

GRD LIMITED

Resource Recovery – A Tale of Two Sectors



PRESENTER BACKGROUND

Cliff Lawrenson – GRD Chief Executive Officer

Cliff joined GRD in 2004, prior to which he spent seven years with CMS Energy Corporation in the United States as Vice President Financial, Advisory and Strategic planning. He has worked extensively in development and investment banking around the world, including in Australia and Singapore. Cliff has served on several boards in international locations where he has led the development and financing of numerous major infrastructure projects. Cliff holds postgraduate qualifications in commerce and finance.



GRD – DRIVEN BY RESOURCE RECOVERY

A CORPORATE BALANCE



GRD



GRDMinproc

GRD Minproc – 1200 staff, global footprint, projects on four continents for world class clients including BHP Billiton, CVRD, Freeport-McMoran and Lancashire Waste Partnership



GLOBAL RENEWABLES™

Global Renewables – UR-3R Process® confirms status as internationally recognised climate change technology through financial close of Lancashire Waste Partnership PFI project, and technical performance of Eastern Creek



MINPROC AND GLOBAL RENEWABLES

THE CORE CONNECTIONS



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Global Renewables was developed to offset the resource rollercoaster

Capitalised on the engineering innovation of GRD Minproc through applying process engineering expertise to achieve an economically and **environmentally sustainable infrastructure solution**

Simple philosophy - waste is a renewable resource that should be collected, sorted and processed. **Mine the urban ore body**

The core competence in both Minproc and Global Renewables is resource recovery – this is the synergy

