GEODYNAMICS LIMITED

ANNUAL REPORT **2014–2015**

Our Vision:

To establish Geodynamics as a world-class clean technology company creating shareholder and customer value by harnessing innovation to supply clean energy products and sustainable services.

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ABOUT GEODYNAMICS

Geodynamics Limited is a publicly-listed company, incorporated and domiciled in Australia. Geodynamics listed on the Australian Securities Exchange (ASX) in September 2002.

We are a Clean Technology Company that has built its capability through the commercialisation and exploration of geothermal projects in the emerging field of Enhanced Geothermal Systems (EGS) technology in Australia's Cooper Basin.

With strong capability in clean energy, technology and the associated utility and infrastructure sectors Geodynamics has been exploring opportunities in the areas of clean energy, energy efficiency and storage and clean tech industrial services to diversify Geodynamics' current portfolio of geothermal energy development projects in Australia and the Pacific Islands.

The acquisition of Quantum Power, a biogas company focused on the growing agribusiness and municipal waste sectors, is the Company's first investment towards our vision of becoming a diversified clean technology company.

HIGHLIGHTS

- Major strategic review, agreeing to diversification into areas beyond geothermal, with focus on Clean Energy Supply and Services, Energy Efficiency and Storage, and Sustainable Industrial Services.
- Acquisition of Quantum Power Limited, an anaerobic digestion and biogas energy company.
- Completion of research program under the Beach Energy Cooper Basin Geothermal Farm–In Exclusivity Agreement to demonstrate potential for supply of geothermal sourced direct heat to future natural gas processing facilities in the Nappamerri Trough.
- Completion of the Takara Geothermal Power Project Environmental and Social Impact Assessment confirmed that the project can be developed safely with low environmental impact resulting in receipt of Environmental Approvals for the exploration phase of Takara Geothermal Power Project in Vanuatu.

CHAIRMAN & MANAGING DIRECTOR'S REPORT

Keith Spence, Chairman (left) and Geoff Ward, Managing Director and CEO (right)

STRATEGIC CHANGE

2015 was a significant year for Geodynamics. Our primary focus during the year was the implementation of the strategic change program described to shareholders at our Annual General Meeting in November 2014.

Through 2015 Geodynamics undertook a detailed and rigorous assessment of a wide range of investment opportunities within the clean energy and clean technology sectors, but outside our traditional focus of geothermal energy. This search culminated in the announcement in July 2015 of the agreement for GDY to acquire Quantum Power Limited (Quantum), a biogas power company supplying biogas systems under Build Own Operate Maintain (BOOM) and Engineering Procurement Construction (EPC) contracts to the intensive agriculture sector. As this report is published we are very pleased to announce the completion of this transaction and full integration of Quantum Power into Geodynamics.

We are excited by the new opportunities the acquisition of Quantum offers us. With the financing, engineering and project delivery capability within Geodynamics we believe we can drive substantial growth in the Quantum business, through targeting larger multi-user projects in the municipal and mixed waste sectors. We look forward to achieving significant success in delivery of existing Quantum projects and securing new projects in 2016.

The acquisition of Quantum marks a significant milestone in the transformation of Geodynamics from a geothermal specialist to a broader diversified clean technology and sustainable services company. This transformation program has been driven by the major changes occurring in the Australian and the global energy industry, with continued disruption through the emergence of improved renewable energy technologies, changes in consumer demand patterns and behaviours, and the impact of digital business models; all within and alongside the ongoing national and global debate about the appropriate response to Climate Change.

The strategic transformation we are pursuing has been based on a disciplined and rigorous assessment process focused on understanding the trends that will drive growth in the clean technology sector, identifying which segments within this sector will deliver strong business opportunities that can deliver shareholder value and how these opportunities fit with Geodynamics' capabilities. The overarching principle has been on securing value from our financial resources to deliver strong returns to shareholders.

PACIFIC GEOTHERMAL PROJECTS

Entering 2015 we had a clear plan for each of our geothermal assets focused on completing specific activities necessary to progress each project to achieve key commercial "gates" (such as Power Purchase Agreements (PPA), Joint Venture Agreements or financing agreements) that would support progressing through each identified gate towards further development. This structured process emphasises careful spending and a deliberate approach to creating value while developing subsurface assets such as a geothermal reservoir.

We would like to acknowledge the work of our team in achieving key milestones during 2015, professionally and very cost effectively. Of note were the completion of the Environmental and Social Impact Assessment for the Takara Project in Vanuatu and the receipt of environmental approvals for the exploration stage of this project, including the completion of shallow ground temperature profiling to confirm feasibility of reduced cost drilling options.

