



## **Utilitas Limited**

ACN 146 243 567

## **PROSPECTUS**

**For the Offer of 5,500,000 Shares at A\$0.10 per Share to raise a minimum of A\$550,000 with a right to accept subscriptions for up to a further 4,500,000 Shares at an issue price of A\$0.10 each to raise up to a total of A\$1,000,000**

This Prospectus should be read in its entirety. You should carefully consider the risk factors in Section 4 in light of your personal circumstances and seek professional advice before you decide whether to invest. The Offer does not take into account your investment objectives, financial situation or particular needs.

**The Shares offered by this Replacement Prospectus should be considered speculative.**

**28 March 2013**

This is a Replacement Prospectus dated 28 March 2013.  
It replaces a Prospectus dated 14 March 2013  
related to shares in Utilitas Limited.

## IMPORTANT NOTICES

This Replacement Prospectus is dated 28 March 2013 and was lodged with ASIC on 28 March 2013. It replaces the Prospectus dated 14 March 2013.

Neither the SIM VSE nor ASIC take any responsibility for the contents of this Prospectus

No Shares will be issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

### Application for Quotation

Application will be made within 7 days after the date of this Prospectus for permission for the Shares offered by this Prospectus to be listed for quotation on the securities market operated by SIM VSE.

### Electronic Prospectus

This Prospectus will be issued in paper form and as an electronic Prospectus which may be accessed on the Internet at [www.utilitas.com.au](http://www.utilitas.com.au). The Offer of Shares pursuant to the electronic Prospectus is only available to persons receiving an electronic version of this Prospectus in Australia. The Corporations Act 2001 (Cth) prohibits any person passing onto another person the Application Form unless attached to, or accompanied by, the complete and unaltered version of the Prospectus.

During the Offer Period, any person may obtain a hardcopy of this Prospectus by contacting Dr John Cronin on tel: 0414 468 852

### Foreign Jurisdictions

This Prospectus does not constitute an offer in any place in which, or to persons to whom, it would not be lawful to make an offer. Distribution of this Prospectus in jurisdictions outside Australia may be restricted by law, and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

### No Authority

No person is authorised to give any information or to make any representation regarding the Offer. Any information or representation in relation to the Offer which is not contained in this Prospectus may not be relied upon as having been authorised by Utilitas Limited or its Directors.

### Exposure Period

In accordance with Chapter 6D of the Corporations Act this Prospectus is subject to an exposure period of 7 days from the date of lodgement with ASIC. This period may be extended by ASIC for a further period of up to 7 days. The purpose of this exposure period is to enable this Prospectus to be examined by market participants prior to the raising of funds. If this Prospectus is found to be deficient, Applications received during the exposure period will be dealt with in accordance with Section 724 of

the Corporations Act. Applications received prior to the expiration of the exposure period will not be processed until after the exposure period.

No preference will be conferred on Applications received in the exposure period and all Applications received in the exposure period will be treated as if they were simultaneously received on the Opening Date.

### Speculative

**The Shares offered by the Prospectus should be considered to be of a speculative nature.**

### Forward Looking Statements

Various statements in this Prospectus constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements involving known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or implicitly portrayed herein.

### Applicants should seek advice

Applicants should read this document in its entirety and, if in any doubt, consult with their professional advisers before deciding whether to apply for Shares. The Shares offered under this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

### Privacy

When you apply to invest in the Company, you will provide the Company and the Share Registrar with certain personal information to: (i) facilitate the assessment of the Application; (ii) enable the Company to assess the needs of Applicants and provide appropriate facilities and services for Applicants; and (iii) carry out appropriate administration. The Company and the Share Registrar may be required to disclose this information to: (i) third parties who carry out functions on behalf of the Company; and (ii) other third parties to whom disclosure is required by law. Applicants may request access to their personal information held by (or on behalf of) the Company by telephoning or writing to the Company Secretary.

### Photographs and Diagrams

Items and undertakings depicted in photographs and diagrams in this Prospectus are not assets of the Company, unless otherwise stated. Diagrams appearing in this Prospectus are illustrative only and may not be drawn to scale.

### Definitions

Throughout this Prospectus abbreviations and defined terms are used. Abbreviations and legal terms are contained in the Glossary of this Prospectus (defined terms are generally identified by the uppercase first letter).

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## CHAIRMAN'S LETTER

Dear Investor

Australia has long been a low energy cost economy however that situation is rapidly changing with both gas and electricity prices rising and projections showing this trend to continue into the future.

At the same time we throw away enough organic waste in the form of food scraps, manure and sewage each year to power almost a million homes. Australia can no longer afford to waste the energy in the form of Biogas that can be recovered from organic waste streams.

Biogas can be used as a direct gas replacement or converted into electricity to provide cost effective energy.

The market for Biogas both here in Australia and more generally in the Asia Pacific is still in its embryonic stage when compared to countries such as Germany which has been recovering energy from their organic waste streams using safe, reliable, mature anaerobic digestion technologies to turn organic waste into biogas for decades.

Utilitas sees the production of biogas from waste streams as a significant business opportunity.

Utilitas is a specialist biogas project development company. Our target clients are farmers, food processors, waste managers and wastewater treatment plant operators looking to turn their organic waste into energy while also recovering valuable nutrients and abating carbon emissions.

Utilitas uses well proven, mature technology widely deployed in other countries and delivers projects from concept to commissioning including approvals, network connections and financing.

Utilitas has been established since 2010 and has been sourcing components, testing and designing various systems as well as working with clients to develop projects. Utilitas is ready to move to its next phase of development for which it needs to employ a team of experts in bringing biogas projects on-line. Funds raised under this Prospectus will primarily be used to employ the team which has been identified.

At Utilitas we aspire to be one of the leading biogas project development companies in the Asia Pacific through the delivery of affordable clean energy and organic waste management solutions to our customers, providing returns to our investors and leaving behind a better world for future generations.

We look forward to welcoming you on this journey.

Yours faithfully,



Dr John Cronin

**Chairman of the Board of Directors**

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## 1. SUMMARY

This is a summary only. You should read this Prospectus in full before making any decision to apply for shares. The performance of the Company is not guaranteed by the directors or by any adviser to the Company.

### 1.1. Objective

Utilitas has been established to take advantage of the fast-growing biogas plants market in the Asia Pacific region.

The Company aspires to be one of the leading biogas project development companies in the Asia Pacific through the delivery of affordable clean energy and organic waste management solutions to our customers, providing returns to our investors and leaving behind a better world for future generations.

### 1.2. The Company

The Company is a specialist biogas project development company.

Since its establishment in 2010 the Company has been sourcing components, testing and designing systems as well as working with clients to identify and develop projects. To date the Company has developed a number of projects to pre-construction stage and anticipates it will shortly be engaged to finalise designs and construct a biogas project for at least one of these clients. See Section 3.6 for further details.

Currently Utilitas consults to and works with clients such as farmers, food processors, waste managers and wastewater treatment plant operators to identify, design and construct projects to turn organic waste into energy while also recovering valuable nutrients and abating carbon emissions. Energy and nutrients from such plants can either be used on site by the client or potentially sold into the market. See Section 3.6 for further details.

Depending on the particular circumstances of a project the Company could also manage the projects operation or the sale of power or by-products from a project into the market.

To date the Company has been largely funded by the directors and a small group of investors. Since inception the Company has generated approximately \$550,000 in projects to pre-construction stage, however the Company has not been profitable. In future as the Company grows it has the potential to derive revenues from consulting, building and potentially operating and managing the projects and sale of energy and nutrients. (See Section 3.2 for more detail on potential revenue streams).

Utilitas is now ready to move to its next phase and bring pre-construction stage projects to fruition as well as develop more projects. To do so it needs to engage a team of industry experts to help it achieve its goals. Most of the funds raised from the Prospectus will be used to pay the salaries of the team for two years.

Ultimately, Utilitas wishes to build, own and operate biogas plants either itself or in conjunction with business partners. To do so the Company needs to have a proven track record in

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developing, designing and constructing biogas projects in order to generate sufficient funds or attract additional investment to allow it to do so. If maximum subscription is obtained the Company may partner with a client to bring a project on-line and have an investment in the project. Such a project would be one that would assist the Company to demonstrate its ability to design and construct biogas plants efficiently. However, to date no negotiations for the Company's participation in a project as an investor have been had.

Details of the Company's business model and business plan can be found in Sections 3.2 and 3.3.

### **1.3. Levelised Cost of Energy**

Utilitas has several competitors in the Australian market.

The Company's point of difference to its competitors is its focus on delivering biogas plants in the local market at internationally competitive Levelised Cost of Energy (LCOE).<sup>1</sup>

LCOE provides a measure of the overall competitiveness of different power generating technologies. By delivering projects at an internationally competitive LCOE, the client's energy costs will be comparable to energy costs in the market from traditional sources thereby making projects attractive, particularly as the clients will save waste disposal costs as well as potentially deriving revenue from energy resale and the sale or use of nutrient by-products such as fertilisers.

### **1.4. Investment Highlights and Risk Factors**

An investment in the Company is **speculative** and involves a number of risks. While the directors intend to apply their skills and knowledge to minimise the risks to shareholders, no assurances can be given by the Company as to the success or otherwise of its business. No guarantee can be given in respect of the future earnings of the Company or the earnings or capital appreciation of the Company's investments. The success and profitability of the Company will depend in part upon the ability of the directors to develop opportunities which have the potential to increase in value over time.

Prospective investors should read this Prospectus in its entirety and, in particular, consider the risk factors set out in Section 4, before deciding whether to apply for Shares under this Prospectus. A summary of the key investment highlights and risks is set out below.

#### **Key investment highlights include:**

- Company is revenue generating with successful track record since inception
- Key technical and management expertise identified and recruited
- Well proven designs, widely deployed in other parts of the world
- Core expertise in biogas science, engineering, logistics, planning and financing
- Established Biomethane Potential Testing facility to support consulting and projects
- Secured planning and environmental approvals for biogas projects in Australia
- Negotiated network connection arrangements for biogas projects in Australia

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<sup>1</sup> U.S. Energy Information Administration (2012) Levelised Cost of New Generation Resources in the Annual Energy Outlook 2012

- Lead development of a new Carbon Farming Methodology that is now approved
- Negotiating construction contracts on first two projects
- R&D program to increase project returns from digestate based biofertiliser
- Scoped a pipeline of project opportunities

**Key risks associated with the business include:**

- Costs and delays negotiating connection arrangements with network owners
- Market acceptance of biogas plants
- Market risks relating to value of commodities from biogas plants
- Operational and environmental risks
- Construction Risks
- Market in Australia for Biofertiliser is undeveloped
- The regulatory environment
- Personnel risks

Historical trading information for the Company is set out in Section 6 of this Prospectus. Financial information for the Company and an Independent Accountants Report on the Pro Forma Statement of Financial Position as at 30 September 2012 for the Company prepared by Walker Wayland NSW, Chartered Accountants (“Walker Wayland NSW”) are in Sections 7 and 8 respectively of this Prospectus.

As the Company is still in a start-up phase and despite the Company having earned revenue since inception it has not been profitable. **An investment in the Company’s shares should therefore be considered speculative.** Given the inherent uncertainties in ascertaining the future revenue of Utilitas, the Company has not made any forecasts as to its future profitability or otherwise.

### **1.5. The Offer**

For the Offer of 5,500,000 Shares at A\$0.10 per Share to raise a minimum of A\$550,000 with a right to accept subscriptions for up to a further 4,500,000 Shares at an issue price of A\$0.10 each to raise up to a total of A\$1,000,000. Each application must be for a minimum of 20,000 shares for a total consideration of \$2,000. A summary of the rights attaching to the shares is set out in Section 9.

The offer does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. The Minimum Subscription is \$550,000 being the receipt of valid applications for not less than 5,500,000 shares.

If this Minimum Subscription is not received within four months of the date of this Prospectus, the Company will repay all application monies without interest within seven days of the expiry of the four month period, unless the Offer period is extended.

The shares on issue are new ordinary shares.

	Minimum Subscription	Maximum Subscription
Shares on issue at the date of this prospectus * †	17,734,612	17,734,612
Number of new shares under this prospectus	5,500,000	10,000,000
Total shares on issue after this offer **	23,234,612	27,734,612
Offer price per share	\$0.10	\$0.10
Amount to be raised under this prospectus	\$550,000	\$1,000,000
Market capitalisation at completion of the issue	\$2,323,461	\$2,773,461

\*The Company has issued Convertible Notes to Iron Mountain Entertainment Pty Ltd, an associate of an existing shareholder, Iron Mountain Pty Ltd as consideration for Iron Mountain Entertainment Pty Ltd paying or guaranteeing to pay \$60,000 to the Company for expenses of listing on the SIM VSE. Details of these Convertible Notes are to be found in Section 9.8.

