



Australian CleanTech Index

3Q FY16

Quarterly Performance Report

April 2016

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 or contact John O'Brien, Managing Director, Australian CleanTech at john.obrien@auscleantech.com.au

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1. Australian CleanTech Index Overview

The 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 64 companies falling under the coverage of the Index and with a combined market capitalisation, after its rebalance, of over \$20 billion, 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 ASX200 and the 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. Australia's Top 10 Cleantech Stocks for 2015

The ten cleantech stocks that performed best over 2015 are listed below.

	Company	Ticker	Sector	Overview
1	Eden Energy	EDE	Green Building & Transport	Eden Energy Limited is a diversified clean energy company with interests in carbon nanotube/fiber production, EdenCrete technology, OptiBlend, hydrogen fuel technologies, and coal bed/coal mine methane licenses.
2	HRL Holdings	HRL	Geothermal	HRL Holdings Ltd (HRL), formerly Hot Rock Limited, is engaged in geothermal exploration in the Otway Basin in south-west Victoria. It also offers a number of specialized environmental services through OCTIEF Pty Ltd (OCTIEF) and Precise Consulting.
3	Mission NewEnergy	MBT	Biofuels	Mission NewEnergy focuses on Biodiesel Plant in Malaysia and a Downstream Palm Oil joint venture project. The Company owns an interest in a biodiesel refinery in Malaysia, which has a nameplate capacity of approximately 250,000 tons per year.
4	CleanTeQ	CLQ	Environmental Services	Clean TeQ Holdings provides air purification and odor elimination solutions to customers and sale and development of water disinfection products. The Company's products include Continuous Ionic Filtration & Exchange, Evaporation & Crystallization and Encapsulated Bacteria.
5	Aeris Environmental	AEI	Environmental Services	Aeris Environmental is commercialising and globally distributing its AerisGuard range of products; providing heating, ventilation, air conditioning and refrigeration services including hygiene, remediation, energy efficiency and corrosion protection.
6	Orbital Corporation	OEC	Transport	Orbital Corporation invents and builds energy efficient engine technology solutions for its clients in the aerospace, mining, and industrial and consumer sectors.
7	GO Energy Group	GOE	Solar	GO Energy Group (formerly Solco) is engaged in the sale of solar generation systems, and provides electricity and gas through its two business units: CO2markets and GO energy.
8	Leaf Energy	LER	Biofuels	Leaf Resources makes products from plant biomass. The Company's Glycell product reshapes the economics of using large scale biomass resources as a replacement for petroleum derived products.
9	Enerji	ERJ	Energy Efficiency	Enerji Limited is engaged in marketing of energy recovery and clean energy generation solutions. It also designs and develops systems to produce electricity from heat through Accretive Thermal Energy Node (ATEN).
10	Pacific Environment	PEH	Environmental Services	Pacific Environment provides monitoring, predictive management and automated reporting solutions across air quality, groundwater, odour, emissions, contaminated land, acoustic services, landfills, solid waste management and toxicology.

3. Australian CleanTech Index Performance 3Q FY16

Australian CleanTech Index again outperformed the ASX200 for both the month and the quarter.

The Australian CleanTech Index rose from 43.89 to 46.53 over the month of March recording a 6.0% gain. This compared to the ASX200 gain of 4.0% and the ASX Small Ordinaries Index gain of 4.4%. The Australian CleanTech 20 recorded a gain of 6.2%.

Over the third quarter of the 2016 fiscal year, the Australian CleanTech Index recorded a gain of 4.4%, well ahead of both the ASX200's loss of 4.2% and the ASX Small Ordinaries' 0.3% loss.

The six and twelve month figures also remain well ahead of the ASX200 but are slightly ahead of the ASX Small Ordinaries. **Over the last 3 years, the Australian CleanTech Index recorded a gain of 35.9%, some 33.7% ahead of the ASX200.**

Percentage Change	FY11	FY12	FY13	FY14	FY15	MAR'16	3Q FY16	6 Mnth	12 Mnth	3Yrs
ACT Australian CleanTech Index	-8.1%	-30.3%	-3.5%	19.6%	16.6%	6.0%	4.4%	11.6%	-0.3%	35.9%
Australian CleanTech 20	-17.6%	-29.2%	-2.0%	19.6%	16.0%	6.2%	4.3%	10.8%	-3.1%	31.9%
S&P/ASX200	4.2%	-9.6%	17.3%	12.3%	1.3%	4.0%	-4.2%	1.1%	-13.9%	2.2%
S&P/ASX Small Ords	9.5%	-15.0%	-8.3%	9.6%	-2.8%	4.4%	-0.3%	10.5%	0.1%	-5.5%

The market capitalisation after its rebalance of the 64 stocks in the Australian CleanTech Index is A\$20.8 billion.

