



ENERGY TECHNOLOGIES LIMITED

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Australian Stock Exchange
Company announcements platform
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ABN 38 002 679 469

Market Update

The acting Chairman of Energy Technologies Limited (EGY), Mr Alfred Chown, announced the company's fund raising initiatives today.

Mr Chown said: "It has taken us some time to put these arrangements in place, but I am very pleased to advise our shareholders that we are able to put the capital and financial arrangements of EGY on a firm footing. Our results last financial year were poor, but have been improving at a rapid and sustainable rate. The improvements in the business have meant that we have been able to have discussions with a group of new investors, who intend to provide the EGY group with strong capital support. "

"The introduction of key new investors provides the catalyst for the substantial recapitalisation of EGY. In addition to the introduction of up to one million dollars of new cash, in return for secured convertible notes, the proposals will also see the conversion of about \$600,000.00 of existing unsecured loans to shares in the company. The net result is an improvement in the strength of the balance sheet of the company by the issue of \$1.6M of equity and quasi-equity."

"The trading results of Bambach Wires and Cables (BWC) meant that our balance sheet needed some rebuilding. This fund raising sees a substantial improvement in the Group's balance sheet position, but also sends a clear signal that the developments in the business are recognised by investors, and the potential for future growth is clear. It is a vote of confidence in the work that has been done in the BWC business."

"The fund raising will be considered by shareholders at EGY's AGM, and is subject to shareholder approval. The other directors and I consider that approval is in the best interests of the company, and I urge shareholders to vote in favour."

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For further information please contact:

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