†1,000,000 Options to acquire shares have been granted to Iron Mountain Pty Ltd and can be exercised by Iron Mountain Pty Ltd on the Company listing on the SIM VSE. Details of these Options are to be found in Section 9.9.

\*\*On completion of the Offer and prior to the issue of Shares on conversion of the Convertible Notes the Board will control between 73.10% of the votes at Minimum Subscription and 61.24% of the votes at Maximum Subscription. Fiona Waterhouse and Dr John Cronin through companies controlled by them will jointly control between 57.03% of the votes at Minimum Subscription and 47.77% of the votes at Maximum Subscription. As such together they will be in a position to defeat special resolutions of members such as amendments to the constitution and to pass ordinary resolutions such as resolutions appointing directors. A summary of the directors' interests can be found at Section 9.5.

#### Indicative Timetable

Date of prospectus:	28 March 2013
Opening Date:	28 March 2013
Closing Date:	22 May 2013
Dispatch of Holding Statement:	28 May 2013
Expected Listing Date:	12 June 2013

The above dates are indicative only and may vary, subject to the requirements of the Corporations Act and the Listing Rules.

The Company reserves the right to close the offer early or to extend the closing date. Other affected dates may be extended or brought forward as a consequence.

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## 1.6. Use of Proceeds of the Offer

The Company intends to use most of the proceeds of the Offer to employ additional key personnel to assist in the delivery of the Company's biogas projects. It is anticipated funds will be sufficient for two years of additional salary costs. If the upper subscription level is reached then the Company will consider a joint venture arrangement with a customer to build, own and operate a project to demonstrate the Company's ability to do so and as the first step in building the Company's own biogas project portfolio.

The planned use of the proceeds from this Offer is as follows:

Item	Minimum Subscription \$	Maximum Subscription \$
Recruitment of Key Personnel	400,000	500,000
Investing in Joint Venture	NIL	300,000
General Working Capital	150,000	200,000
<b>TOTAL</b>	<b>\$550,000</b>	<b>1,000,000</b>

*Table 3 Proceeds of the Offer*

On completion of the Offer, the Directors believe that the proceeds of the Offer will provide sufficient working capital to carry out the stated objectives of the Company.

The Company intends to declare dividends from time to time as appropriate based upon available profits and available cash, and the future funding commitments and capital requirements of the Company. However the Directors give no assurance regarding the likelihood of future dividend payments, revenue, profit or cashflow of the Company, which are dependent on a number of factors, including securing ongoing consulting work, securing construction contracts, negotiating feasible network connection arrangements with Network Service Providers, ability to originate projects on a build, own, operate basis, raising project finance as required to support project portfolio and the reaction of market competitors.

## 1.7. DIRECTORS AND KEY PERSONNEL

### **Dr John Cronin                      Chairman and Non-Executive Director**

*PhD, M.A. (Mgt), G Dip (Law), Dip (Fin Serv), FAICD*

John has wide-ranging experience across a variety of industry sectors and disciplines. During his early career John worked as a design engineer in Europe and Australia where he was involved in major design, development, and commercialisation projects. He has since worked extensively in an advisory capacity across a variety of industry sectors that includes manufacturing, mining, construction, engineering consulting, information technology, and financial services. He has also owned and operated a small manufacturing company in the

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plastics and metal fabrication industry and is an experienced project director, having worked on a number of large infrastructure projects.

Dr Cronin holds shares in Utilitas through TBATI No.1 Pty Ltd and TBATI Superfund. He provides project direction on a consulting basis via his company Sustainable Venture Partners Pty Ltd.

**Fiona Waterhouse      Chief Executive Officer and Executive Director**

*B.Mfg.Mgt Dip. Env. Studies Cert Business GAICD*

A prominent figure in the Australian Cleantech industry, Fiona has assisted many entrepreneurs to demonstrate and commercialise clean technologies through practical business development, management and capital raising solutions. She has over 18 years as an entrepreneur and business development advisor. Fiona is the founder, has seed funded and is currently CEO and an Executive Director of Utilitas. Fiona was on the Board of EcoFund Queensland Pty Ltd which recently managed the sale of the business to CO2 Australia Ltd. She is a member of the Australian Government's Clean Technology Innovation Committee.

Ms Waterhouse holds shares in Utilitas through TBATI No.1 Pty Ltd and TBATI Superfund.

**Jennifer Hedge      Non-Executive Director (acting CFO)**

*Dip.Bus.Studies*

Apart from an early period working for the New Zealand national radio broadcaster, Jennifer has been involved in business ownership for nearly forty years. Her roles have included operational and financial management as well as governance. Expertise has been developed in commercial property development; human resources, including recruitment, training and restructuring; small business mentoring, and in the development of large scale horticulture enterprises in both New Zealand and Australia. She has also been active in numerous start-up businesses, and is currently working with two in their early stages of development.

Ms Hedge holds shares in Utilitas through Pingao Properties. Ms Hedge is also acting in the role of CFO for which she is being remunerated as a consultant via Pingao Properties.

**Jim McKnoulty      Non-Executive Director**

*B App Sc (Surv), CS, MIS Aust, Honorary Fellow - Planning Institute of Australia Fellow - Urban Development Institute of Australia*

Jim is Chairman of RPS Eastern Australia, which is part of the RPS global network of professionals providing local solutions in energy and resources, infrastructure, environment and urban growth, employing 4500 staff. He is on the board of Queensland Reconstruction Authority and a member of the Premier's Climate Change Council. Jim is also Chairman of City Smart Pty Ltd, a company set up by Brisbane City Council to facilitate partnerships in promoting a sustainable future for the city, the Immediate Past National President of Greening Australia and was founding President of The Australian Green Development Forum.

His leadership role in Growth Management and Sustainable Development in Queensland was recognised in 2006 when he was awarded the title of Honorary Fellow of the Planning Institute

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of Australia and Life Member of Greening Australia.

In 2007, Jim's contribution and commitment to sustainability was further recognised through the Premier's Award for Leadership in Business Sustainability and Ernst and Young's Queensland Entrepreneur of the Year in the Business Services Category. He is also a director of the Brisbane Institute, an adjunct Professor at QUT and a member of the Advisory Committee to the QUT Faculty of Built Environment and Engineering.

Mr McKnoulty holds shares in Utilitas through JA&LM McKnoulty atf the JA & LM McKnoulty Superannuation Fund

**Dr Jayant Kesar      Chief Scientist**

*B.Sc. M.Sc. PhD (Microbiology)*

Jayant offers extensive experience of more than 22 years in water/wastewater treatment with the emphasis on generation of biogas and solar renewable energies including using a variety of anaerobic processes and systems. He has expertise in the treatment of various agro-industrial effluents such as food processing, dairy, meat, starch, ethanol, sugar, pulp/ paper, petrochemical wastewater as well as municipal sewage. He has worked in various organisations in the field in Australia, New Zealand and India. He has a successful record of business development and has also implemented a range of technologies within environmental engineering and industrial biotechnology.

Dr Kesar and his wife, Ashlesha Kesar hold shares in Utilitas

**Carsten Linnenberg      Technical Adviser**

*B.Eng. (Biotechnology)*

Carsten, through his company AD Solutions UG in Germany provides advice to the Company regarding the design of biogas projects. Carsten brings to the team over a decade of experience in the biogas industry. He was head of Biogas Nord's International Project Development Group, which has developed over 170 biogas plants all over the world and is regarded as an international leader in the industry. Carsten has headed up and completed many projects in **Europe, Asia and Latin America**, including the planning and implementation of agricultural and waste co-fermentation plants, a pilot plant for anaerobic treatment of waste water, sludge and solid waste.

Mr Linnenberg holds shares in Utilitas

## 2. THE INDUSTRY

### 2.1. What is Biogas

Biogas is a versatile energy source with potential to satisfy power and fuel demand across a range of end-use applications while mitigating greenhouse gas emissions from a diverse array of organic waste streams. Raw biogas which is captured from distributed anaerobic digesters (referred to as biogas plants) is widely utilised especially in Europe across the urban and rural landscape as a fuel for electricity and heat generation.

Upgraded biogas - biomethane or renewable natural gas (RNG) - is gaining traction as an alternative to fossil natural gas for gas-to-grid injection and as a vehicle fuel in the form of liquefied natural gas (LNG).<sup>2</sup>

Biogas originates from the natural breakdown of organic material like food, manure and sewage under anaerobic (without air) conditions. Worldwide, biogas plants have been extensively deployed. The microbiology and chemistry of anaerobic digestion to produce biogas is well understood as pictured in the following diagram

#### Production of Methane (Biogas) from Organic Decomposition

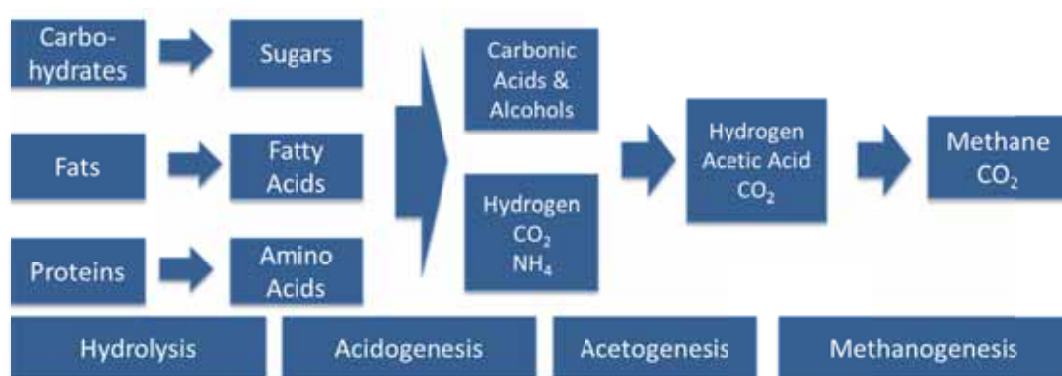


Figure 1 - Production of Methane (Biogas) from Organic Decomposition

Biogas is a mixture of gases that is composed chiefly of:

Methane (CH <sub>4</sub> ):	40-70 vol.%
Carbon Dioxide (CO <sub>2</sub> ):	30-60 vol.%
Other Gases:	1-5 vol.%
Hydrogen (H <sub>2</sub> ):	0-1 vol.%
Hydrogen sulphide (H <sub>2</sub> S):	0-3 vol.%

Biogas can be used as a fuel for gas heating, steam generation or directly as a replacement fuel in internal combustion engines - for example a gas-fired combined heat and power

<sup>2</sup> Renewable Biogas - Methane Recovery and Utilization in Landfills and Anaerobic Digesters: Municipal Solid Waste, Agricultural, Industrial and Wastewater Market Analysis and Forecasts published by Pike Research in June 19, 2012.

generator. Biogas is produced from the waste treatment process where methane is captured (via a anaerobic digestion plant) and burnt (via a generator) therefore it is considered as a source of renewable energy.<sup>3</sup>

## 2.2. Biogas Plants, Commodities and Projects

Biogas plants are industrial installations that include anaerobic digestion technologies and associated equipment to convert manures, crop residuals, food and beverage processing waste, biosolids (sewage) and municipal organic waste into energy and digestate (biofertiliser).

There are several types of technologies that can be incorporated into biogas plants including:

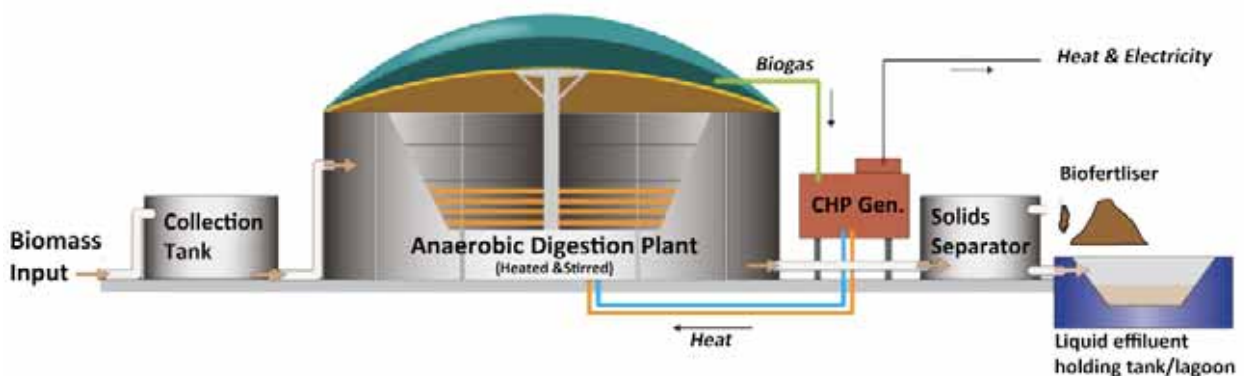
- Covered Anaerobic Lagoons
- High Rate Anaerobic Lagoons
- Continuously Stirred Tank Reactors
- Upflow Anaerobic Sludge Blankets
- Fixed Film Digesters

Biogas commodities include the inputs to and outputs from biogas plants that can be bought and sold including:

- Gate fees and treatment fees
- Biogas, electricity, heat
- Renewable energy certificates
- Carbon credits
- Biofertiliser

A biogas project is the term used to describe an investment vehicle which owns a biogas plant and derives revenues from biogas commodities secured by contracts.