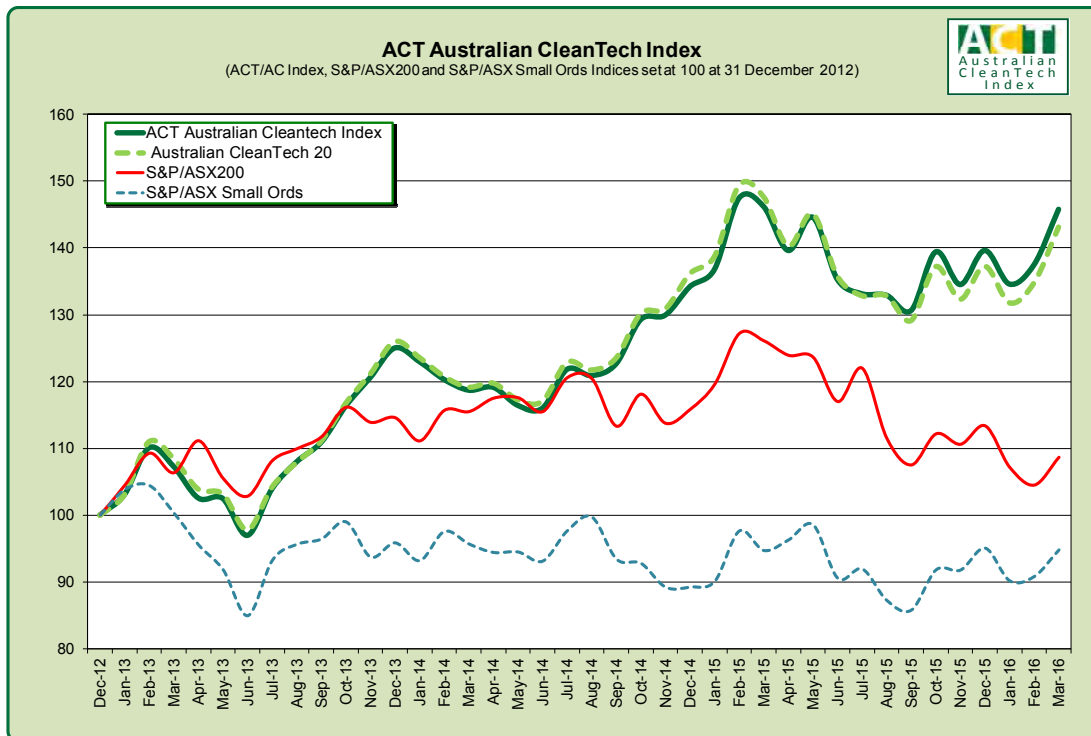
Best and Worst Stocks

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 12 companies with gains of more than 20%. The greatest percentage gains were recorded by GO Energy Group (GOE), Bluglass (BLG) and Traffic Technologies (TTI). These gains were partially offset by 7 companies recording losses of more than 10% led by Quantum Energy (QTM), Mission NewEnergy (MBT) and Algae.Tec (AEB).

The quarter's performance was driven by 15 companies with gains of more than 20%. The greatest gains were recorded by Bluglass (BLG), Galaxy Resources (GXY) and Eden Energy (EDE). These gains were partially offset by 7 companies recording losses of more than 20% led by Enerji (ERJ), Pacific Environment (PEH) and Environmental Group (EGL).

March 2016		
Best Performers Share Price Gain > 20%		Worst Performers Share Price Loss > 15%
GO Energy Group Infigen Energy Phoslock Water Solutions Sims Metal Management Bluglass Traffic Technologies	Eden Energy Galaxy Resources Neometals Orocobre RedFlow Kalina Power Ltd	Quantum Energy Mission NewEnergy Algae.Tec CleanTeQ Vmoto Carbon Conscious Seafarms Group
3Q FY16		
Best Performers Share Price Gain > 20%		Worst Performers Share Price Loss > 20%
Quantum Energy Infigen Energy Algae.Tec Phoslock Water Solutions Sims Metal Management Intec Bluglass Energy Action	Eden Energy Galaxy Resources Neometals Orocobre RedFlow Kalina Power Ltd HRL Holdings	Australian Renewable Fuels Leaf Energy Enerji Genex Power Vmoto Environmental Group Pacific Environment



Index Rebalance

The Australian CleanTech Index underwent its quarterly rebalancing at the end of March which took account of recent share issues and other corporate activity. The following two companies were removed from the Index

- **Coffey International Ltd (ASX:COF)** following its acquisition by US-based engineering services company, Tetra Tech. and consequent delisting on 26 February 2016.
- **Advanced Engine Components** renamed to **Ookami Limited (ASX:OOK)** following the backdoor listing and acquisition of the financial software company, Investia Technologies.

