume. It is expected that average order delivery times will improve dramatically from 8 to 10 weeks currently to 3 to 4 weeks once the new factory is operating at full speed. This will result in significant improvement in cash flow, customer satisfaction and repeat business.

EGY will shortly announce an Appendix 3B in relation to the shares being issued under the placement and the shares to be issued to Advance as consideration for the acquisition of intellectual property and inventory.

END

For further information please contact:

Mr. Greg Knoke website: www.energytechnologies.com.au
Company Secretary
Energy Technologies Limited
(612) 9938 5622
Greg.knoke@energytechnologies.com.au