*Figure 2: Stylised diagram of a typical biogas asset – cross-section – showing typical components of*



*European style CSTR system. Note that this is purely for illustrative purposes.*

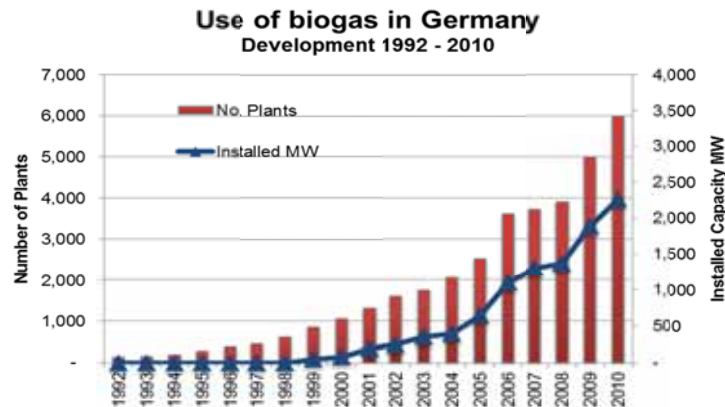
<sup>3</sup> Renewable Biogas - Methane Recovery and Utilization in Landfills and Anaerobic Digesters: Municipal Solid Waste, Agricultural, Industrial and Wastewater Market Analysis and Forecasts published by Pike Research in June 19, 2012.

### 2.3. International Biogas Market

The biogas market reached \$17.3 billion in global revenue in 2011. It is predicted it will double by 2022. Global installed production capacity is 14.5 gigawatts. In addition renewable natural gas (RNG) is a growing segment within the diverse biogas landscape with at least 11 billion cubic feet per year of production capacity expected to come online worldwide by the end of 2012,<sup>4</sup>

In terms of both consumption and production of biogas, European countries are ahead of other countries mainly due to increased government regulation for environment friendly initiatives. Germany is the global biogas market leader having two thirds of Europe's 9000 biogas plants, more than 3,500 MW of installed biogas electricity generation connected to their National Electricity Grid. The graph below shows the dramatic growth rate of the German biogas market over the past 30 years.<sup>5</sup> It is worth noting that Australia currently has 49MW of installed capacity, a similar position now to where Germany was in 1992.

Figure 3 Growth of the German biogas market 1992-2010<sup>6</sup>



The Asia-Pacific biogas plants market is displaying strong appetite for growth, thanks to the continuous infrastructure development and business expansion in the region. The USA currently has less than 200 biogas plants and is expected to close the gap rapidly in coming years. China has 25,000 biogas plants and has a target to have 300 million rural residents using electricity generated with biogas by 2020. It is predicted that by 2020 the most modern biogas plants will exist in Asia, with nearly all of the capacity to be built between now and 2020.<sup>7</sup>

4 Renewable Biogas - Methane Recovery and Utilization in Landfills and Anaerobic Digesters: Municipal Solid Waste, Agricultural, Industrial and Wastewater Market Analysis and Forecasts published by Pike Research in June 19, 2012.

5 Global Intelligence Alliance (2010) How to profit from biogas market developments.

6 Renewable Insight Energy Industry Guides [RENI] (2011) Biogas an all-rounder, New Opportunities for Farming, Industry and the Environment

7 Global Intelligence Alliance (2010) How to profit from biogas market developments.

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## 2.4. Current Australian market

The Australian biogas market has not been well characterised and is typically subsumed in reports into the broader category of bioenergy or biomass which includes combustion and pyrolysis of organic waste streams. Bioenergy of which biogas is a part currently only represents 8.5% of the renewable energy market in Australia.<sup>8</sup> According to the Clean Energy Council there are approximately 29 biogas projects (over 100kWe) in Australia providing about 49.13MW of installed capacity; 25 produce electricity from sewage gas, and four from food and agricultural wet wastes such as dairy, food waste, piggery and meat processing.

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8 . Clean Energy Australia 2012 <http://www.cleanenergycouncil.org.au/cec/resourcecentre/plantregistermap>

Owner	Location	State	MRET Category	Status	Commission Date	Unit Configuration	Installed Capacity
Sydney Water	North Head	NSW	Sewage Gas	Operating	2008	1 x 1.4MW	1.4
Sydney Water	Warriewood	NSW	Sewage Gas	Operating	2009	1 x 0.25MW	0.25
Sydney Water	Bondi	NSW	Sewage Gas	Operating	2009	1 x 1.4MW	1.4
Sydney Water	Glenfield	NSW	Sewage Gas	Operating	2009	1 x 0.51MW	0.51
Sydney Water	Liverpool	NSW	Sewage Gas	Operating	2009	1 x 0.33MW	0.33
Sydney Water	Wollongong	NSW	Sewage Gas	Operating	2009	1 x 0.51MW	0.51
Diamond Energy	Shepparton	VIC	Sewage Gas	Operating	2009	1 x 1.1MW	1.1
Sydney Water	Malabar	NSW	Sewage Gas	Operating	1999	3x1MW	3
Sydney Water	Cronulla	NSW	Sewage Gas	Operating	2001	1 x 0.47MW	0.47
Brisbane City Council	Luggage Point	QLD	Sewage Gas	Operating	1979	2 x 1.5MW	3
Stanwell Corporation	Townsville - Cleveland Bay	QLD	Sewage Gas	Operating	2000	2 x 0.12MW	0.24
Brisbane City Council	Oxley Creek	QLD	Sewage Gas	Operating	2003	1 x 1.037MW	1.04
Gold Coast City Council	Elanora Waste Water	QLD	Sewage Gas	Operating	2005	1 x .23MW	0.23
South Australian Water	Bolivar	SA	Sewage Gas	Operating	1993	1 x 3.5MW	3.5
South Australian Water	Glenelg	SA	Sewage Gas	Operating	1994	3 x 0.65MW	1.95
Hobart City Council	Macquarie Point (Hobart)	TAS	Sewage Gas	Operating	2005	1 x 0.14MW	0.14
AGL	Werribee (Western)	VIC	Sewage Gas	Operating	1997	1 x 1.064MW	1.06
AGL	Werribee I	VIC	Sewage Gas	Operating	2001	2 x 1.244MW	2.49
AGL	Werribee II	VIC	Sewage Gas	Operating	2006	4 x 1.064MW	4.26
Diamond Energy	Tatura	VIC	Sewage Gas	Operating	2007	1 x 1.1MW	1.1
Melbourne Water	Carrum Downs II	WA	Sewage Gas	Operating	2007	7 x 1.3MW	9.1
WA Water Corp	Woodman Point	WA	Sewage Gas	Operating	1998	3 x 0.6MW	1.8
AGL	Werribee III	VIC	Sewage Gas	Operating	2010	2x1MW	2
Western Water	Melton	VIC	Sewage Gas	Operating	2010	1 x .2MW	0.2
South Australian Water	Port Adelaide	SA	Sewage Gas	Operating	1995	1 x 1.9MW	1.9
Quantum Bioenergy Limited	Leongatha Dairy Plant	VIC	Food And Agricultural	Operating	2010	1x.5MW ,1x0.26MW	0.76
Quantum Bioenergy Limited	Bromelton	QLD	Food And Agricultural	Operating	2010	1 x 1.26MW	1.26
Earth Power	Camellia, Parramatta	NSW	Food And Agricultural	Operating	2003	1 x 3.9MW	3.9
Charles IFE	Ballarat - Berrybank	VIC	Food And Agricultural	Operating	1989	1x0.075MW, 1x0.15MW	0.23
						<b>29 Projects<sup>9</sup> TOTAL:</b>	<b>49.13</b>

Table 4 Clean Energy Council Renewable Energy Map@29th August 2012

<sup>9</sup> Clean Energy Council (2012), data table downloaded from <http://www.cleanenergycouncil.org.au/cec/resourcecentre/plantregistermap>

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## 2.5. Australian Biogas Market Potential

The volume of organic waste generated in Australia has not been fully quantified. A recurring theme of reviews reports and enquiries into waste generation in Australia is the lack of consistent and complete waste data.<sup>10</sup>

Notwithstanding this in 2011 a report by Zero Waste Australia indicated that Australia produces around 20 million tonnes of organic waste per year from domestic and industrial sources.<sup>11</sup> Further to this Table 1 below shows estimations of manure volumes, biomethane potential and electrical generation potential which is based on data from just four sources of agricultural wastes aggregated from the various references noted below.

Market	Operation Type	No. of Businesses	Waste Type	Industry Revenues (Bn)	Substrate Volume (t/a)	BMP (m <sup>3</sup> /t VS) <sup>12</sup>	Biogas Generation (m <sup>3</sup> )	Energy Potential (MW)
Agriculture	Cattle Feedlots	525	Manure	2.8	657,453	337	39,751,264	9.1
	Piggeries <sup>13</sup>	652	Manure	0.9826	3,733,844 <sup>14</sup>	450	65,528,962	15
	Egg Production <sup>15</sup>	155	Manure	0.4408	240,240	385	36,626,990	8.4
	Meat Chickens <sup>16</sup>	1040	Manure	0.9235	2,031,820 <sup>17</sup>	385	309,771,277	70.7
<b>Total Indicative Electrical Generation Potential</b>								<b>103 MWe</b>

*Table 5 Source Segregated Organic Waste Opportunities by Market Segment*

If all of this organic waste (domestic, industrial and agricultural) was treated in biogas plants there is potential for in the order of 650MWe of installed electrical capacity, enough to power almost 1million Australian homes<sup>18</sup>.

10 Mason, L., Boyle, T., Fyfe, J., Smith, T., Cordell, D. (2011). National Food Waste Data Assessment: Final Report. Prepared for the Department of Sustainability, Environment, Water, Population and Communities, by the Institute for Sustainable Futures, UTS

11 Zero Waste Australia 2011, Zero Waste Australia: Submission from Zero Waste Australia, Australian Government, ACT, Canberra, viewed 28/02/2013, <<http://www.daff.gov.au/nationalfoodplan/process-to-develop/issues-paper/submissions-received/zero-waste-australia>>.

12 Primary data derived from Utilitas Limited BMP testing facilities

13 IBIS World Industry Report A0151: Pig Farming in Australia, 2012.

14 Figures taken from Australian Pig Annual 2006 – 2008.

15 IBIS World Industry Report A0142: Eggs Farming in Australia, 2012.

16 IBIS World Industry Report A0141: Poultry Meat Farming in Australia, 2012.

17 Figures supplied by Aust. Chicken Meat Federation & industry contacts. Manures/Deep litter produced from meat chicken production is influenced by: Material used for deep litter; Number of (bird) batches /year (typically an 8 weeks growing period); Flock health

18 Assumes 20m<sup>3</sup>/a = 54,795t/day ÷ 100t/day medium grease content organic waste @ 1MWe = 548MWe + 104 MWe manure x 24hrs x 365days x 1000 ÷ 6205 kWh/a av. Household demand see for example estimations of 17kWh/d at

[http://www.energex.com.au/switched\\_on/electric\\_energy/electric\\_terms\\_units.html](http://www.energex.com.au/switched_on/electric_energy/electric_terms_units.html)

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## 2.6. Changing Energy Landscape

Up until now Australians have enjoyed the benefits of a low energy cost economy: this is rapidly changing. In 2012 a report by CME to the Energy Users Association of Australia showed that household electricity prices have risen by more than 40% since 2007 and are projected to rise by another 30% by 2013/2014<sup>19</sup>

In addition domestic gas prices are projected to increase by 2-5 times when gas processing plants in Gladstone, Queensland, start operating in 2014 to service export demand.<sup>20</sup> Already some large gas consumers in Australia are having difficulty re-negotiating contracts as suppliers look to future export opportunities.<sup>21</sup>

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19 Mountain B. (2012), Electricity Prices in Australia: An International Comparison, Prepared for the Energy Users Association of Australia, by CME, Melbourne.

