



ACT Australian CleanTech Index

2Q FY15

Quarterly Performance Report

January 2015

To request further information or to be added to the distribution list for future ACT Australian CleanTech Index reports, please see www.auscleantech.com.au/Pages/cleantech.html

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1. ACT Australian CleanTech Index Overview

The ACT Australian CleanTech Index provides the definitive measure of the performance of Australian listed cleantech stocks.

The cleantech industry is split into a number of sub-sectors as detailed in the table below. Each of the sub-sectors contains companies that have both environmental and economic benefits.

Solar Thermal and Photovoltaics	Waste Management & Recycling
Wind Generation	Energy Efficiency & Biomaterials
Biofuels	Green Buildings
Water	Energy Storage & Fuel Cells
Environmental Services	Wave, Tidal & Hydro
Low Emissions Vehicle Technologies	Biogas
Carbon Trading	Geothermal – Hot dry rocks and conventional

The cleantech sector is fundamentally different to Socially Responsible Investments (SRI) or Environmental, Social and Governance (ESG) performance. SRI and ESG look at incremental improvements in company performance and can be seen as ‘operational hygiene’ measures that find the best in class. Cleantech focuses on companies whose output positively enhances the communities and ecologies in which they reside. It is about doing ‘more good’ rather than ‘less bad’.

With 62 companies falling under the coverage of the Index and with a combined market capitalisation, after its rebalance, of over \$17Bn, the ACT Australian CleanTech Index presents a comprehensive picture of the Australian cleantech industry’s growth in a single measure.

The Index is weighted by market capitalisation and is benchmarked against both the S&P/ASX200 and the S&P/ASX Small Ordinaries. The rules for the formulation and management of the Index have been developed with reference to global best practice. An overview of these rules is provided in the annual performance report.



The ACT Australian Cleantech Index is updated each month and published on the Australian CleanTech website at www.auscleantech.com.au, in the Ethical Investor magazine, in WME's Environmental Management News, on the Clean Energy Council website and in the international Cleantech Investor publication.

Monthly results can be emailed directly to interested parties by subscribing at <http://www.auscleantech.com.au/Pages/cleantech.html>.

2. ACT Australian CleanTech Index Performance 2Q FY15

ACT Australian CleanTech Index outperformed the S&P ASX200 and the S&P ASX Small Ordinaries for both the month of December and the second quarter of FY15.

The ACT Australian CleanTech Index rose from 41.5 to 42.8 over the month of December recording a 3.3% gain. This compared to the S&P ASX200 gain of 1.8% and the no change for the S&P ASX Small Ordinaries Index. The Australian CleanTech 20 recorded a gain of 4.0%, slightly outperforming the full index for the month.

Over the second quarter of the 2015 fiscal year, the ACT Australian CleanTech Index recorded a gain of 9.4%, ahead the S&P ASX200's gain of 2.2% and the S&P ASX Small Ordinaries' 4.5% loss.

The six and twelve month figures also remain well ahead of the wider market. Over the last 12 months, the ACT Australian CleanTech Index recorded a gain of 7.3%, 6.2% ahead of the S&P ASX200. Over the last 24 months, the ACT Australian CleanTech Index has gained 34.2%, well ahead of the S&P ASX200's 15.8%.

Percentage Change	FY10	FY11	FY12	FY13	FY14	DEC'14	2Q FY15	6 Mnth	12 Mnth	3Yrs
ACT Australian CleanTech Index	-32.0%	-8.1%	-30.3%	-3.5%	19.6%	3.3%	9.4%	15.7%	7.3%	15.3%
Australian CleanTech 20	-16.3%	-17.6%	-29.2%	-2.0%	19.6%	4.0%	10.2%	16.3%	8.1%	20.5%
S&P/ASX200	11.8%	4.2%	-9.6%	17.3%	12.3%	1.8%	2.2%	0.3%	1.1%	32.9%
S&P/ASX Small Ords	10.5%	9.5%	-15.0%	-8.3%	9.6%	0.0%	-4.5%	-4.2%	-6.9%	-7.5%

The market capitalisation of the 62 stocks in the ACT Australian CleanTech Index is A\$17.0 billion, after its rebalance, recording another new high for the sector.