Regretfully the commercial conditions necessary to progress further with our Pacific geothermal projects remain weak. Slowing economic growth, low power demand growth, and strained government finances have prevented progress in securing the required PPA's to progress the Savo Island Project in the Solomon Islands and the Takara Project in Vanuatu beyond their current stage. In both these countries the impact of cyclones in the last 18 months has seen government focus on rebuilding basic housing, health, transport and civil infrastructure with reduced emphasis on improving power supply and transitioning away from expensive diesel sourced power. The reduction in world oil prices has also contributed to this, reducing the immediate need to address the transition away from diesel, with competition from other renewable energy sources (solar PV and hydro) also playing a role. However, there is clear intention from these nations to move towards greater reliance on indigenous renewable energy, supported by programs from the EU, UN and Alliance of Small Island States.

While we believe that our Pacific geothermal projects represent excellent geothermal resources and present very significant economic and social benefits to the national stakeholders, at this stage we have no plans for further significant expenditure on the Pacific projects but will work with the national governments to explore potential Public Private Partnership (PPP) structures that can better align project ownership with the long term benefits, and utilising the strengths of the key stakeholders including access to low cost development finance.

COOPER BASIN HABANERO PROJECT

Following the successful completion of the 1MWe Pilot Plant Trial and signing of an exclusivity agreement with Beach Energy in FY14, Geodynamics and the Australian Renewable Energy Agency (ARENA) agreed to a revised program of future activities in line with a potential farm–in by Beach Energy.

During FY15 we have completed, in collaboration with CSIRO, a research and development program examining the feasibility of integrating geothermal process heat into natural gas processing facilities. The results of this program has confirmed earlier work undertaken as part of the Habanero Field Development Plan that demonstrated that utilising geothermal energy for process heat in a possible future natural gas processing hub for Nappamerri natural gas resources located in the vicinity of Innamincka would be cost effective, while also substantially reducing CO_2 emissions and increasing gas available for sale. Both Geodynamics and CSIRO's reports have been presented to Beach Energy for their consideration.

The Exclusivity Agreement with Beach Energy expires in November 2015. We continue to encourage Beach to enter our Cooper Basin permits, however this may not be possible given low oil prices and the decision by Beach's former joint venture partner, Chevron, to withdraw.

ACQUISITION OF QUANTUM POWER

In seeking new opportunities for Geodynamics a key theme was a desire to invest in distributed energy generation to take advantage of the major trend towards power systems comprised of a cellular grid of self-supporting local generation connected by smart local networks, rather than large inflexible centralised generators connected to a monopoly network. We believe this is the inevitable future of an advanced power system in this century, driven by technology changes in generation, storage, network architecture, consumer behaviour and ubiquitous IT capabilities. This change will increasingly come to define energy infrastructure investment over the next 50 years. Locally based, flexible, smart networks founded around a combination of personal and distributed generation facilities combined with energy storage is becoming the lowest cost, lowest emission and most resilient solution. This represents a major disruptive change to one of the largest sectors of a modern economy.

Geodynamics has recently acquired Quantum Power Limited, a biogas power company supplying biogas systems to the intensive agriculture sector. Anaerobic digestion of organic materials produces two main products: biogas and digestate. Biogas can be burned to produce both heat and electricity, or refined to natural gas standards for use as vehicle fuel or injected into the gas grid. Digestate is a stable, nutrient-rich substance and can be used for fertiliser, as feedstock for ethanol production, and in low-grade building materials, like fibreboard. Water, after treatment within the anaerobic digestion process, may be recycled, used for irrigation or subject to further treatment processes.

Quantum's projects provide value to the intensive agriculture sector through improved management of effluent and other waste by-products, conversion of waste by-products into higher value goods, on-site production of heat and power lowering energy costs for the end consumer, generating renewable energy certificates and Australian Carbon Credit Units that have monetary value and reducing carbon emissions by eliminating methane emissions.

The biogas market is expected to grow, driven by rising energy costs, public policy support and market consolidation of primary production facilities. Environmental regulations mean that new large scale intensive livestock facilities with a wet waste stream (e.g. red meat, poultry and dairy producers) are required to install suitable waste treatment facilities in order to comply with licensing obligations. Anaerobic digestion systems are recognised as effective components of waste treatment systems due to their relatively low capital cost and low operating costs when compared to alternative waste treatment systems.

Quantum is a market leader in the Australian biogas industry and has delivered more biogas projects in the food processing and intensive livestock industries than any other company in Australia. Quantum is the only company in Australia to deliver projects spanning rendering, abattoirs, pig production, layer chickens and dairy processing. The acquisition of Quantum provides Geodynamics with a strong entry point to this attractive market. Quantum has developed a solid pipeline of project opportunities which, with the strength of the combined entities balance sheet, engineering and project management skills, can be steadily progressed and harnessed.

Innamincka Sky

THE YEAR AHEAD

As we commence 2016 we have set ourselves a series of key targets to drive growth in the biogas business. Our primary objective is to deliver Quantum's existing project pipeline over the coming 6 months and build a strong forward order book. A key area of focus will be securing large scale municipal and mixed use projects which have the potential to deliver benefits to a wide group of customers.

