13th January 2012

The Company Announcements Platform
ASX Ltd
Sydney NSW 2000

**PROGRESS REPORT ON WORKS PROGRAM**

Enerji Limited **("Enerji"** or **"the Company"**) (**ASX: ERJ**) is pleased to provide a detailed progress report pursuant to the conditions of the waiver by the Australian Securities Exchange ("ASX") in relation to ASX Listing Rule 7.3.2.

As required by condition 1.6 of the waiver, Enerji Ltd provides the following information in the attached Schedule 1:

> A detailed report on the progress in relation to our Works Program and assets expenditure, and the extent to which the company has applied funds pursuant to the issue of Bonds towards the Works Program obtained

**About Enerji**

Enerji Limited is an emerging Perth-based green power utility focussed on commercialising the **Opcon Powerbox** in Australia.

The Opcon Powerbox cogeneration technology transforms waste heat into electricity and therefore creates significant energy cost and $CO_2$ emissions savings for its customers.

Enerji has exclusive sales and distribution rights for the Opcon Powerbox in Australia and options for Malaysia, Thailand, Singapore and Sub-Saharan Africa.

The Opcon Powerbox, manufactured in Sweden by Opcon, represents a significant commercial opportunity through application to industrial, mining and power generation operations.

Enerji plans to maximise this opportunity and generate shareholder returns through long-term power purchase agreements.

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The table below provides information on the schedule for the Company's Works Program

| Opcon Powerbox | Works Commencement | Works Completion |
|---|---|---|
| 1 | March 2011 | February 2012 |
| 2 | February 2012 | May 2012 |
| 3 | February 2012 | May 2012 |
| 4 | March 2012 | July 2012 |
| 5 | April 2012 | August 2012 |
| 6 | April 2012 | August 2012 |
| 7 | May 2012 | October 2012 |
| 8 | May 2012 | October 2012 |
| 9 | June 2012 | November 2012 |

The table below provides a forecast of expenditure on Opcon Powerboxes and installation for the 15 months following the EGM. Subject to ongoing review by the Company, it is anticipated that funds obtained under the Bond Subscription Agreement shall be applied in the manner described in the table below. The table illustrates the intended drawdown of Bonds over the 15 months to continue payments for Opcon Powerboxes and replenish working capital used for previous Opcon Powerbox payments.

Opcon Powerbox expenditure and installation (OPE)

Working Capital replenishment (WCR)

| | | Feb-11 | Mar-11 | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 |
|---|---|---|---|---|---|---|---|---|
| PLAN | OPE | - | - | - | - | - | - | - |
| | WCR (1,740,234) | - | - | - | - | - | - | - |
| COMPLETED | Drawdown | 1,000,000 | 250,000 | - | - | - | - | - |
| | Finance Costs | 170,000 | 12,500 | - | - | - | - | - |
| | OPE | 793,669 | 45,000 | - | - | 453,158 | 234,080 | 237,210 |
| | WCR (1,740,234) | 36,331 | 192,500 | - | - | - | - | - |

| | | Sep-11 | Oct-11 | Nov-11 | Dec-11 | Jan-12 | Feb-12 | Mar-12 |
|---|---|---|---|---|---|---|---|---|
| PLAN | OPE | - | - | - | - | 1,103,080 | 514,363 | 735,535 |
| | WCR (1,740,234) | - | - | - | - | 261,365 | 500,000 | 89,015 |
| COMPLETED | Drawdown | - | - | - | - | | | |
| | Finance Costs | - | - | - | - | | | |
| | OPE | 36,959 | 236,835 | 225,354 | 234,603 | | | |
| | WCR (1,740,234) | - | - | - | - | | | |

| | | Apr-12 | May-12 | Jun-12 | Jul-12 | Aug-12 | Sep-12 | TOTALS |
|---|---|---|---|---|---|---|---|---|
| PLAN | OPE | 1,050,899 | 1,270,590 | 856,769 | 467,385 | 389,385 | 856,769 | **7,244,775** |
| | WCR (1,740,234) | 330,512 | 330,512 | 0 | 0 | 0 | 0 | **1,511,403** |
| COMPLETED | Drawdown | | | | | | | **1,250,000** |
| | Finance Costs | | | | | | | **182,500** |
| | OPE | | | | | | | **2,496,867** |
| | WCR (1,740,234) | | | | | | | **228,831** |

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