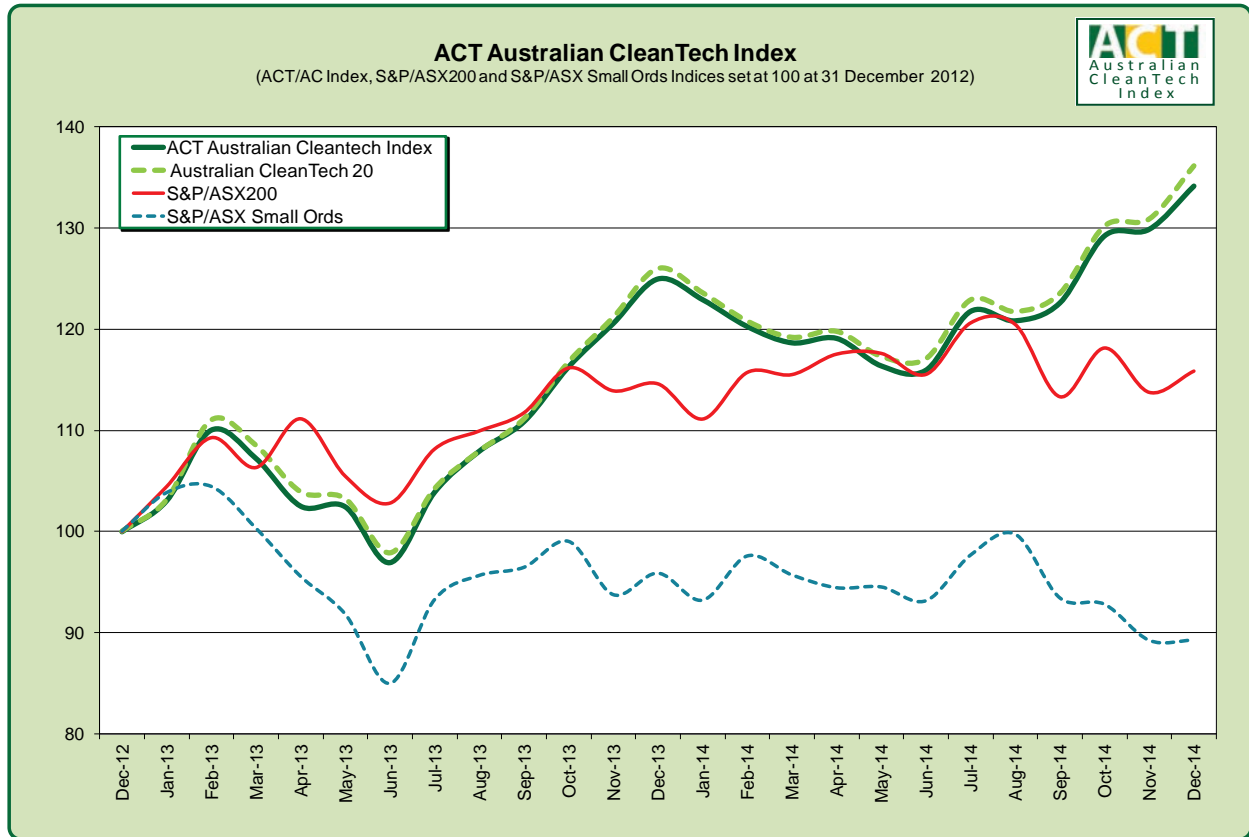
Best and Worst Stocks

The best and worst performers in terms of share price performance over the month and the quarter are shown in the table below.

The month’s performance was driven by 5 companies with gains of more than 20%. The greatest percentage gains were recorded by Pacific Environment (PEH), Solco (SOO) and Nanosonics (NAN). These gains were partially offset by 15 companies recording losses of more than 20% led by Sterling Biofuels (SBI), AnaeCo (ANQ) and Petratherm (PTR).