20 Mark Ludlow and Angela MacDonald-Smith Power price hikes from gas boom Australian Financial Review 22 Feb 2013

21 Australian gas users fear shortage as LNG exports grow, Wed May 16, Reuters, By Rebekah Kebede and Sonali Paul

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## 2.7. Market Drivers by Segment

Global Intelligence Agency suggest that 75% of the biogas potential is in the anaerobic digestion of agricultural crops, by-products and manure; 17% in municipal and industrial organic waste and 8% in sewage waste water treatment plants.<sup>22</sup>. The key market drivers by segments in Australia are:

Market Segment	Business Drivers
<b>Agriculture: Intensive animal farmers such as dairies, piggeries, poultries and feedlots</b>	<ul style="list-style-type: none"> <li>• Typically price takers supplying mature markets through established supply chains</li> <li>• Facing increasing input and production costs and long term supply risks from energy, fertiliser, feed and water as well as effluent disposal constraints and costs</li> <li>• Growing customer and supply chain demands for environmental and carbon footprint disclosure and accountability</li> </ul>
<b>Food processors, breweries &amp; large commercial kitchens such as mine sites</b>	<ul style="list-style-type: none"> <li>• Similar pressures to intensive animal farmers.</li> <li>• Often on town water supply and sewage disposal, therefore captured by regulatory and pricing regimes for trade waste disposal.</li> <li>• Growing customer expectations to demonstrate “clean and green” credentials</li> </ul>
<b>Waste managers and haulers</b>	<ul style="list-style-type: none"> <li>• Increasingly being asked by clients to provide more sustainable disposal solutions than landfill or composting.</li> <li>• Very low deployment of organic waste disposal options, heavy exposure to carbon pricing, waste levy's and environmental regulations</li> <li>• In most jurisdictions biogas plants are well placed to charge gate fees for providing more sustainable organic waste disposal option.</li> </ul>
<b>Wastewater treatment plant (WWTP) operators</b>	<ul style="list-style-type: none"> <li>• WWTP operators are under increasing pressure to upgrade their plants due to population growth and aging assets.</li> <li>• Co-substrate (mix of substrates as well as biosolids) biogas plants integrated with existing WWTP infrastructure can provide a clean energy to power the site and generate revenues from gate fees and biofertiliser sales</li> </ul>

*Table 6 Source Business Drivers by Market Segment*

<sup>22</sup> Global Intelligence Alliance (2010) How to profit from biogas market developments.

### 3. INFORMATION ON THE COMPANY

#### 3.1. The Company

Utilitas is a specialist biogas project development company. It currently acts as a consultant to clients such as farmers, food processors, waste managers and wastewater treatment plants to develop biogas projects which achieve internationally competitive LCOE.

To date the Company has developed two projects which are ready to move to the construction stage.

The Company aims to become one of the leading biogas project development companies in the Asia Pacific region and will consider investing in projects with clients to demonstrate credentials. The Company may at a later stage directly invest in biogas projects but expects it will need additional capital to do so.

#### 3.2. Business Model

The Company's early stage business model is to act as a consultant and developer of biogas projects that achieve internationally competitive LCOE. The Company's target customers are large agricultural enterprises, food processors, beverage manufacturers, sewage treatment plant operators and municipal waste managers under pressure from increasing energy prices, capacity constraints and exposure to environmental risks.

The key individuals are the owners and senior executives of these firms, increasingly inquiry is coming directly from Financial Controllers looking for ways to reduce their production costs and diversify their revenue streams.

The Company's customers have already explored their options and understand that energy prices have increased to the point that European style biogas plants are now a viable option to recover energy from their organic waste streams in Australia.

Utilitas is a "one-stop-shop" for all things biogas providing a complete service from concept to commissioning including testing, design, approvals, grid connection arrangements and financing.

The Company will also seek to find additional ways of increasing the economic returns for clients from biogas projects. See Section 3.5 for more details.

The company will use existing proven technologies in the design and construction of a biogas plant and associated infrastructure. It believes it will be able to source these components out internationally competitive prices despite the small size of the Australian market.

The potential revenue streams from the development of biogas projects are:

- Biomethane Potential Testing of energy and nutrient potential of different waste types in our laboratory
- Modelling site, energy and business data
- Designing and specifying biogas projects
- Facilitating approvals and network connection arrangements
- Developing methodologies for measuring carbon abatement
- Providing advice on technology selection and optimising existing plant performance
- Carrying out engineering, procurement and construction management for customers.

To date the Company has earned approximately \$550,000 in revenues since it commenced operations in September 2010 from the above potential revenue streams. However the Company has not been profitable.

Over the next five to seven years the Company aspires to invest or co-invest in around 150 biogas projects (total capacity of 50MW). These projects could be in Australia or the broader Asia Pacific area. During the initial business phase of demonstrating its capabilities the Company has and will continue to identify appropriate investment opportunities. A number of opportunities have been identified but no commitments made. The Company has not yet identified any investment opportunities and is concentrating on building its reputation in the biogas industry as a consultant and development manager of projects. While the Company has earmarked a portion of funds from this raising for investment purposes the amount would only be sufficient for a potential investment in one project which is likely to be used to demonstrate the Company's capacity. Significant additional funds would be needed to fulfil this investment aspiration in the longer term.

In the event that the Company can invest in its own biogas projects then potential revenue streams would include:

- Gate fees/waste treatment fees
- Electricity, heat and/or biogas sales
- Renewable energy incentives
- Carbon credits
- Biofertiliser sales.

### **3.3. Business Plan**

The Company plans to continue its consulting development business in the short to medium term to enhance its industry reputation.

At the same time the Company will look to convert concept and design work undertaken for clients into construction management opportunities. It will also continue to identify opportunities with new customers.

In order to do so it needs to expand its executive team with persons with industry knowledge. Those persons have been identified and have agreed to join the Company on completion of the fund raising under this Prospectus. The funds raised are anticipated to cover two years of additional salary.

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### 3.4. Competitive Landscape

The Company's competitors in Australia include large engineering firms who have facilitated the design and construction of biogas plants as part of sewage treatments for Municipal Authorities.

Their major strength is that they are large businesses with big balance sheets and a track record in successfully delivering projects. Their weakness is they have large overheads and have not focused on achieving internationally competitive Levelised Cost of Energy (LCOE) for their projects in Australia to date; as a result their plants are expensive.

Other competitors include:

- Large and small component suppliers who provide some of the equipment for biogas plants such as Combined Heated Power (CHP) electricity generation equipment, pumps, tanks and monitoring equipment.
- Small niche technology companies who supply some of the equipment and facilitate the supply of other equipment and services.
- Large and small suppliers of consultancy, design and testing services including Universities.

### 3.5. Leveraging Greater Returns on Investment

The Company is working to leverage greater returns on investment from biogas plants by increasing the revenue potential for offtake arrangements for biogas plant commodities. Such additional sources of revenue from biogas plants would make them more attractive to customers and are a potential revenue source for the Company if it can manage the sale and marketing of such products on behalf of clients.

Utilitas lead the development of the "Destruction of Methane from Piggeries using Engineered Biodigesters" Carbon Farming Initiative Methodology which became a law on the 29 January 2013. This means that Utilitas projects treating pig manure in Australia that satisfy the eligibility and operational requirements specified in the methodology will be eligible to generate Australian Carbon Credit Units (ACCU).

Utilitas has identified a gap in the market for energy demand management services targeted specifically to suit our customer's needs. The Company is starting to work with an energy management company and an energy data manager to create a new market offering that will support the energy returns from projects, provide the opportunity for immediate savings for clients and enable additional revenue generation from consulting services.

The primary focus of the Utilitas R&D program is implementing off the shelf technologies in innovative ways to upgrade digestate to higher value solid and liquid biofertiliser products. Digestate from biogas plants is rich in plant nutrients with the potential to provide a sustainable alternative to mineral fertilisers.

Biofertiliser products need to compete in the mainstream fertiliser market but they also have the potential to provide additional carbon and environmental benefits by displacing traditional chemical fertiliser use. The Company's biofertiliser strategy includes developing a Carbon Farming Initiative methodology for displacing chemical fertiliser with biofertiliser. The goal being

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to enable users of Utilitas biofertiliser products to be eligible for generating carbon credits by avoiding or reducing the use of chemical fertilisers.

The biofertiliser market opportunity is growing in significance as costs of mineral fertilisers dependent on fossil fuels increase. However, some value-adding (for example drying/pelletising the digestate) is required as current fertiliser application technology, storage and handling practices are geared to conventional mineral fertilisers.

Utilitas has also commenced investigations into opportunities to utilise digestate on degraded farming land and use wastewater storages to grow biomass substrates for biogas plants.

Utilitas is collaborating with key research and development (R&D) organisations including:

- University of Queensland (Advanced Wastewater Management Centre; Gatton Campus Piggery)
- University of Southern Queensland (Centre for Engineering in Agriculture, Australian Centre for Sustainable Business and Development)
- James Cook University and MBD Energy Ltd (algal biomass)
- University of Applied Sciences Mittelhessen, Germany and AD Solutions (joint research project)
- CSIR-Indian Institute of Chemical Technology (CSIR-IICT) (ammonia control)

### **3.6. Utilitas Projects**

Since inception the Company has derived revenue from a number of sources including the following:

380 kWe Continuously Stirred Tank Reactor (CSTR) biogas plant treating 180 kl/day of pig manure at Australia's second largest piggery based in South West Queensland. The project is designed, approved, financed and has negotiated network connection arrangements with Ergon Energy Ltd. An Engineering, Procurement, Construction Management (EPCM) contract is currently being negotiated for this project, and if successful we anticipate commencing construction in second quarter of 2013.

200 kWe CSTR biogas plant treating pig manure and agricultural processing residues in Central Queensland. Design of this project has concluded and included site, substrate and product analysis, energy and infrastructure analysis. An Engineering, Procurement, Construction Management (EPCM) contract is being negotiated for this project.

10 kWe demonstration project treating 300 kg of food waste from farmers market in a sustainable urban community in Melbourne, Victoria. This project is designed, approved and pending finance.

40 kWe demonstration project treating 2.5 kl/day of piggery effluent and food waste at a leading University's farm campus. This project is designed and undergoing approval.

40 kWe demonstration project treating source segregated urban organic waste with a leading Australian waste management company for one of the largest supermarket chains. This project is designed and undergoing approval.

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20 kWe demonstration project treating algal biomass from phyto-remediation of wastewater and sequestration of carbon dioxide from power station flue gases. This project is designed and we are currently seeking lease financing options for this project.

Utilitas has also conducted pre-feasibility assessments for a further 14 rural clients including Victoria's largest Dairy and South Australia's largest Poultry farm.

The following table summarises projects for which Utilitas has conducted pre-feasibility assessment.

	<b>Client Type</b>	<b>Location</b>	<b>Installed capacity (kW)</b>	<b>Project CAPEX Estimate \$ AUD</b>
1	Piggery	Queensland	800	3,245,250
2	Piggery	New South Wales	500	2,800,000
3	Piggery	New South Wales	1,500	2,800,000
4	Municipal Waste	New South Wales	750	2,655,863
5	Kiwi Fruit	New Zealand	250	2,655,863
6	Dairy	Victoria	500	3,879,000
7	Poultry	South Australia	1,052	3,998,659
8	Waste Water TP	Queensland	250	2,655,863
9	Feedlot	Queensland	5,000	15,000,000
10	Biomass Power	Queensland	1,000	3,879,000
11	Abattoir	Queensland	1,000	3,897,000
12	Piggery	New South Wales	500	3,210,000
13	Piggery	Victoria	300	2,800,000
14	Piggery	South Australia	200	2,500,000
<b>TOTALS</b>			<b>13,602</b>	<b>55,976,498</b>

Consulting opportunities and projects may develop from some of these assessments.

### **3.7. Utilitas Project Pipeline**

Utilitas has a comprehensive strategy for aggregating biogas projects in the Australia market and is developing a pipeline of projects. The criteria for choosing projects in which to invest will include:

- Commercial returns
- Ability to aggregate multiple project opportunities (in the area or of the same kind)
- Un-tapped agro-industrial resources
- Supportive Government regulations/incentives
- Ability to build biofertiliser business
- Direct biogas use or viable network connection arrangements can be delivered at internationally competitive cost of energy.

## 4. RISKS

### 4.1. Introduction

Investors are strongly advised to regard any investment in the Company as a medium to long term proposition and to be aware that, as with any other equity investment, substantial fluctuations in the value of their investment may occur.

Before deciding to subscribe for shares, applicants should consider whether the shares are a suitable investment. There are general risks associated with any investment in the stock market. The value of shares can go up or down due to circumstances affecting the stock market generally or any Company in particular, or because of other factors beyond the control of the Company. Similarly, the level of dividends paid in respect of the shares can go down as well as up. Shares should generally not be considered a short term investment.