A WASTEFUL WORLD

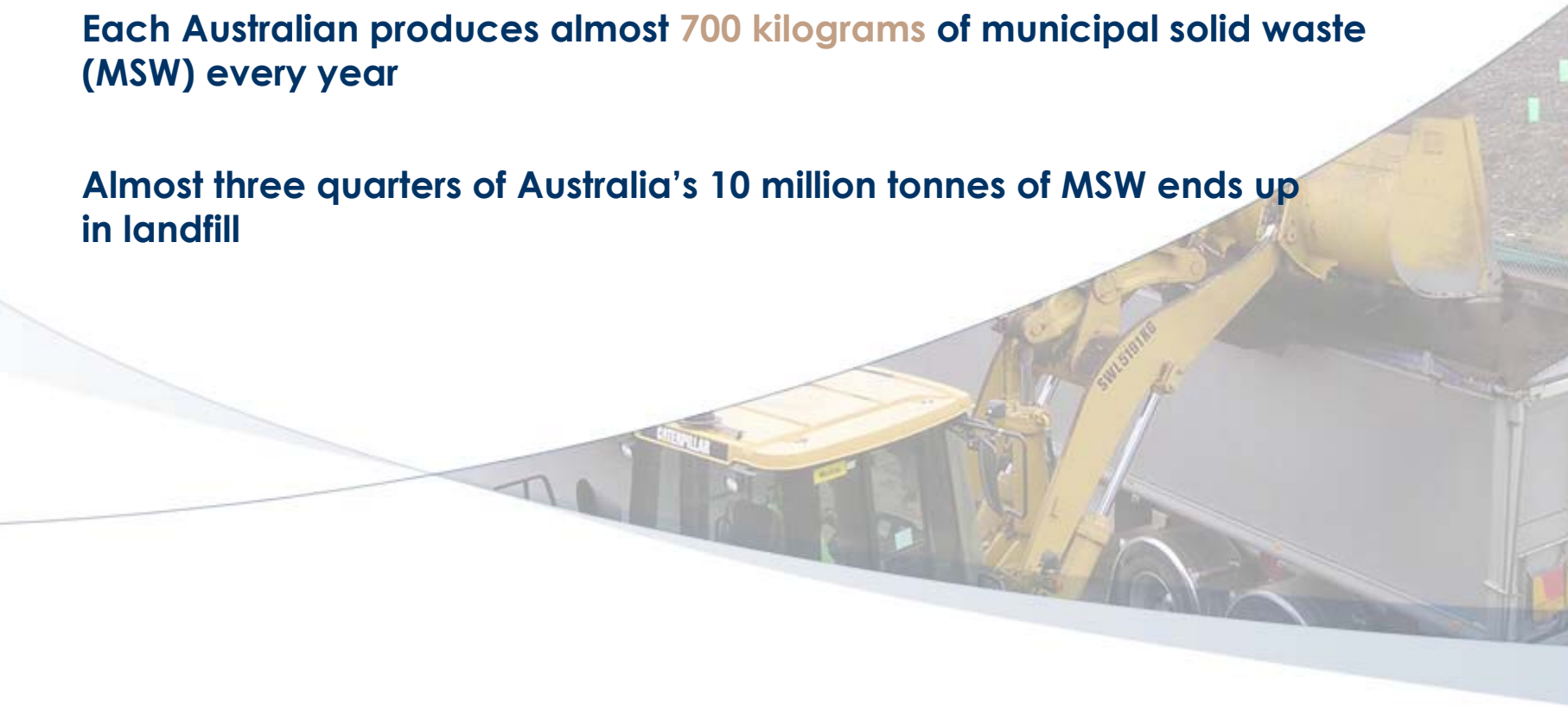
THE MAGNITUDE OF THE PROBLEM



80 per cent of consumer products will become **waste** within six months

Each Australian produces almost **700 kilograms** of municipal solid waste (MSW) every year

Almost three quarters of Australia's 10 million tonnes of MSW ends up in landfill



THE LANDFILL LEGACY

CAN IT BE SUSTAINED?



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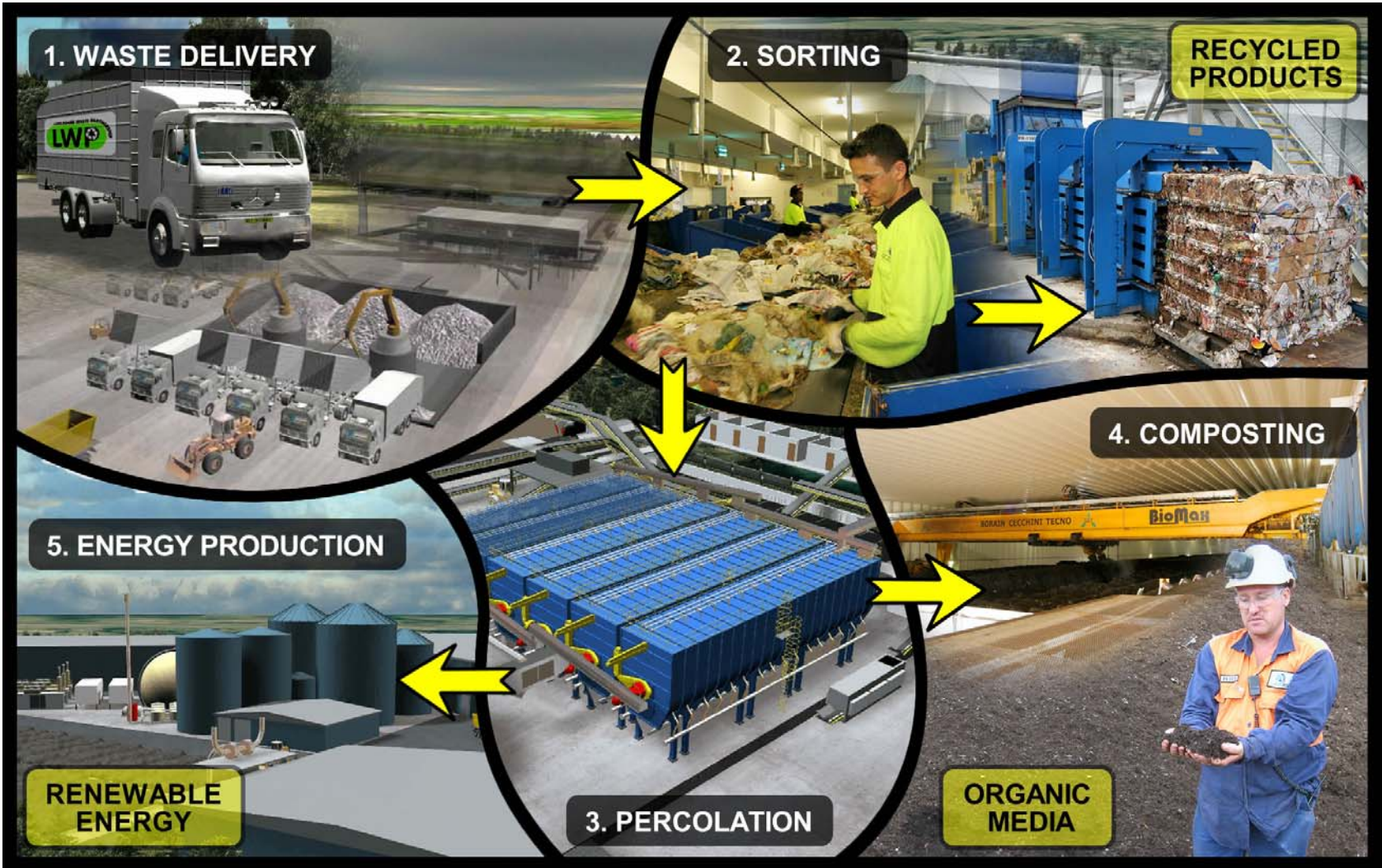
Toxic emissions to soil and water continue for hundreds of years