The quarter’s performance was driven by 10 companies with gains of more than 25%. The greatest gains were recorded by Solco (SOO), Aeris Environmental (AEI) and Papyrus Australia (PPY). These gains were partially offset by 9 companies recording losses of more than 25% led by Sterling Biofuels (SBI), Australian Renewable Fuels (ARW), Petratherm (PTR) and Soil Sub Technologies (SOI).

December 2014		
Best Performers Share Price Gain > 20%	Worst Performers Share Price Loss > 20%	
Solco Beacon Lighting Corp Nanosonics Pacific Environment Green Invest	EnviroMission Quantum Energy K2 Energy Limited Australian Renewable Fuels Sterling Biofuels Leaf Energy AnaeCo Electrometals	Bluglass Ceramic Fuel Cells Orbital Corporation Petratherm Hot Rock Carbon Conscious Soil Sub Technologies
2Q FY15		
Best Performers Share Price Gain > 25%	Worst Performers Share Price Loss > 25%	
Solco Quantum Energy Leaf Energy Papyrus Australia Beacon Lighting Corp	Nanosonics Meridian Energy Mighty River Power Pacific Environment Aeris Environmental	K2 Energy Limited SWW Energy Limited Australian Renewable Fuels Sterling Biofuels Cardia BioPlastics Galaxy Resources Ceramic Fuel Cells Petratherm Soil Sub Technologies



Index Rebalance

The ACT Australian CleanTech Index underwent its quarterly rebalancing at the end of December which took account of recent share issues and other corporate activity. The changes that were made to the index constituents at this rebalancing were:

Removal from the Index

- **Petratherm (ASX:PTR)** following the lapsing of its Emerging Renewables Program Grant and consequent write down of its geothermal assets. The company now appears unlikely to continue serious development of renewable energy projects.
- **Electrometals Technologies Ltd (ASX:EMM)** following its delisting on 4th December and the pending Deed of Company Arrangement being managed by the Administrator.

Addition to the Index

- **Neometals (ASX:NMT).** Neometals is primarily focussed on becoming an integrated lithium producer, through the development of the Mt Marion Project (70% Neometals, 30% Mineral Resources ASX: MIN) in Western Australia, the third-highest ranked undeveloped hard-rock lithium project in the world. The company's 100% owned Barrambie Titanium Project, also in Western Australia, presents a further development opportunity for the company, with the completion of a Pre-Feasibility Study scheduled for 1H 2015.

Neometals will also be added to the new Australian Efficiency & Storage Index.

Watchlist

A watching brief is being maintained on the following companies in the Index:

- **Novarise Renewable Resources International (ASX:NOE)** which is negotiating a privatisation proposal from its majority shareholder.
- **Enhanced Systems Technologies (Wasabi Energy) (ASX:ESY)** which is currently suspended from the ASX and in the process of recapitalising through a Deed of Company Arrangement.

3. Component Sub-Indices

To provide an analysis of the ACT Australian CleanTech Index, a number of sub-indices have been developed. The performance of each of these sub-indices over the last five financial years and during 2Q of FY15 is shown in the table and charts below.