If applicants are in doubt as to whether they should subscribe for shares, they should seek advice on the matters contained in this prospectus from a stockbroker, solicitor, accountant or other professional adviser.

The price at which shares are traded on SIM VSE may be below the net asset backing of those shares. The constitution of the Company does not entitle shareholders to require the Board to implement a share buy-back or any other capital reconstruction, or to take any other remedial action.

### 4.2. Specific Risks

#### 4.2.1. Connections with electricity network owners

Due to the relatively small generating capacity and sometimes remote location of biogas projects, they may not be commercially viable due to potentially high costs and delays in arranging connections from the project to the electricity network to allow export of electricity from the project to the network. As such demand for the Company's services may be reduced.

The Company aims to reduce this risk by designing and constructing projects that achieve internationally competitive LCOE and also lobbying regulators to force electricity network owners to reduce costs and delays in connections as has occurred in relation to the solar industry.

#### 4.2.2. Market Acceptance of Concept

Biogas plants have to date largely been considered too small, expensive and complex for the Australian market. Unless this perception can be changed there may be a limited market of the Company's services.

The Company is seeking to change this perception by showing it can design, build and operate plants at internationally competitive LCOE.

#### 4.2.3. Commodity Risks

If market prices for the various by-product commodities that can be sold from biogas

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projects into the market fall to unprofitable levels the attraction of biogas projects promoted by the Company may decrease thereby reducing the demand for the services of the Company or potential revenues from management arrangements the Company may enter for the sale of those products into the market.

#### **4.2.4. Operational and Environmental Risks**

Biogas plants treat large volumes of wet organic wastes and wastewater and produce gas and a liquid digestate. As such there are operational risks such as occupational health and safety, plant biology health, site analysis accuracy, plant configuration efficacy, equipment reliability, supplier reliability, operator skills, substrate (waste feedstock) quality and availability ability to deal with weather events and variation.

Environmental risks included the potential for odours, visual amenity, transport movements, leakage of gas and spillages.

Partnering with high quality, experienced suppliers and management of the site analysis and design process by experienced people are important factors in managing this risk.

#### **4.2.5. Construction Risk**

As a manager of the development of biogas plants the Company will often enter contracts for the construction of the plant with its client. As such if the Company will often bear the risk if construction cannot be completed at an agreed cost or within an agreed schedule. This may reduce the profitability of a particular project.

As the Company is not a construction company it will need to sub-contract various aspects of a construction project to third parties. Accordingly, the Company would be reliant on the performance of these third parties.

The Company also will source components for its designs from international manufacturers. Delays in supply or increment costs of components could disrupt production schedules and project profitability.

#### **4.2.6. Market in Australia for Biofertiliser Undeveloped**

While there are at least two precedents from sales of biofertiliser (soil conditioner, pellets) from digestate from biogas plants in Australia the market is in its infancy. Bringing new fertiliser products to market is an expensive and time consuming process.

Partnering with appropriate fertiliser industry players and prioritising a Research and Development program focused on the commercialisation of Biofertiliser in the Australian market are important factors in managing this risk.

#### **4.2.7. The Regulatory Environment**

There is currently no legislation, regulation or policy in Australia specifically for biogas plants which may make it difficult to bring projects on-line or allow them to operate as designed which could impact upon the level of demand for biogas plans and the Company's services.

The Company aims to reduce this risk by assisting customers with obtaining all necessary approvals as well as lobbying for consistent regulation.

#### **4.2.8. Personnel risks**

Successful businesses need to be able to attract and retain the best people. An early stage business that is playing a role in creating a new market adds a level of ambiguity and complexity to the working environment which places additional pressure on even the best, most capable people. There is a risk of losing key experienced personnel who have knowledge and capabilities important to the business.

Succession planning and ensuring key roles are able to be covered by multiple people or reliably covered by outsourcing are important factors in managing this risk.

### **4.3. General Risks**

The following matters, as well as others described elsewhere in this prospectus, should be carefully considered in evaluating Utilitas and its prospects.

- (a) No guarantee can be given in respect of the future earnings of Utilitas or the earnings or capital appreciation of the Company's investments.
- (b) The success and profitability of the Company will depend in part upon the ability of the directors to pursue opportunities which have the potential to increase in value over time.
- (c) The future earnings of the Company and the value of its investments may be affected by the general economic climate and other factors beyond the control of the Company including but not limited to variations in:
  - legislation and government policies;
  - taxation laws;
  - exchange rates;
  - variations in short and long term interest rates; and
  - variations in commodity prices.
- (d) The price of investments that the Company purchases can fall as well as rise.
- (e) SIM VSE is a new marketplace focusing on companies in the innovation, cleantech and life science sectors. As the SIM VSE is a new market place some commentators see risk in that there are currently only a few listings and little trading activity. Others point to the ASX and other large exchanges and note that there is often very limited liquidity in a large number of smaller capitalised stocks. Nevertheless investors should make note that the SIM VSE is a new market place and adjust their risk expectations accordingly. There is no guarantee of the price at which the Shares might trade on SIM VSE. Nor can there be a guarantee that an active market in the Shares will develop.

## 5. HOW TO INVEST

### 5.1. Applications

Applications to subscribe for Shares can only be made by completing and lodging an Application Form attached to this Prospectus.

Instructions on how to apply are set out below and in the Application Form attached to this Prospectus. Applications must be for at least 20,000 Shares (\$2,000). Applications for more than 20,000 Shares must be in multiples of 10,000 Shares (\$1,000).

All Shares are to be issued at a price of \$0.10 per Share payable in full on Application. No brokerage or stamp duty is payable by Applicants.

Payment for the Shares must be made in full at the issue price of \$0.10 per Share. Cheques should be made payable to Utilitas Share Offer Account and crossed 'Not Negotiable'. Completed Application Forms must reach the Company by no later than the Closing Date.

Applications for Shares pursuant to this Prospectus must be made using an Application Form attached to this Prospectus.

Completed Application Forms and accompanying cheques must be either mailed or delivered to: Boardroom Pty Limited at Level 7, 207 Kent Street, SYDNEY NSW 2000

Applications must be received by 5 pm (Sydney time) on 22 May 2013 unless the Closing Date is extended.

### 5.2. Allotment and Issue

Allotment and issue of the Shares offered by this Prospectus will take place as soon as practicable after the Closing Date and in compliance with the Corporations Act. Prior to the allotment of Shares pursuant to this Prospectus, all application monies shall be held by the Company on trust.

The Directors reserve the right to allot Shares in full for any Application or allot any lesser number or to decline any Application. Where the number of Shares allotted is less than the number applied for, or where no allotment is made, the surplus Application monies (excluding interest) will be returned by cheque to the Applicant within seven (7) days of the allotment date.

Applicants must not assume that Shares, or any number of Shares, will be issued to them in response to their Application. The Company reserves the right to reject Applications or to scale back the number of Shares offered in respect of an Application. Before purporting to deal with any Shares in anticipation of issue to the Applicant, each Applicant must satisfy themselves as to the number of Shares to which they have become entitled.

### 5.3. Minimum Subscription

The minimum amount to be raised under this Prospectus is \$550,000. Oversubscriptions may be accepted and could raise up to a further \$450,000. If \$550,000 has not been raised within 4 months after the date of issue of the Prospectus, the Company shall repay (without interest) as

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soon as practicable all money received from Applicants for the Shares or the Company will issue a supplementary or replacement prospectus and give Applicants one month to withdraw and be repaid their application monies (without interest).

#### **5.4. Opening and Closing Dates**

Submission of Applications may be made on or after the Opening Date. Application Forms duly completed with full payment of Application monies must be received by 5.00 p.m. Sydney time on the Closing Date. Applications received during the ASIC exposure period will not be processed until the Opening Date. The Company reserves the right to close the Offer early or extend the Closing Date at its discretion without notice, provided that the Closing Date will not be a date more than 13 months from the date of the Prospectus.

#### **5.5. SIM VSE Listing**

Application will be made to the SIM VSE, not later than seven (7) days after the date of this Prospectus, for official quotation of the Company's Shares to be issued under this Prospectus on the Official List of the SIM VSE. No Shares will be issued pursuant to this Prospectus unless such permission is obtained from the SIM VSE.

If application to list on the SIM VSE is not made, or if the Shares issued pursuant to this Prospectus, are not listed for quotation within three months after the date of this Prospectus, all application monies will be refunded (without interest) as soon as practicable or the Company will issue a supplementary or replacement Prospectus and give Applicants a period of one month to withdraw their applications and be repaid their application monies (without interest) in accordance with the Corporations Act.

If the SIM VSE admits SIM VSE Limited to the Official List, that fact is not to be taken in any way as an indication of the merits of Utilitas or of the Shares now offered for subscription. The SIM VSE, its officers and employees, take no responsibility for the contents of this Prospectus

#### **5.6. CHESS – Clearing House Electronic Sub-Register System**

The Company will apply for admission to participate in the Clearing House Electronic Sub-Register System (CHESS) in accordance with the Listing Rules and ASX Settlement Operating Rules (Settlement Rules). CHESS is operated by the ASX Settlement Pty Ltd (ASXS), a wholly owned subsidiary of Australian Securities Exchange Ltd, in accordance with the Listing Rules and the Settlement Rules. On admission to CHESS, the Company will operate an electronic issuer sponsored sub-register and electronic CHESS sub-register. The two sub-registers together will make up the Company's principal register of securities.

Under CHESS, the Company will not issue Share certificates to Shareholders. Instead, Shareholders will receive a holding statement, which sets out the number of Shares they hold in the Company. If the Shareholder is broker sponsored, ASXS will send a CHESS statement.

A holding statement (whether issued by the Company or CHESS) will also provide details of a Shareholder's Holder Identification Number (in the case of a holding on the CHESS sub-register) or Security holder Reference Number (in the case of a holding on the issuer-sponsored sub-register).

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Following distribution of these initial holding statements to all Shareholders, a holding statement will only routinely be provided to a Shareholder at the end of any subsequent month during which the balance of the Shareholder's holding of Shares changes.

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## 6. HISTORICAL TRADING INFORMATION

Set out below are historical consolidated profit and loss accounts for the Utilitas Limited for the financial year ending 30 June 2012 together with unaudited results for the quarter ending 30 September 2012.

	Audited Year ended 30/06/12 \$	Unaudited 3 months ended 30/09/12 \$
	<b>Note</b>	
Income	348,943	60,950
Other income	3,391	52
	<u>352,334</u>	<u>61,002</u>
Depreciation and amortisation	(9,794)	(2,780)
Employee expenses	(263,081)	(53,645)
Administration expenses	(23,086)	(25,519)
Operational expenses	(20,079)	(6,879)
Travel & entertainment expense	(13,085)	(13,366)
Board fees	(16,500)	(8,750)
Rent	(29,376)	(8,357)
Research and development expenses	(161,910)	(13,617)
Profit before income tax	(184,577)	(71,911)
Income tax benefit/(expense)	94,879	-
<b>Profit/(loss) after income tax</b>	<u>(89,698)</u>	<u>(71,911)</u>
<b>Other comprehensive income</b>		
Other comprehensive income for the year, net of tax	-	-
<b>Total comprehensive income</b>	<u>(89,698)</u>	<u>(71,911)</u>

Income in 2012 was \$348,943 which was made up of pre-construction development fees for biogas projects.

The most significant expenses in 2012 were employee costs in the delivery of consulting services and business development and R&D costs incurred in the application of biogas technologies to Australian conditions, including the testing of organic wastes for their energy potential and developing new methodologies for accounting on carbon emission abatement under the Carbon Farming Initiative (CFI)

The loss made was due to an agreed approach to invest in business development to position the company for future growth.

The income tax refund was a result of refundable research and development offset.

## 7. FINANCIAL INFORMATION

### 7.1 Introduction

This section contains the following financial information for Utilitas Limited prepared by the Directors.

#### 7.1.1 Financial Information

The Directors are responsible for the inclusion of all financial information in this Prospectus. The Historical Financial Information and the Pro Forma Statement of Financial Position have been reviewed by Walker Wayland NSW, Chartered Accountants whose Independent Accountants' Report is contained in this Prospectus.

The Historical Financial Information includes the Statement of Financial Position as at 30 June 2012 and 30 September 2012 of Utilitas Limited.

The Pro Forma Statement of Financial Position as at 30 September 2012 assumes completion of the transactions set out in Section 7.5.2 to the Historical and Pro Forma Financial Information as at that date ("Pro Forma Statement of Financial Position").