Landfill sites remain as **contaminated sites** more than 100 years after being decommissioned

A tonne of waste landfilled today will be emitting **greenhouse gases** for at least 50 years. Landfill gas is majority methane which has a global warming potential 21 times that of carbon dioxide

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THE UR-3R PROCESS[®]



ADVANCED WASTE TREATMENT

THE UR-3R PROCESS®



GLOBAL RENEWABLES™



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Mechanical Biological Treatment (MBT) that diverts over **70 per cent** of MSW from landfill

Generates **bio-gas** to create enough green energy to power a UR-3R™ plant, with excess sold into local grid

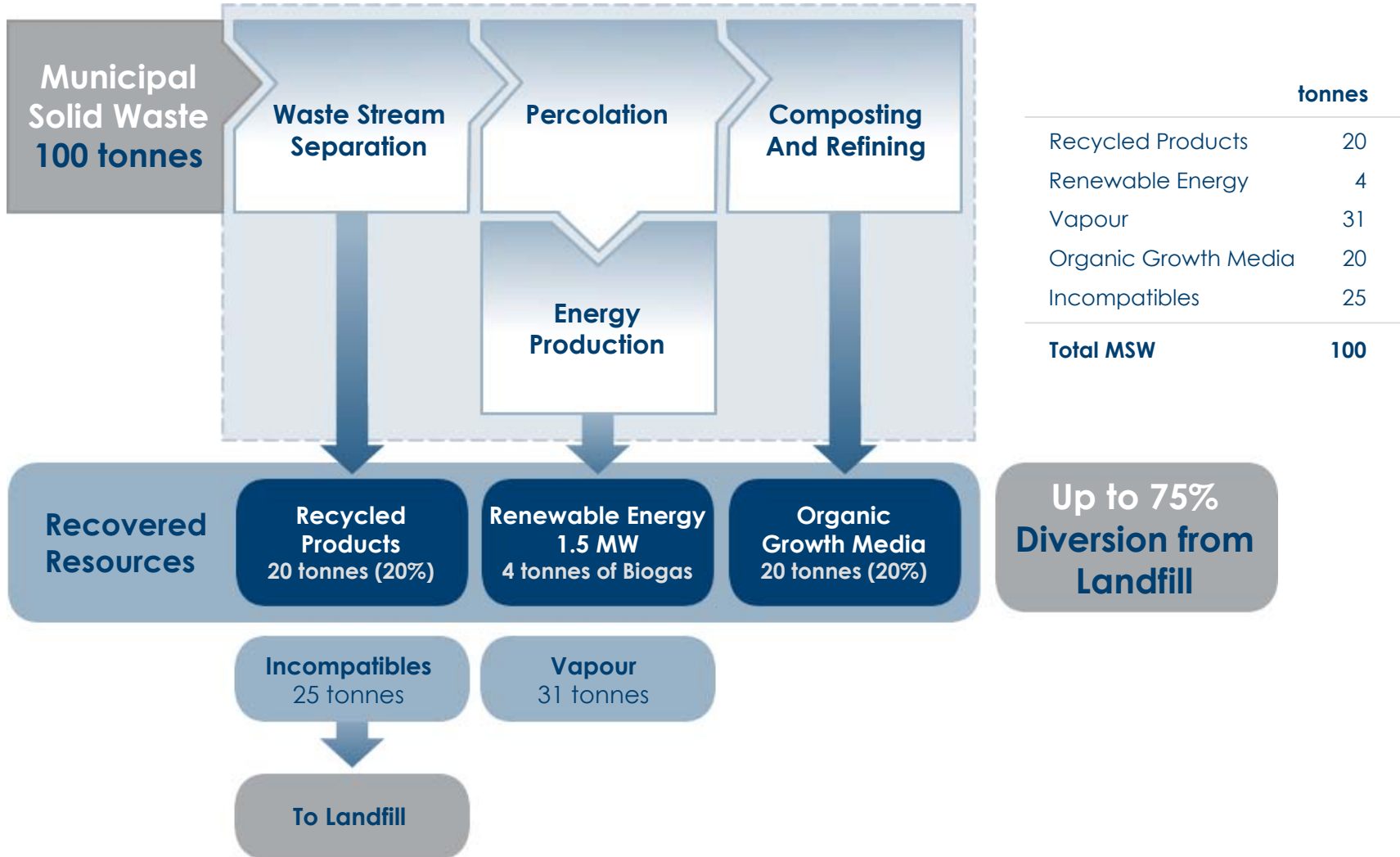
Recovers enough water from the waste stream to be **water self-sufficient**