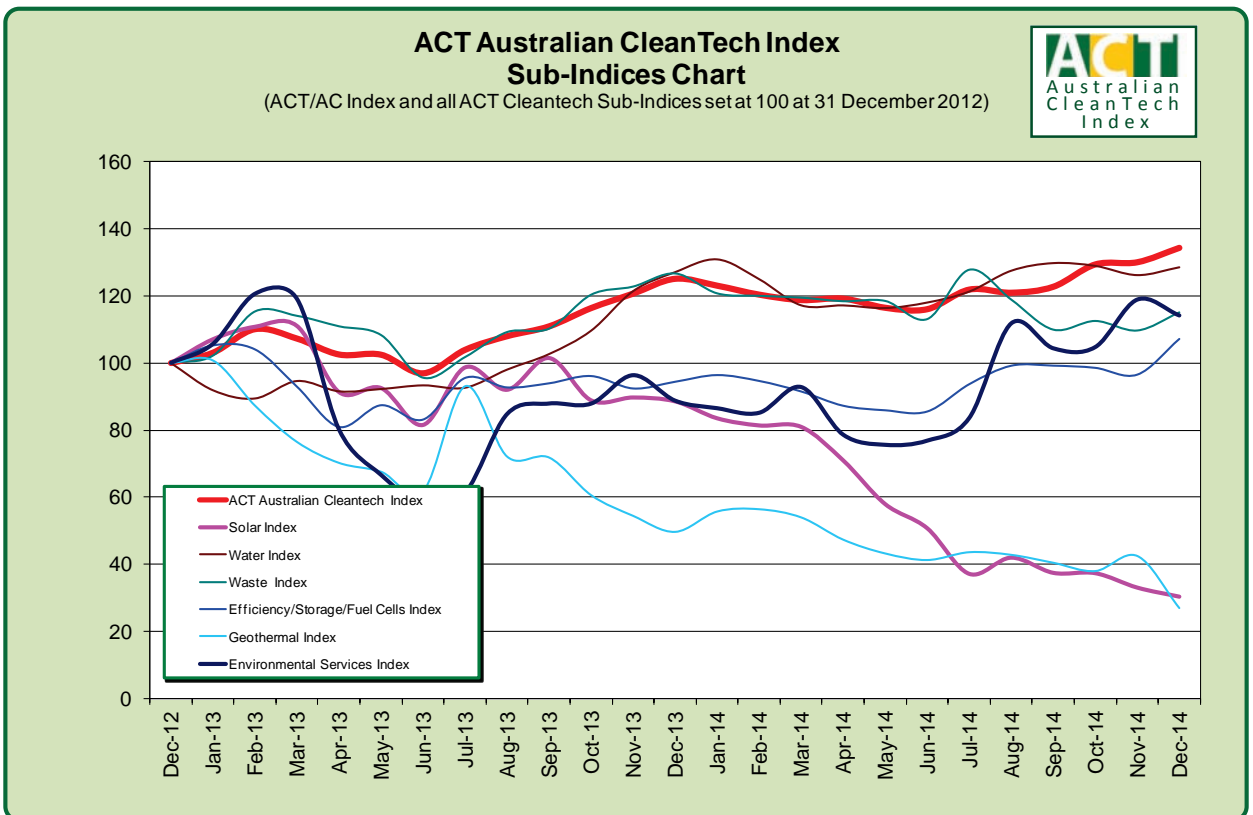
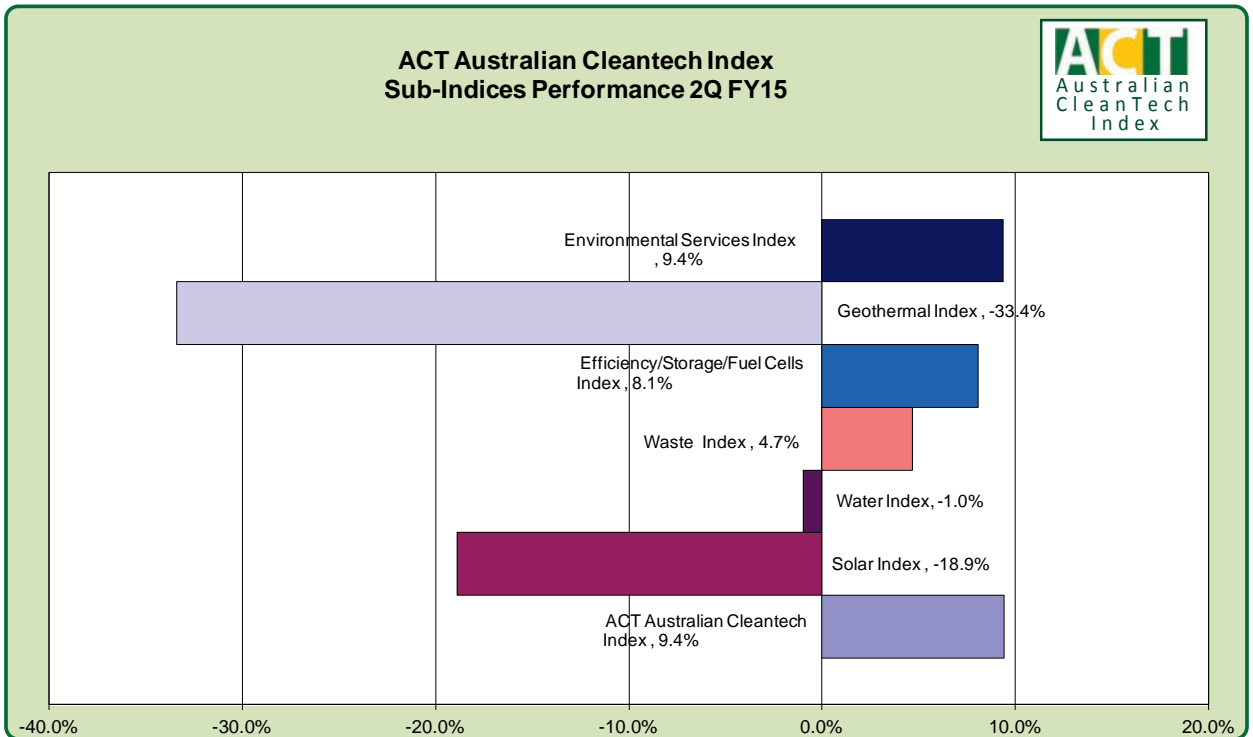
The best performing sectors for the three months to December 2014 were ACT Environment Index and the ACT Efficiency/Storage/Fuel Cells Index. The worst performer was the ACT Geothermal Index.