### 7.2 Basis of Preparation and Presentation of the Historical Financial Information and Pro Forma Statement of Financial Position

The Historical Financial Information as at 30 June 2012 and for the year then ended has been extracted from the audited special purpose financial statements of Utilitas Limited for the year ended 30 June 2012 on which an unqualified audit opinion was issued with an emphasis of matter on ongoing viability was issued. The financial statements were prepared on a going concern basis which states that the ability of the Company to further develop its business depends upon its ability to maintain the support of its shareholders. Should the shareholders be unable to provide ongoing support then there will remain a risk to the ongoing viability of the Company. No adjustments have been made to the audited financial statements for 30 June 2012.

The Pro Forma Statement of Financial Position as at 30 September 2012 has been based on the management reports for the period ended at that same date.

As set out in Section 7.5.2 to the Historical and Pro Forma Financial Information, AIFRS and Pro Forma adjustments for items associated with the proposed listing have been made to compile the Pro Forma Statement of Financial Position as at 30 September 2012.

The Historical Financial Information as at 30 June 2012 and 30 September 2012 and for the periods then ended has been derived from Utilitas Limited's underlying books and records.

The Pro Forma Statement of Financial Position has been presented on the basis of a \$550,000 minimum subscription for 5.5 million ordinary shares to be issued under the offer. Should the minimum subscription be obtained, an additional \$450,000 maximum subscription for 4.5 million

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ordinary shares may be issued.

The financial information set out in the Prospectus has been prepared in accordance with the accounting policies of Utilitas Limited, Australian Accounting standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial information contained in this Prospectus is presented in an abbreviated form and does not contain all the disclosures required by the Australian Accounting Standards applicable to annual reports prepared in accordance with the Corporations Act.

The financial information in this section should be read in conjunction with:

- The summary of significant accounting policies and additional financial disclosures set out in Section 7.5.1;
- The Pro Forma adjustments set out in Section 7.5.2;
- The risk factors set out in Section 4 of this Prospectus; and
- Other information contained within this Prospectus

### **7.3 Directors' Forecasts**

It was determined by the Directors not to include forecast information.

## 7.4 Consolidated Historical and Pro Forma Statement of Financial Position

	Note	Audited 30/06/12 \$	Unaudited 30/09/12 \$	Pro Forma minimum subscription 30/09/12 \$	Pro Forma maximum subscription 30/09/12 \$
<b>Current assets</b>					
Cash	7.5.3	31,709	32,936	742,030	1,192,030
Trade and other receivables		90,150	40,045	40,045	40,045
Prepayments		208	209	209	209
Current tax assets		98,103	98,103	-	-
<b>Total current assets</b>		<b>220,170</b>	<b>171,293</b>	<b>782,284</b>	<b>1,232,284</b>
<b>Non current assets</b>					
Fixed assets		51,301	48,521	48,521	48,521
Intangible assets		247	247	247	247
<b>Total non-current assets</b>		<b>51,548</b>	<b>48,768</b>	<b>48,768</b>	<b>48,768</b>
<b>Total assets</b>		<b>271,718</b>	<b>220,061</b>	<b>831,052</b>	<b>1,281,052</b>
<b>Current liabilities</b>					
Trade and other payables		56,032	65,010	65,010	65,010
Related party payables		16,453	27,728	27,728	27,728
Current tax liabilities		-	-	-	-
<b>Total current liabilities</b>		<b>72,485</b>	<b>92,738</b>	<b>92,738</b>	<b>92,738</b>
<b>Total liabilities</b>		<b>72,485</b>	<b>92,738</b>	<b>92,738</b>	<b>92,738</b>
<b>Net assets</b>		<b>199,233</b>	<b>127,323</b>	<b>738,314</b>	<b>1,188,314</b>
<b>Equity</b>					
Issued capital	7.5.4	260,000	260,000	875,000	1,325,000
Options reserve	7.5.2	-	-	40,000	40,000
Retained earnings (losses)		(60,767)	(132,677)	(176,686)	(176,686)
<b>Total equity</b>		<b>199,233</b>	<b>127,323</b>	<b>738,314</b>	<b>1,188,314</b>

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## **7.5 Notes to the Historical and Pro Forma Financial Information**

### **7.5.1 Summary of Significant Accounting Policies**

The significant accounting policies adopted by Utilitas Limited in preparing the Historical Financial Information at 30 June 2012 and 30 September 2012, and the Pro Forma Statement of Financial Position as at 30 September 2012 are set out below.

The directors have prepared the Historical Financial Information on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of the members.

The financial statements have been prepared to comply with the recognition and measurement standards in accordance with Australian Equivalents to International Financial Reporting Standards ("AIFRS").

Except as otherwise stated, the financial information has been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to present for inclusion in a prospectus in Australia.

Pro Forma Financial Information as at 30 September 2012 assumes completion of the contemplated transactions disclosed in Section 7.5.2 of the Prospectus and has been separately prepared in accordance with Australian Equivalents to International Financial Reporting Standards ("AIFRS").

The financial information has been prepared on an accruals and historical cost basis and is presented in Australian dollars.

### **Accounting Policies**

#### **(a) Revenue recognition**

Revenue from consulting is recognised upon delivery of services to customers.

Interest revenue is recognised on an accruals basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

#### **(b) Income Tax**

Income tax income represents the amount of tax refundable for the reporting period calculated according to the provisions of the income tax legislation.

A refundable balance has arisen due to the refundable offset available under the research and development incentive.

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**(c) Receivables**

Collectivity of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

A provision for doubtful debts is raised when some doubt as to collection exists and in any event when the debt is more than 90 days overdue.

**(d) Property plant and equipment**

Property, plant and equipment with a cost less than \$100 or useful life of less than 3 years are expensed directly to the profit and loss statement. All other property, plant and equipment is stated at either historical cost or revaluation less depreciation as appropriate.

Depreciation is calculated on a straight line or diminishing value basis as appropriate to write off the net cost or revalued amount of each item of property, plant and equipment (excluding land) over its expected useful life. Estimates of useful lives are made with reference to the rates approved by the Commissioner of Taxation or based on the directors' assessment of useful lives for common plant and equipment together with regular assessments for remaining useful lives. Expected useful lives are as follows:

Buildings:	40 years
Plant and equipment:	3-15 years

**(e) Goods and services tax**

The net amount of GST recoverable from, or payable to, the Australian Tax Office is included as a current asset or a current liability in the balance sheet.

**7.5.2 Pro Forma Adjustments to the Pro Forma Statement of Financial Position**

The Pro Forma Statement of Financial Position has been extracted from the unaudited Statement of Financial Position as at 30 September 2012 on the basis that the following transactions have been effected as at 30 September 2012.

- i) On listing, the Utilitas Limited will issue 5,500,000 fully paid ordinary shares at \$0.10 each to raise \$550,000. See Section 1.3 of this Prospectus for details.
- ii) The issue of 4,500,000 fully paid ordinary shares at \$0.10 each if the maximum subscription is received to raise an additional \$450,000. See Section 1.3 of this Prospectus for details.
- iii) The receipt of proceeds from Convertible Notes for the payment of expenses of the Offer estimated at \$60,000. See Section 9.8 of this Prospectus for details.
- iv) The receipt of tax refund of \$107,094 that was a receivable as at 30 June 2012.
- v) The issue of 1 million options at \$0.10 each. The options reserve has been valued at \$40,000. See Section 9.9 of this Prospectus for details.

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- vi) The issue of 150,000 shares at \$0.10 each in respect of employment services and the issue 2,500,000 shares at \$0.02 each for a total of \$50,000 in March 2013.

### 7.5.3 Cash Position

The Pro Forma cash position has been calculated as follows:

	Note	As at 30 September 2012 \$
Closing cash position of the Utilitas Limited pre Offer		32,936
Issue of shares prior to Offer	e	50,000
Minimum proceeds from the Offer	a	550,000
Proceeds from convertible notes	c	60,000
Payment of Offer Costs	c	(60,000)
Tax refund	d	109,094
<b>Minimum subscription Pro Forma cash position</b>		<b>742,030</b>
Maximum additional proceeds from Offer if minimum subscription is received	b	450,000
<b>Maximum Pro Forma cash position</b>		<b>1,192,030</b>

The Pro Forma cash position in the Pro Forma Statement of Financial Position has been arrived at after adjusting for the impact of:

- The receipt of proceeds from the Offer amounting to \$550,000 in relation to a minimum subscription of 5.5 million fully paid shares at an issue price of \$0.10 per Share.
- The receipt of proceeds from the Offer amounting to \$450,000 in relation to the subscription of 4.5 million fully paid shares at an issue price of \$0.10 per Share should the maximum subscription be received.
- The receipt of proceeds from Convertible Notes for the payment of expenses of the Offer estimated at \$60,000.
- The receipt of tax refund of \$107,094 that was a receivable as at 30 June 2012.

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e) The issue of 2,500,000 shares at \$0.02 for a total of \$50,000 in March 2013.

#### 7.5.4 Contributed equity

The Pro Forma contributed equity position has been calculated as follows:

	Note	\$	No. of Shares
Contributed equity pre Offer	a	325,000	17,734,612
Conversion of convertible notes	d	60,000	1,200,000
Minimum proceeds from the Offer	b	550,000	5,500,000
Costs associated with the Offer	d	(60,000)	-
<b>Minimum Pro Forma contributed equity</b>		<b>875,000</b>	<b>24,434,612</b>
Maximum additional proceeds from Offer	c	450,000	4,500,000
<b>Maximum Pro Forma contributed equity</b>		<b>1,325,000</b>	<b>28,934,612</b>

The contributed equity in the Pro Forma Statement of Financial Position has been calculated after adjusting for the impact of:

- Contributed equity pre Offer includes the issue of 150,000 shares at \$0.10 each in respect of employment services and the issue 2,500,000 shares at \$0.02 each for a total of \$50,000 in March 2013.
- The issue of 5.5 million fully paid ordinary shares at an issue price of \$0.10 per share amounting to \$550,000.
- The issue of additional 4.5 million fully paid ordinary shares at an issue price of \$0.10 per share amounting to \$450,000 if maximum subscription is obtained.
- The conversion of Convertible Notes for 1.2 million ordinary shares at an issue price of \$0.05 per share amounting to \$60,000 for the payment of costs associated with the Offer of \$60,000.

#### 7.5.5 Subsequent Events

Other than any Pro Forma Adjustments that would be adjusting subsequent events, there are no other subsequent events to be noted.

## 8. INDEPENDENT ACCOUNTANTS' REPORT



**Walker Wayland NSW**  
Chartered Accountants

ABN 55 931 152 368

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SYDNEY NSW 2000

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SYDNEY NSW 2001

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mail@wwnsw.com.au

Website www.wwnsw.com.au

14 March 2013

The Board of Directors  
Utilitas Limited  
Address  
SYDNEY NSW 2000

Dear Directors

### INDEPENDENT ACCOUNTANTS' REPORT ON REVIEWED PRO FORMA STATEMENT OF FINANCIAL POSITION

#### 1 Introduction

We have prepared this Independent Accountants' Report at the request of the Directors of the Utilitas Limited for inclusion in a prospectus dated on or about 14 March 2013 ("the Prospectus") relating to the offer of 5.5 million ordinary shares at an issue price of \$0.10, amounting to \$550,000 million ("the Offer"). Utilitas Limited may also accept subscriptions for a further 4.5 million ordinary shares at an issue price of \$0.10 so that a maximum of \$450,000 could be raised under this Prospectus. Utilitas Limited proposes to seek admission to the Official List of the SIM Venture Securities Exchange Limited ("SIM VSE").

Expressions defined in the Prospectus have the same meaning in this Report.

#### 2 Scope

We have been requested to prepare an Independent Accountants' Report covering the following financial information:

- Unaudited consolidated Historical Statement of Financial Position of Utilitas Limited as at 30 June 2012;
- Management Historical Statement of Financial Position of Utilitas Limited as at 30 September 2012; and
- Pro Forma Statement of Financial Position of Utilitas Limited as at 30 September 2012, which assumes completion of the contemplated transactions disclosed in Section 7.5.2 of the Prospectus ("the Pro Forma Adjustment") separately prepared in accordance with Australian Accounting Standards ("AASBs") and in accordance with Australian Equivalents to International Financial Reporting Standards ("AIFRS").

The Historical Statement of Financial Position set out in Section 7.4 of the Prospectus has been extracted from the audited financial statements as at 30 June 2012 and the unaudited management reports for the period ended 30 September 2012. The Directors are responsible for and have prepared the Historical and Pro Forma Statement of Financial Position, including determination of the adjustments as set out in Section 7.5.2 of the Prospectus in accordance with AASBs and AIFRS.