Reduces the need to use **virgin materials** to replace those dumped in landfill. Huge savings in embodied energy

Reduces **greenhouse gas emissions** by around a tonne for every tonne of waste diverted from landfill

GLOBAL RENEWABLES

THE UR-3R PROCESS[®]



GLOBAL RENEWABLES

THE EASTERN CREEK EXPERIENCE



Proven technology in commercial operation at Eastern Creek in Sydney

Processes 175,000 t/a – the equivalent of 11% of Sydney's MSW

Viable bankable model that can be rolled out commercially

25 year deliver or pay contract

Revenue from recovered recyclables

Produces Organic Growth Media (OGM). Sales are growing after promising trial and test results



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LANCASHIRE WASTE PARTNERSHIP PFI PROJECT



Financial Close 2 March 2007

Alliance with Lend Lease

Five banks with PFI experience funded the project

Investment structure provides for:

- **Recovery of development costs at financial close**
- **Payment of UR-3R™ intellectual property license fees to GRD for the life of the project**
- **Annuity style returns**

\$5bn revenue over 25 years

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LANCASHIRE WASTE PFI PROJECT – A SENSE OF MAGNITUDE



Process 15 million tonnes of MSW over the life of the contract

Process the waste of 1.4 million people, equivalent to the population of Perth

Recover enough steel to build 6 Sydney Harbour Bridges

Recover paper equivalent to a stack of telephone directories 41,000 kilometres high

The Lancashire Project aims to cut greenhouse pollution by at least 4 million tonnes over 25 years

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UK MARKET GROWTH OPPORTUNITIES



Potential UK market in excess of **30 million tonnes per annum**

Tracking **23 potential UK opportunities**

Competitive advantage as the leading MBT process

TARGETS

Project	Location	t/a
Swansea & Carmarthon	Wales	260,000
Cheshire	NW England	440,000
Essex	SE England	700,000
York City & N. Yorkshire	NE England	420,000
Merseyside	NW England	800,000
Lothian & Borders	Scotland	300,000



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THE UK – A COMPETITIVE MARKET