ACT Australian CleanTech Sub-Indices

	FY10	FY11	FY12	FY13	FY14	2Q FY15
ACT Solar Index	-35.1%	-40.8%	-5.7%	-27.6%	-37.7%	-18.9%
ACT Wind Index*	-40.1%	-24.4%	N/a*	-	-	-
ACT Biofuel Index*	12.8%	-24.5%	-44.8%	-44.3%	-	-
ACT Water Index	-22.8%	19.8%	1.6%	-14.6%	26.3%	-1.0%
ACT Waste Index	-35.0%	-3.3%	-36.9%	-3.4%	18.3%	4.7%
ACT Efficiency/Storage/ Fuel Cells Index	6.2%	-1.2%	-23.5%	-27.9%	2.9%	8.1%
ACT Geothermal Index	-57.3%	-18.6%	-44.7%	-48.8%	-33.2%	-33.4%
ACT Environment Index	-52.6%	-25.2%	-29.8%	-44.5%	32.6%	9.4%

*: Discontinued due to too few companies

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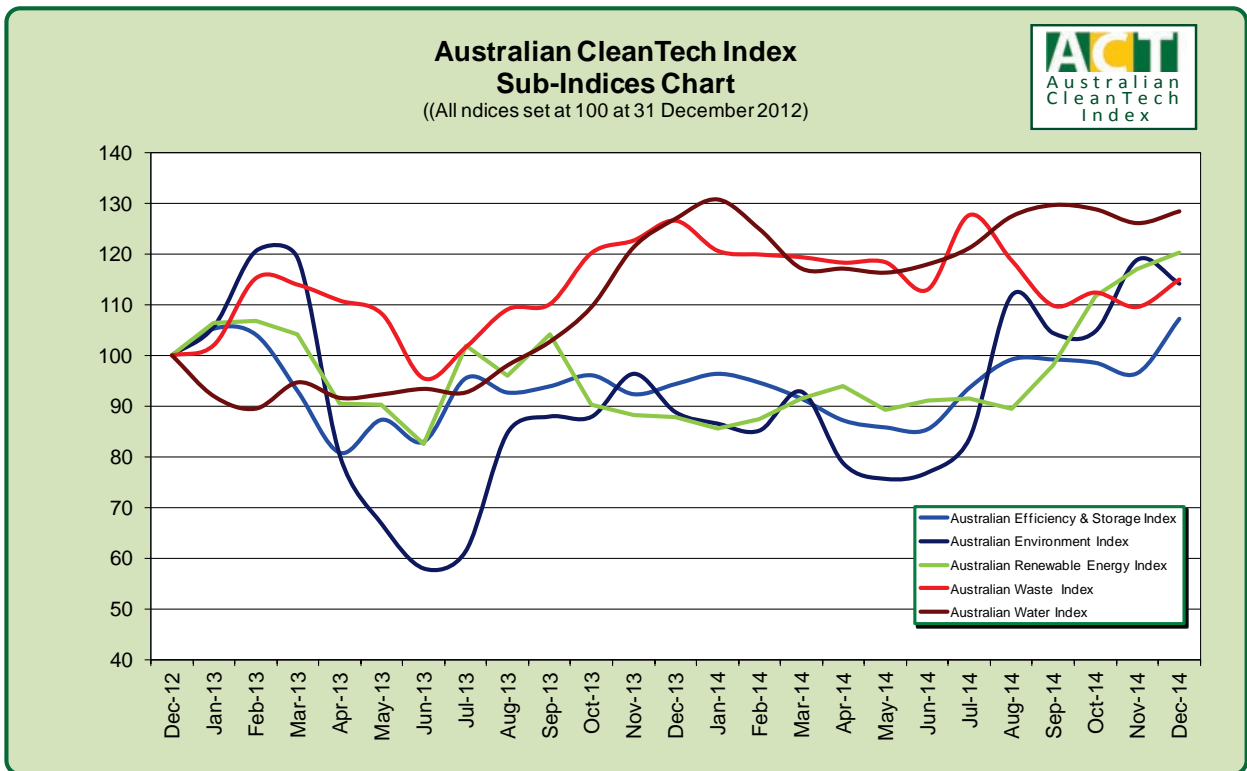
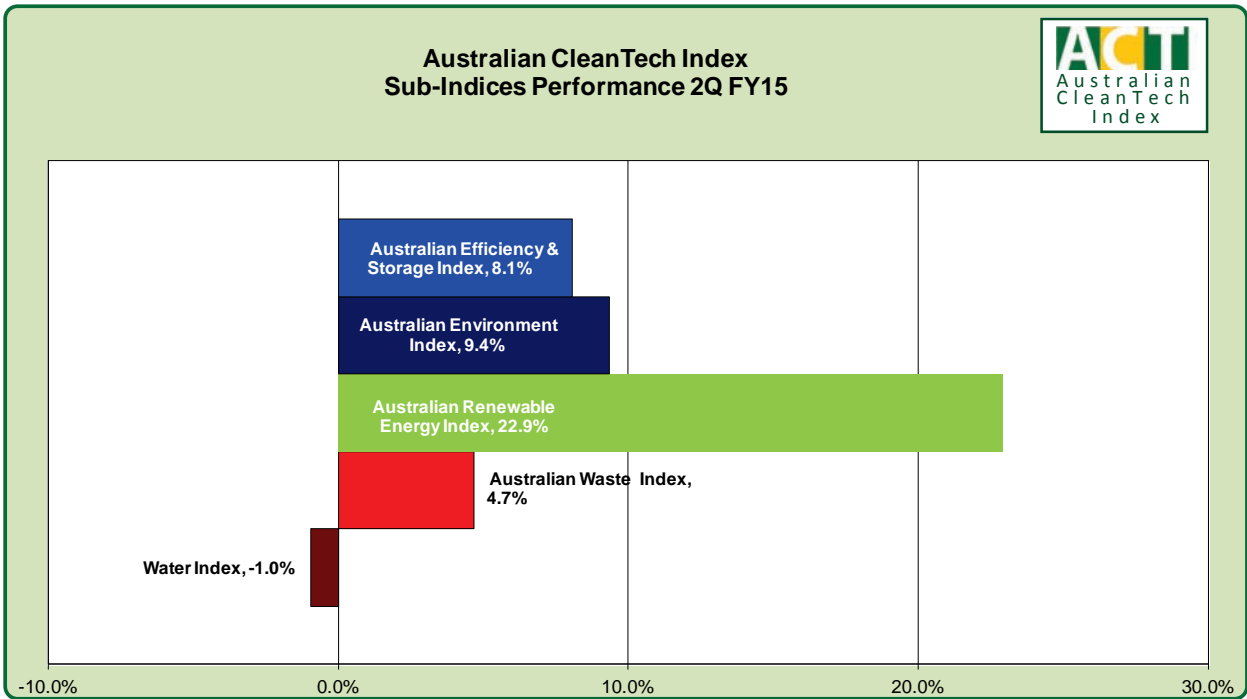
Sub-Indices Restructure