In accordance with the terms of our engagement, this report does not address the future prospects or forecasts of Utilitas Limited, nor risks associated with an investment in Utilitas Limited. We disclaim any responsibility for any reliance on this Independent Accountants' Report or on the financial information to which it relates for any purpose other than for which it was prepared. This Independent Accountants' Report should be read in conjunction with the full Prospectus.

## 2.1 Review of Historical Statement of Financial Position

We have conducted an independent review of the Historical Statement of Financial Position in order to state whether on the basis of the procedures described, anything has come to our attention that would cause us to believe that the Historical Statement of Financial Position is not presented fairly, in all material respects, in accordance with the measurement and recognition requirements (but not all the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements and has been limited to reading of relevant Board minutes, inquiries of management personnel, analytical procedures applied to the financial data and certain limited verification procedures. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Historical Statement of Financial Position.

## 2.2 Review of Pro Forma Statement of Financial Position

We have conducted an independent review of the Pro Forma Statement of Financial Position in order to state whether on the basis of the procedures described, anything has come to our attention that would cause us to believe that:

- The Pro Forma Statement of Financial Position has not been prepared on the basis of the assumptions set out in Section 7.5.1 of the Prospectus; and
- The Pro Forma Statement of Financial Position has not been prepared applying the Australian Accounting standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001 requirements in Australia as if the Pro Forma Adjustments referred to above had occurred as at 30 September 2012.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements and has been limited to reading of relevant Board minutes, reading of contracts and other legal documents, inquiries of management personnel and analytical procedures applied to the financial data. We have also determined whether the Pro Forma Adjustments form a reasonable basis for the preparation of the Pro Forma Statement of Financial Position. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Pro Forma Statement of Financial Position.

### **3 Conclusions**

#### **3.1 Review Statement on Historical Statement of Financial Position**

Based on our review, which is not an audit, nothing has come to our attention, which causes us to believe that the Historical Statement of Financial Position as set out in Section 7.4 of the Prospectus is not presented fairly, in all material respects, in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the AASB and the Corporations Act 2001, including the financial position of Utilitas Limited as at 30 September 2012.

#### **3.2 Review Statement on Pro Forma Statement of Financial Position**

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the Pro Forma Statement of Financial Position as set out in Section 7.4 of the Prospectus:

- Has not been prepared on the basis of the assumptions as set out in Section 7.5.1 of the Prospectus of Utilitas Limited as at 30 September 2012; and
- Has not been prepared applying the Australian Accounting Standards (including Australian Accounting Interpretations) of the AASB and the Corporations Act 2001 as if the Pro Forma adjustments set out in Section 7.5.2 of the Prospectus had occurred on that date.

#### **3.3 Review Statement on AIFRS Financial Information**

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the AIFRS financial information contained in Section 7.4 of the Prospectus has not been prepared in accordance with the recognition and measurement principle prescribed in AIFRS effective at the date of this report relevant to Utilitas Limited.

### **4 Subsequent events**

Apart from the matters dealt with in Section 7.5.5 of the Prospectus, and having regard to the scope of our report, to the best of our knowledge and belief, no material transactions or events outside of the ordinary business of Utilitas Limited have come to our attention that would require comment on, or adjustment to, the information referred to in our report or that would cause such information to be misleading or deceptive.

## 5 Disclosure

Walker Wayland NSW, Chartered Accountants does not have any interest in the outcome of this Offer other than normal professional fees that will be received for the preparation of this Report.

The Directors have agreed to indemnify and hold harmless Walker Wayland NSW, Chartered Accountants and its employees from any claims arising out of misstatement or omission in any material or information supplied by the Directors for the purpose of this Report.

Consent to the inclusion of this Independent Accountants' Report in the Prospectus in the form and context in which it appears has been given. At the date of this Report, this consent has not been withdrawn.

Yours faithfully,



Grant Allsopp  
Partner  
Walker Wayland NSW  
Chartered Accountants

## 9. ADDITIONAL INFORMATION

### 9.1. Material Contracts

The descriptions of the Material Contracts in this sub-section do not purport to be complete and are qualified in their entirety by reference to the full terms of the Material Contracts. Apart from the matters mentioned below there are no contractual arrangements considered to be material for the purposes of this Prospectus and the Offer.

A summary of the material terms of each of the above contracts is set out hereunder:

#### 9.1.1 CEO Contract

The Company has negotiated an executive service agreement with Fiona Waterhouse to carry out the role of Chief Executive Officer. Her duties include the overall day to day management of the Company. The commencement date of employment is 1 April 2013 and will be for a fixed term ending 30 June 2015. Fiona's base salary is \$250,000 inclusive of superannuation together with the use of a company car. Fiona will also be entitled to an annual cash bonus of up to 15% of her annual base salary depending on the achievement of key performance indicators, a cash bonus of 2% of any capital raised during her employment and a 2% equity stake in Special Purpose Vehicles created by the Company during the course of her employment. The Company will reimburse Fiona for all out-of-pocket expenses properly and reasonably incurred in the performance of her duties as Chief Executive Officer. There will be a remuneration review once a year.

#### 9.1.2 Deeds of Access and Indemnity

Each Director has entered into a Deed of Indemnity, Insurance and Access with the Company under which each party is given access to documentation and in addition is:

- Indemnified by Utilitas Limited to the full extent permitted by law against all liabilities sustained or incurred through acting as a Director or Company Secretary (under the Corporations Act the indemnity does not extend to a liability owed to Utilitas Limited or its related bodies corporate, or which arises out of conduct involving a lack of good faith, or is for a pecuniary penalty order under section 1317G of the Corporations Act or a compensation order under section 1317H of the Corporations Act);
- Indemnified by Utilitas Limited to the full extent permitted by law against legal costs and expenses incurred in defending an action for a liability incurred as an officer of Utilitas Limited (under the Corporations Act the indemnity does not extend to costs incurred in circumstances where the Director is found to have a liability for which the Director cannot be indemnified, or costs of defending or resisting criminal proceedings in which the Director is found guilty or defending proceedings brought by ASIC or a liquidator for a court order where the court holds that the grounds for making the order are established, or costs in respect of proceedings seeking relief for the Director under the Corporations Act where the court denies relief); and
- Entitled to have Utilitas Limited maintain and pay premiums in respect of directors' and officers' insurance to the extent permitted by the law.

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## 9.2 Restriction Agreements

- Utilitas Limited has entered into a restriction agreement in the form set out in the SIM VSE Listing Rules as per the requirements of the SIM VSE with TBATI No 1 Pty Limited in respect of 11,900,000 Shares.

The restriction agreement provides that TBATI No 1 Pty Limited will not apply for the Shares held by TBATI No 1 to be traded on the SIM VSE for a period of 12 months after the date of listing.

- Utilitas Limited has entered into a restriction agreement in the form set out in the SIM VSE Listing Rules as per the requirements of the SIM VSE with Iron Mountain Pty Limited in respect of 360,000 Shares.

The restriction agreement provides that Iron Mountain Pty Limited will not apply for the Shares held by it to be traded on the SIM VSE for a period of 6 months after the date of listing.

Further restriction agreement may also be entered into by any other persons or entities as may be determined appropriate by the SIM VSE. The terms of such agreements are entirely at the discretion of the SIM VSE and similarly any Shares the subject of such restriction agreements will not be traded on the SIM VSE for such period as may be determined appropriate by the SIM VSE in its discretion.

## 9.3 Documents Available for Inspection

The original or verified copies of the Company's Constitution consents and the material contracts set out in this sub-section shall be deposited at the registered office of the Company promptly after the lodgement of this Prospectus with the ASIC and kept there for such period as may be required by law from that date for inspection by any person without charge during normal business hours.

A copy of the Company's Constitution is available for inspection by Shareholders and prospective investors at the Company's registered office. Alternatively, the Company will forward a copy to Shareholders and prospective investors, free of charge, upon request. The documents set out below are available for inspection without charge during normal business hours at the registered office of Utilitas Limited 5a 88 Brandl Street, Eight Mile Plains, QLD, 4113.

- a) This Prospectus
- b) The Company Constitution
- c) CEO Contract

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## 9.4 Interests of the Directors

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contact entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- The formation or promotion of the Company; or
- Property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of Shares; or
- The Offer of the Shares.

Except as disclosed in this Prospectus, no amounts of any kind (whether cash, shares, options, or otherwise) have been paid or given or agreed to be paid or given to any Director or to any company or firm with which a Director is associated to induce him or her to become, or qualify as, a Director or otherwise for services rendered by him or her or any company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Offer of the Shares.

	No.	Total Paid
<b>Fiona Waterhouse &amp; Dr John Cronin via TBATI No 1 Pty Ltd &amp; TBATI Superannuation Fund</b>	13,250,000	\$35,000
<b>Jenny Hedge via Pingao Properties Pty Ltd</b>	2,100,000	\$175,000
<b>Jim McKnoulty via JA &amp; LM McKnoulty atf the JA&amp; LM McKnoulty Superannuation Fund</b>	1,634,612	\$75,000

*Table 7 Directors' Shareholdings*

To date all but \$25,000 of the Company's capital has been subscribed for by the directors. The effective subscription prices by the directors following a 12:1 share split in October 2012 are between \$0.001 and \$0.145 with the most recent issue by a total of 2,500,000 Shares at \$0.02.

Please see Section 9.5 for details of the remuneration of the directors.

## 9.5 Directors' Remuneration

The remuneration of Non-Executive Directors will be determined from time to time by the Board of Directors having regard to the nature and extent of their responsibilities. Shareholders have approved a total pool for Non-Executive Directors of \$100,000. The current Non-Executive Directors have agreed to waive fees this financial year.

## 9.6 Declaration and Consents

### 9.6.1 Interest of Experts and Others

Other than as disclosed in this Prospectus, no expert, promoter of the Company or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus:

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- has, or had any interest at any time within two years prior to the date of this Prospectus, in the formation or promotion of the Company, the Offer contained in this Prospectus or any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer contained in this Prospectus;
- has received or is entitled to receive any benefit for services provided in connection with the formation or promotion of the Company or the Offer contained in this Prospectus, other than as referred to in Section 9.6.1.

Herbert Geer has acted as legal advisor to the Company in relation to the listing of the Company and the Offer and has undertaken due diligence enquiries on legal matters. Herbert Geer are entitled to receive \$35,000 (excluding GST) for their services as Solicitor to the date of this Prospectus. Herbert Geer has been paid and will be paid fees in accordance with normal hourly commercial rates for other legal work.

Walker Wayland NSW have acted as Investigating Accountants in relation to the Offer and has undertaken due diligence enquiries in relation to financial, accounting and taxation matters and has prepared the Independent Accountant's Report in Section 8 of this Prospectus. Walker Wayland NSW is entitled to receive \$10,000 (excluding GST) for these services to the date of this Prospectus. Subsequently, fees will be paid in accordance with normal hourly charge-out rates.

#### **9.6.2 Consents of Experts and Others**

The following consents have been given in accordance with section 716 of the Corporations Act and have not been withdrawn as at the date of lodgement of this Prospectus with the ASIC:

Herbert Geer have given, and have not withdrawn, their written consent to being named in this Prospectus as solicitors to the Company. Herbert Geer have not made any statement that is included in this Prospectus or on which a statement in this Prospectus is based. They have not authorised or caused the issue of this Prospectus or the making of the Offer. Herbert Geer make no representation regarding, and to the extent permitted by law exclude any responsibility for, any statements in or omissions from any part of this Prospectus.

Boardroom Pty Limited have given, and have not withdrawn, its written consent to be named in this Prospectus as share registry of the Company. Boardroom Pty Limited has not authorised or caused the issue of any part of this Prospectus or the making of the Offer. Boardroom Pty Limited makes no representation regarding and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

Walker Wayland NSW have given, and have not withdrawn, their written consent to being named in this Prospectus as Investigating Accountant and to the inclusion of its report set out in section 8 in the form and context in which it appears. Walker Wayland NSW have not authorised or caused the issue of any part of this Prospectus or the making of the Offer and takes no responsibility for any part of the Prospectus other than the Independent Accountants' Report. Other than as set out above, Walker Wayland NSW makes no representation

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regarding, and to the extent permitted by law, excludes any responsibility for any statements in or omissions from any part of this Prospectus.

Walker Wayland NSW have given, and have not withdrawn, their written consent to being named in this Prospectus as Auditors of the Company. Walker Wayland NSW has not authorised or caused the issue of this Prospectus or the making of the Offer. Walker Wayland NSW makes no representation regarding, and to the extent permitted by law, excludes any responsibility for any statements in or omissions from any part of this Prospectus.