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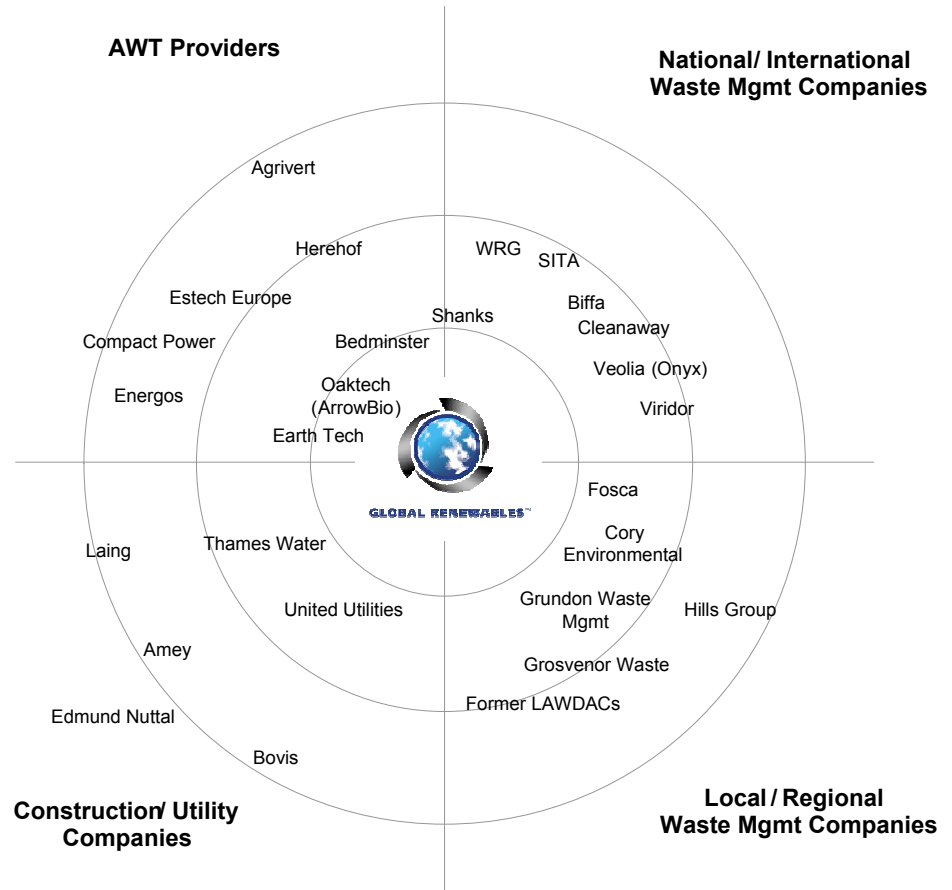


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Our competitive advantage....

Resource Recovery

The synergy between
GRD Minproc and
Global Renewables



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WHY THE UNITED KINGDOM?



Estimated \$38bn infrastructure investment required by 2020 to meet waste diversion targets
The equivalent of 5 Lancashire projects per year

Total volume of UK MSW to increase from current 30m tonnes to 40m tonnes per year by 2020
Would require the equivalent of 16 Lancashire projects just to process the increase

The UK Government estimates the country has around seven years of landfill life remaining
No new landfills will be allowed

If EU diversion targets are not met the UK Government could be fined up to \$435m per year
Huge incentive to build Advanced Waste Treatment (AWT) facilities



ADVANCED WASTE TREATMENT

WHY AUSTRALIA IS LAGGING BEHIND



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A 'spiritual awakening' to climate change in Australian politics – but the greenhouse contribution of landfill is largely being ignored

It is **cheaper** to dump a tonne of MSW in landfill than process it at an AWT facility

There is no uniformity in landfill charges. State Governments espouse "**zero waste**" but the majority have levies that range between \$3 and \$6 per tonne

LANDFILL AVOIDANCE

AN AUSTRALIAN LANDFILL STRATEGY



Dumping urban waste into landfill should be **progressively banned** in Australia, as it has been banned in Europe

Transitional **targets should be set** (i.e. first step down 2010) to achieve an ultimate goal of zero waste to landfill

Provide an effective **price point** to make AWT attractive to local government

State Governments need to provide support to local councils through a **PPP style framework** to develop urban waste infrastructure



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KEY REASONS FOR GROWTH OPPORTUNITIES



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Australia

NSW State Waste Strategy of 66% diversion

NSW continued escalation of landfill levy

Zero Waste emphasis in ACT, Vic, SA and WA waste strategies

Worldwide

EU Landfill Directive

UK Landfill Allowance Scheme (penalty £150/t)

Germany, Sweden, Austria bans on putrescible waste to landfill

Other EU countries planning bans

Several states in the USA, as well as BC and Ontario in Canada have zero waste policies



THE UR-3R PROCESS®

SPREADING THE MESSAGE



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THE 
INDEPENDENT

Could Australian recycling scheme solve our landfill problems?

“This is the kind of technology that counties and cities the length and breadth of Britain desperately need.”

smh.com.au

The Sydney Morning Herald

Waste not, want not - and save the planet too

“Inside this factory the battle against global warming is being waged. This time men and women with modern mining machinery are fighting back, stepping into the breach to retrieve some life from the decaying muck and stench of modern consumer life – our household garbage.”



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