Going forward the sub-indices have been restructured to better reflect the current constituents of the Index. The change will combine companies in the Wind, Solar, Wave, Hydro and Geothermal sub-sectors into a new Australian Renewable Energy Index. The remaining Solar and Geothermal indices will be discontinued. The historical performance of the Australian Renewable Energy Index is shown below and shows a strong gain over the last quarter driven primarily by the two New Zealand hydro companies listed on the ASX.

	FY10	FY11	FY12	FY13	FY14	2Q FY15
Australian Renewable Energy Index	-38%	-32%	-22%	-22%	10%	22.9%

The other remaining indices will also be renamed to better reflect their coverage. The changes are detailed in the table below and the charts using the new sub-index structure are then also presented.

Historic Sub-Index Name	Revised Sub-Index Name
ACT Solar Index	Australian Renewable Energy Index (to include wave and hydro companies not previously covered)
ACT Wind Index	
ACT Geothermal Index	
ACT Water Index	Australian Water Index
ACT Waste Index	Australian Waste Index
ACT Efficiency/Storage/ Fuel Cells Index	Australian Efficiency & Storage Index
ACT Environment Index	Australian Environment Index



4. Component Companies on 31 December 2014

The largest 20 largest Index constituents by market capitalisation on 31 December 2014 are provided in the table below. These companies will form the constituents of the Australian CleanTech 20 until the index is rebalanced again on 31 March 2015.

Market Cap Ranking	Company	Ticker
1	Mighty River Power	MYT
2	Reece Australia Holdings	REH
3	Sims Metal Management	SGM
4	Meridian Energy	MEZCA
5	Transpacific Industries	TPI
6	Energy Developments	ENE
7	Orocobre	ORE
8	Nanosonics	NAN
9	Beacon Lighting Corp	BLX
10	Tox Free Solutions	TOX
11	Infigen Energy	IFN
12	Pacific Energy	PEA
13	Pro-Pac Packaging	PPG
14	Carnegie Wave Energy	CWE
15	Sylex Systems	SLX
16	RedFlow	RFX
17	Coffey	COF
18	Gale Pacific	GAP
19	Dyesol	DYE
20	Novarise Renewable Resources	NOE

There were no changes to the constituents of the Australian CleanTech 20 this quarter. Each of the constituents in the Australian CleanTech 20 has a market capitalisation of more than \$54m.

For a full listing of all companies included in the ACT Australian CleanTech Index, please email your request to index@auscleantech.com.au.

5. China CleanTech Index

Australian CleanTech, through its Beijing-based Chinese operations, publishes the China CleanTech Index. This index tracks all 165 Chinese-based listed cleantech companies with a combined market capitalisation of US\$222 billion and provides the definitive measure of Chinese cleantech stocks for global markets. The charts below show the performance of the China CleanTech Index against its benchmarks from December 2012 to the end of December 2014 and also show the relative performance of the China CleanTech Index against the ACT Australian CleanTech Index.

Full details of the China CleanTech Index can be downloaded from www.sinocleantech.com, where it is also possible to sign up to receive the monthly performance reports.

