

Company Announcement

Elemental Energy
TECHNOLOGIES LTD

DATE:	23 December 2013
SUBJECT:	<i>EET Closes Fundraising and Plans for 2014</i>
STATUS:	For Immediate Release

EET announces it has successfully completed its current fundraising and is continuing the fabrication of its prototype *Mako* hydrokinetic turbines.

As 2013 draws to a close, Elemental Energy Technologies Limited (EET or Company) has announced that it has successfully completed its current fundraising program comprising the conversion of Shareholder Loans into equity, a Placement to shareholders and a Share Purchase Plan offer to all other existing shareholders.

The proceeds of this fundraising are being used to fabricate and test EET's next generation hydrokinetic turbine, branded "*the Mako*". It is anticipated that the initial variant of this new turbine design will be real-scale tested by EET late in the first quarter of 2014 before deployment in an independent test facility ahead of installation at launch customer sites later in the year.

EET's Non-Executive Chairman Mr Ken Burnett said "*In early 2013, the Board has had to make some tough decisions relating to strategy, personnel, engineering and valuation – but we have faced up to these challenges and worked through the Company's many issues and we end 2013 with: a clear corporate strategy, a highly capable in-house team, a completed design for the Mako and the ability to fabricate and test this new turbine in our own facilities without 100% reliance on third parties.*"

The Mako turbine is the successor to the award-winning *SeaUrchin*, and reflects EET's design philosophy that building ever larger hydrokinetic turbines does not necessarily result in cheaper electricity. Instead, EET is pursuing highly efficient designs which will supply cost-effective and reliable electricity in a wide range of locations and flow-rates with a turbine and purpose-built deployment system designed at every stage to minimise the overall costs per megawatt/hour of electricity generated – from "*water to wire*".

EET's Managing Director, Douglas Hunt, stated that: "*I am pleased that with the support of my fellow directors and a core group of shareholders, we have been able to revise our strategy, restructure our operations, assemble a great team of engineers and raise the funds necessary to bring all this together in 2014.*"

"I am also pleased that our recent fundraising program included the opportunity for all our other shareholders to increase their holding in EET through our Share Purchase Plan at the same price as our main supporters. Whilst only a few shareholders have taken this opportunity this time, whenever possible in future we will continue to give this same opportunity to our shareholders in recognition of their support and patience."

Following the successful fundraising, EET has 239,562,270 fully paid ordinary shares on issue. This is before implementation of an Incentive Share Scheme and the next round of fundraising which were outlined in the Share Offer Document sent to shareholders in December 2013.

Mr Hunt concluded: "*We thank our shareholders, partners and all those who share our vision for a profitable hydrokinetic energy industry and we look forward to 2014 with renewed confidence.*"

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