The following four companies were added to the Index at this rebalance:

Contact Energy (ASX:CEN) following its dual listing on the ASX in late 2015 after Origin Energy sold its stake in the company. Contact Energy generates and retails electricity in New Zealand. It is one of New Zealand's big five utilities and the second largest by generation capacity and retail market share. It generates 76% of its energy from renewable sources and the balance from gas. CEN will also be added to the new Australian Renewable Energy Index. www.contact.co.nz

Emefcy Group (ASX:EMC). Emefcy Group Limited provides wastewater treatment technologies for municipal and industrial plants. The company offers SABRE - Spirally-wound Aerobic Biofilm REactor, a membrane aerated biofilm reactor for biological wastewater treatment; and electrogenic bio reactor. The company was founded in 2008 and is based in Caesarea, Israel. EMC will also be added to the new Australian Water Index. www.emefcy.com

Hazer Group (ASX:HZR). Hazer Group Ltd is commercialising the Hazer Process; a novel low cost hydrogen and graphite production technology, EMC will also be added to the new Australian Efficiency & Storage Index. www.hazergroup.com.au

Lithium Australia (ASX:LIT). Lithium Australia Ltd identifies, acquires, explores for, and develops lithium projects. The company holds interest in the Cinovec tin and lithium project in Europe, the Pilgangoora lithium-tantalum project in the Pilbara region of Western Australia; and Yilgarn Craton projects in the Yilgarn Craton in Western Australia. LIT will also be added to the new Australian Efficiency & Storage Index. www.lithium-au.com

A watching brief is being maintained on the following company:

- **Novarise Renewable Resources International (ASX:NOE)** which is currently suspended from the ASX following the failure of the privatisation proposal from its majority shareholder and concerns raised by its auditor.

4. Component Sub-Indices

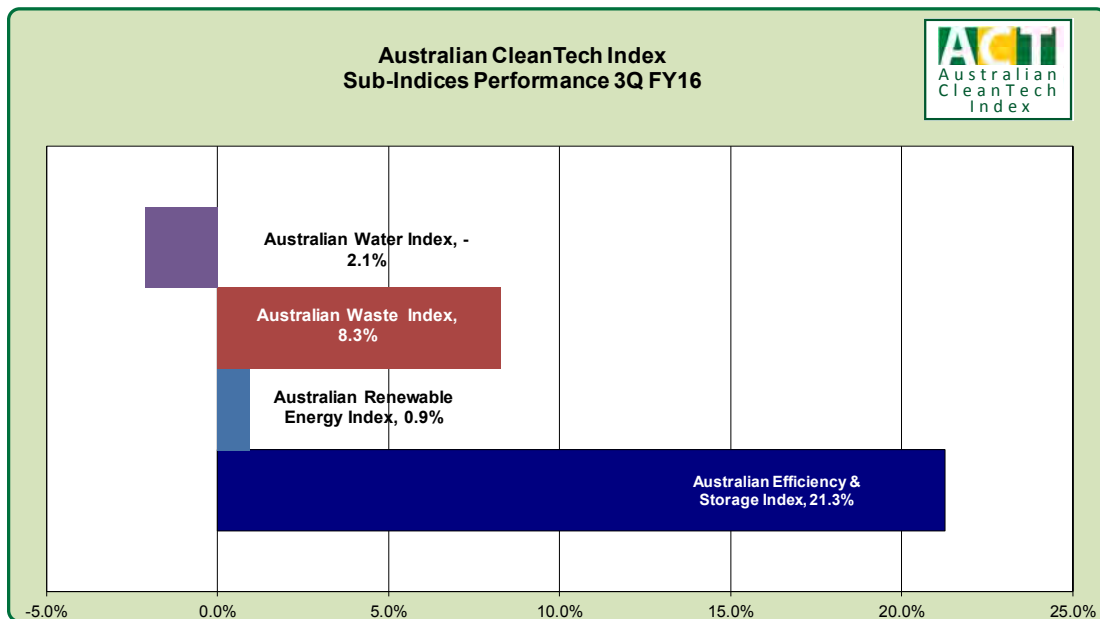
To provide an analysis of the Australian CleanTech Index, a number of sub-indices have been developed. The performance of each of these sub-indices over the last five financial years and during 3Q of FY16 is shown in the table and charts below.