## **9.7 Rights and Obligations Attaching to Shares**

### ***Shares***

The Shares to be issued pursuant to this Prospectus will rank equally in all respects with the Company's existing Shares.

The rights, privileges, liabilities and restrictions attaching to Shares are set out in the Constitution of the Company.

### ***Share Capital***

The share capital in the Company consists of ordinary shares. All existing issued Shares and Shares to be issued pursuant to this Prospectus are of the same class and rank equally in all respects.

### ***Voting Rights***

Subject to any rights for the time being attached to any class or classes of shares and provided no amount due and payable in respect of a call is unpaid, (at present there are no partly paid shares or unpaid calls) at a general meeting of the Company every holder of Shares present in person or by proxy, attorney or representative has one vote on a show of hands, and on a poll, one vote per Share.

### ***Dividend Rights***

Subject to the rights of holders of shares issued with any special preferential or qualified rights, the profits of the Company which the Directors of the Company may from time to time determine to distribute by way of dividend will be declared and paid according to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited), on the shares in respect of which the dividend is paid. Any amount paid up on a Share during the period in respect of which a dividend is declared only entitles the holder of that Share to an apportioned amount of that dividend as from the date of payment.

### ***Rights on Winding-up***

Subject to the Company's Constitution and any special rights attaching to any class of Shares, Shareholders will be entitled in a winding up to share in any surplus assets of the Company in proportion to the Shares held by them.

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### ***Transfer of Shares***

Subject to the Company's Constitution and the Corporations Act, the Company's Shares are freely transferable.

### ***Creation and Issue of Further Shares***

The allotment and issue of any new shares is at the discretion of the Board. Subject to any restrictions on the allotment of shares imposed by the Company's Constitution, or the Corporations Act, the Board may issue those new Shares on such terms and conditions, and with rights and privileges, as the Board from time to time may determine.

### ***Variation of Rights***

At present the Company has only ordinary shares on issue. If shares of another class are issued, the rights, privileges and restrictions attaching to the shares may be altered with the sanction of a special resolution passed at a separate general meeting of the holders of the shares, or with the written consent of at least three quarters of the holders of the shares.

### ***General Meetings***

Each holder of Shares is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.

### ***Buy Back***

The Company may buy shares in itself in accordance with the Corporations Act on the terms and at the times determined by the Board.

### ***Calls on Shares***

Where shares are issued as partly paid (at present there are none) the Directors may make calls upon the holders of those shares to pay the whole of or a portion of the balance of the issue price. If a shareholder fails to pay a call or instalment of a call, then subject to the Corporations Act and the Listing Rules the shares in respect of the call may be forfeited in accordance with the Company's Constitution.

### ***Unmarketable parcels***

Subject to certain conditions the company may sell unmarketable parcels on issue as agent for the holders of those parcels. Shareholders will be provided with 6 weeks' notice enabling them to elect to retain their shares, the shares may be sold and the proceeds held in trust on behalf of the Shareholder.

## **9.8 Convertible Notes**

### ***Purpose of Convertible Notes***

Iron Mountain Entertainment Pty Ltd has paid and guarantees to pay additional amounts in

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respect of legal, accounting, registry and other expenses directly related to the listing of the Company on the SIM VSE provided the total to be paid is no greater than \$60,000 and all expenses to Iron Mountain Entertainment Pty Ltd within 30 days of the Company listing on the SIM VSE.

### ***Rights and obligations under the Convertible Notes***

Unless redeemed or converted in accordance with the Convertible Notes, the Convertible Notes will be redeemed on 30 September 2014. The Notes can be redeemed earlier if an event of default occurs or if ASIC issues orders in respect of the prospectus that does not allow the offer to proceed and those orders are not reversed by 30 September 2013. The Notes convert at the rate of 1 Share per Note upon the listing of the Company in respect of the face value of the Notes paid towards listing expenses by that date and in respect of funds paid towards listing expenses before the date of listing and 30 days of the listing. Notes with that face value convert on the 31<sup>st</sup> day of the listing date. If less than \$60,000 is paid towards the cost of listing by a date 30 days past listing date the face value of Notes repeating such short fall shall be cancelled.

If any or all of the Convertible Notes are redeemed, the face value of the Convertible Note must be paid together with any unpaid interest (at the rate of 8%), however, interest does not accrue until the period commencing 1 October 2013.

## **9.9 Rights and Obligations attaching to Options**

### ***Options***

The Options entitle the holder, Iron Mountain Pty Ltd, to acquire 1 ordinary Share in the Company for each Option held. The Shares acquired upon exercise of the Options will rank equally in all respects with the Company's existing Shares.

### ***Exercise Period***

The Options will not vest, and therefore cannot be exercised, until the date of listing of the Company on the SIM VSE. Once the Options vest, they may be exercised at any time within the next 12 months. After that time, any unexercised Options will lapse.

### ***Option Price***

The Options are issued for no cash consideration. The exercise price of the Options is \$0.10.

### ***Voting Rights***

The Options do not confer any right to attend or vote at any meeting of shareholders of the Company unless the holder is already a shareholder of the Company. Once the Options are exercised and Shares are issued, the holder will acquire the voting rights attached to the Shares.

### ***New Share Issues***

The Options do not carry any right to participate in any new issue of Shares which may be

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offered by the Company to its shareholders before the Options are exercised. However, the Option holder is entitled to receive notice of any proposed issue of Shares during the Option Exercise Period, so that the holder has an opportunity to exercise the Options and acquire Shares in order to participate in the Share issue.

### ***Transfer of Options***

The Options are not transferable.

## **9.10 Litigation**

The Company is not currently involved in any litigation or arbitration and is not aware of any threatened litigation or pending arbitration by or against it that is material.

## **9.11 Expenses of the Issue**

The following approximate expenses (excluding GST) have been or are expected to be incurred with respect to the Issue:

<b>Expenses</b>	<b>Amount (\$)</b>
Experts, Consultants and other legal fees	35,000
Share Registry expenses	4,500
Investigating Accountants and Audit fees	10,000
ASIC	2,171
Prospectus printing, design and mailing	8,329
<b>TOTAL</b>	<b>60,000</b>

## **9.12 Director's Consents**

The Directors of the Company report that for the purposes of Section 731 of the Corporations Act, they state that they have made all enquiries that were reasonable in the circumstances and have reasonable grounds to believe that any statements by them in this Prospectus are true and not misleading or deceptive, and that with respect to any other statements made in this Prospectus by persons other than the Directors, the Directors have made reasonable enquiries and have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given the consent required by section 716(2) of the Corporations Act and have not withdrawn that consent before lodgement of this Prospectus with ASIC.

Each Director of the Company consents to the lodgement of this Prospectus with ASIC, and

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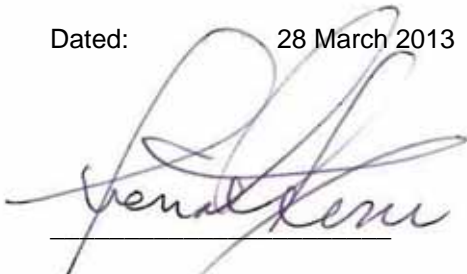
has not withdrawn that consent prior to this Prospectus being lodged. This Prospectus is prepared on the basis that:

- certain matters may be reasonably expected to be known to professional advisers of the kind with whom Applicants may reasonably be expected to consult; and
- information is known to Applicants or their professional advisers by virtue of any Acts or laws of any State or Territory of Australia or the Commonwealth of Australia.

### 9.13 Lodgement Authorisation

This Prospectus is authorised by the Company and lodged with ASIC pursuant to Section 718 of the Corporations Act. The Directors have consented in writing to such lodgement in the terms of Section 720 of the Corporations Act.

Dated: 28 March 2013



Fiona Waterhouse  
**Chief Executive Officer**

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## GLOSSARY

Terms and abbreviations used in this prospectus have the following meanings.

AD	Anaerobic Digestion – anaerobic metabolic processes caused through microbial enzymatic activities
Application Form	means the application form for Shares accompanying or attached to this Prospectus
Associate	The meaning given to that term by Division 2 of the <i>Corporations Act 2001(Cth)</i>
Australian Carbon Credit Unit (ACCU)	means a unit issued under the <i>Carbon Credits (Carbon Farming Initiative) Act 2011 (Cth)</i>
ASIC	Australian Securities and Investments Commission
Biogas	A mix of methane, CO <sub>2</sub> , and trace gasses released during anaerobic digestion
Business day	Day other than a Saturday or Sunday on which banks are open for general banking business in Sydney
Closing Date	means 22 May 2013
Company	The Company means Utilitas Ltd ACN 146 243 567
Corporations Act	means the <i>Corporations Act 2001 (Cth)</i>
Directors	means directors of the Company
Distributed Generation	Generating electricity from many distributed sources
FIT	Feed-in-Tariffs
GST	Goods and Services Tax
IPO	Initial Public Offering
LCOE	Levelised Cost of Energy
Large-scale Generation Certificate (LGC)	means a certificate issued under the <i>Renewable Energy (Electricity) Act 2000 (Cth)</i>
Listing Rules	SIM VSE Listing Rules
Maximum Subscription	means 10,000,000 raising \$1,000,000
Minimum Subscription	means 5,500,000 Shares raising \$550,000
Offer	means the offer of Shares made in this Prospectus
Official List	SIM VSE Official List
Opening Date	means 28 March 2013
Prospectus	means this Prospectus dated 14 March 2013

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Shares(s)	means fully paid shares in the Company
SIM VSE	SIM Venture Securities Exchange Limited
Securities	The meaning given to that term in section 92 of the <i>Corporations Act 2001(Cth)</i>
Walker Wayland NSW	Walker Wayland NSW, Chartered Accountants
WWTP	Waste Water Treatment Plant

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## DIRECTORY

### **The Company**

Utilitas Limited  
ACN 146 243 567

### **Directors**

John Cronin  
Jim McKnoulty  
Jenny Hedge  
Fiona Waterhouse

### **Secretary**

John Cronin

### **Principal Business Office and Registered Office**

5a 88 Brandl Street  
Brisbane Technology Park  
Eight Mile Plains QLD 4113

### **Website**

[www.utilitas.com.au](http://www.utilitas.com.au)

### **Auditors**

Walker Wayland NSW,  
Chartered Accountants  
Level 8, 55 Hunter Street  
SYDNEY NSW 2000

### **Solicitors**

Herbert Geer  
Level 12/77 King Street  
Sydney NSW 2000 Australia

### **Share Registrar**

Boardroom Pty Limited  
Level 7, 207 Kent Street  
SYDNEY NSW 2000

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# GUIDE TO THE APPLICATION FORM

## Guide to the Application Form

**YOU SHOULD READ THE Replacement Prospectus CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.**

Please complete all relevant sections of the appropriate Application Form using **BLOCK LETTERS**.

These instructions are cross-referenced to each section of the Application Form.

### Instructions

- |  |  |
|--|--|
| <p>A. If applying for Shares insert the <b>number</b> of Shares for which you wish to subscribe at Item <b>A</b> (not less than 20,000 and then in multiples of 10,000 Multiply by \$0.10 AUD to calculate the total for Shares and enter the <b>\$amount</b> at B.</p> <p>C. Write your <b>full name</b>. Initials are not acceptable for first names.</p> <p>D. Enter your <b>postal address</b> for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.</p> <p>E. If you are sponsored in CHESSE by a stockbroker or other CHESSE participant, you may enter your CHESSE HIN if you would like the allocation to be directed to your HIN.<br/><b>NB: your registration details provided must match your CHESSE account exactly.</b></p> | <p>F. Enter your Australian <b>tax file number</b> ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.</p> <p>G. Complete <b>cheque details</b> as requested. Make your cheque payable to <b>Utilitas Limited Share Offer Account</b> cross it and mark it "<b>Not negotiable</b>". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.</p> <p>H. Enter your <b>contact details</b> so we may contact you regarding your Application Form or Application Monies.</p> <p>I. Enter your <b>email address</b> so we may contact you regarding your Application Form or Application Monies or other correspondence.</p> |
|--|--|

### Correct Forms of Registrable Title

Note that **ONLY** legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

### Lodgement

Mail your completed Application Form with cheque(s) attached to the following address:

**Mailing address:**

Utilitas Limited  
C/- Boardroom Pty Limited  
GPO Box 3993  
SYDNEY NSW 2001

**Delivery address:**

Utilitas Limited  
C/- Boardroom Pty Limited  
Level 7  
207 Kent Street  
SYDNEY NSW 2000

It is not necessary to sign or otherwise execute the Application Form.

**If you have any questions as to how to complete the Application Form, please contact Boardroom Limited on 02 9290 9600.**

### Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form.

Our privacy policy is available on our website (<http://www.boardroomlimited.com.au/privacy.html>).

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