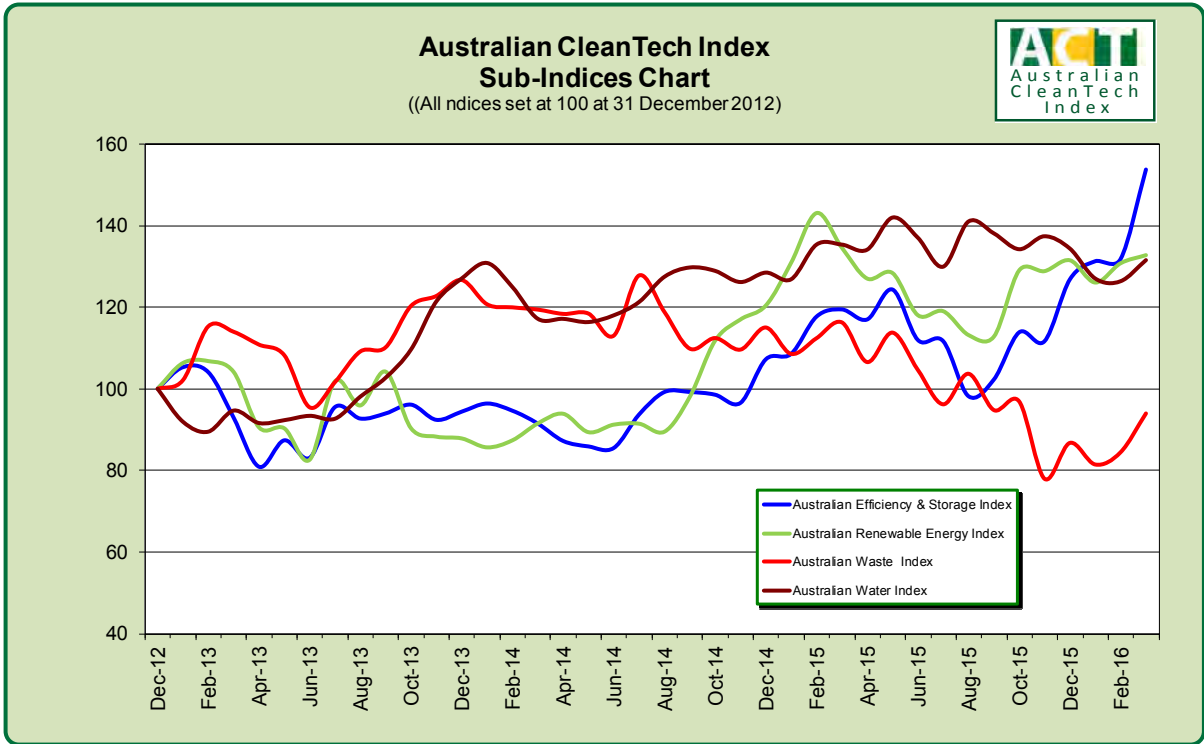
With the privatisation of Coffey International, the Australian Environment Index has dropped below the minimum required market capitalisation for a sub-index and so will not be reported on going forward.

The best performing sectors for the three months to March 2016 were the Australian Efficiency and Storage Index and the Australia Waste Index. The worst performer was the Australian Water Index.

Australian CleanTech Sub-Indices

	FY11	FY12	FY13	FY14	FY15	3Q FY16
Australian Efficiency & Storage Index	-1.2%	-23.5%	-27.9%	2.9%	31.0%	21.3%
Australian Environment Index	-25.2%	-29.8%	-44.5%	32.6%	28.2%	-
Australian Renewable Energy Index	-32%	-22%	-22%	10%	29.5%	0.9%
Australian Waste Index	-3.3%	-36.9%	-3.4%	18.3%	-7.4%	8.3%
Australian Water Index	19.8%	1.6%	-14.6%	26.3%	16.1%	-2.1%





5. Component Companies on 31 March 2016

The largest 20 largest Index constituents by market capitalisation on 31 March 2016 are provided in the table below. These companies will form the constituents of the Australian CleanTech 20 until the index is rebalanced again on 30 June 2016.

Market Cap Ranking	Company	Ticker
1	Mighty River Power	MYT
2	Reece Australia Holdings	REH
3	Contact Energy	CEN
4	Meridian Energy	MEZ
5	Sims Metal Management	SGM
6	Cleanaway Waste (Transpacific Industries)	CWY
7	Nanosonics	NAN
8	Infigen Energy	IFN
9	Orocobre	ORE
10	Tox Free Solutions	TOX
11	Beacon Lighting Corp	BLX
12	Galaxy Resources	GXY
13	Metro Performance Glass	MPP
14	Neometals	NMT
15	Pacific Energy	PEA
16	RedFlow	RFX
17	Pro-Pac Packaging	PPG
18	Eden Energy	EDE
19	Dyesol	DYE
20	Gale Pacific	GAP

There were two new entrants to the Australian CleanTech 20 in this rebalance: Contact Energy and Eden Energy. These replaced the outgoing companies of Coffey International and Carnegie Wave Energy.

Each of the constituents in the Australian CleanTech 20 has a market capitalisation of more than \$90m.

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

6. China CleanTech Index

Australian CleanTech, through its Beijing-based Chinese operations, publishes the China CleanTech Index. This index tracks all 162 Chinese-based listed cleantech companies with a combined market capitalisation of US\$276 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 and also show the relative performance of the China CleanTech Index against the 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.