Our search for additional complimentary clean technology investments will continue, as we work towards transforming Geodynamics and broadening its investment base. With our strong background in project delivery, excellence in engineering and commercial risk management we are well placed to grow the Quantum Power business, while continuing to seek complimentary investments in the areas of distributed generation and sustainable technology strengthening our position as a diversified clean technology company.

Following a concerted effort by Geodynamics to manage its balance sheet and reduce overheads over the past 24 months we finished FY15 with $28 million cash in the bank. This places us in a strong position to progress the Quantum project pipeline and make further investments as we seek to take advantage of new opportunities that are arising.

Commencing 2016 we are excited by the challenges that lay ahead of us, as we complete the transaction with Quantum Power and merge the two companies, welcoming new colleagues and shareholders in the process. We would like to thank the Geodynamics team for their efforts over the past 12 months in a period that presented a lot of uncertainty, as we work towards transforming the company.

We would also like to extend our appreciation to our retiring Directors, Mr Andrew Stock, Mr Michel Marier and Mr Bob Davies who stepped down from the Board at the end of August. Their council and support has been greatly valued and we thank them for the contribution they have made in particular over the past 12 months as the Company transitions to a new strategic direction and focus.

Keith Spence
Non-Executive Chairman

Geoff Ward
Managing Director and CEO

BUILDING A DIVERSIFIED CLEAN ENERGY COMPANY

Following a major strategic review in 2014, the Company identified the need to diversify beyond geothermal. Hence during the FY15 a key focus has been the assessment and investigation of alternative investment opportunities. Over the past 12 months many opportunities have been identified and assessed.

The review identified three strategic areas which we believe will be important and growing sectors as the global trend towards more efficient and sustainable economies continues. These identified sectors are: Clean Energy Supply and Services, Energy Efficiency and Storage Services, and Cleantech Industrial Services.

CLEAN ENERGY SUPPLY AND SERVICES

While the ongoing uncertainty in renewable energy policy has not been conducive to new investment in renewable technology, the ongoing high cost of electricity continues to be a strong driver for commercial and industrial customers to save on energy costs through the deployment of renewable technologies.

Onsite generation, which takes advantage of existing resources, is an increasingly popular solution for greenfield and brownfield operations. Examples of this include solar photovoltaic, biogas anaerobic digestion systems and waste heat recovery. Many of these operations also qualify for Carbon Credits under the Federal Governments Emission Reduction Fund.

ENERGY EFFICIENCY AND STORAGE

The shift from centralised utility generation to intelligent, renewable and distributed generation has created a need for technologies that will assist in the integration and management of these energy systems ensuring these remain efficient and resilient. Demand for technologies include smart grid technologies (demand response, virtual power plants), energy storage, demand-side management, energy efficiency (smart lighting cooling and heating systems) and electric vehicles is gaining momentum. Their development is fostering new business models and creating opportunities for energy companies as well as technology and service providers.

CLEANTECH INDUSTRIAL SERVICE

Technologies in areas such as water and wastewater reuse and treatment and waste management, recycling and 'waste' utilisation are receiving growing attention, as increased urbanization and industrialisation, particularly in emerging countries is increasing pressure on industries to improve business practices and manage resources.

Cleantech encompasses a diverse range of innovative technologies, processes, products and services that measure, avoid, reduce or remediate negative environmental impacts providing both an economical and environmental benefit.

STRATEGIC REVIEW

Guided by the three strategic areas and utilising our strong internal capabilities in a range of clean energy sustainable technology, utility and infrastructure areas, the Company has undertaken a disciplined assessment of a broad range of investment opportunities in the preferred sectors. A prevailing theme that has emerged through this search is the opportunity for the supply of distributed energy to fringe of grid operations and high energy users.

In assessing which opportunities to pursue we have taken into consideration several factors including:

- **Technology readiness and risk**; how soon can the technology be deployed and what are the risks that it may not succeed in the market.
- **Financial investment needed**; how much capital would be required to fund the technology / project and how reliant would it be on debt financing and further capital raising.
- **Shareholder interest**; Geodynamics shareholders have consistently communicated their aspirations for Geodynamics to grow into a leading renewable energy company and to contribute to a sustainable future for Australia.

QUANTUM POWER ACQUISITION

Post the period under review, in July, Geodynamics announced its intention to make an off-market takeover bid for the unlisted public company Quantum Power Limited. Based in Queensland, Quantum is a market leader in the anaerobic digestion and biogas market.

The Quantum transaction was successfully completed in September 2015, with Quantum shareholders representing 23% of the enlarged Geodynamics company.

BIOGAS MARKET

Quantum's key target market is the growing agribusiness and municipal waste sectors in Australia. Biogas projects provide value through improved management of effluent and other waste by-products, conversion of waste by-products into higher value goods, on-site production of heat and power from renewable energy sources and reducing greenhouse gas emissions by eliminating methane emissions.

Geodynamics and Quantum are proposing to offer biogas projects under Build Own Operate Maintain (BOOM) models, with the customer entering into a long-term power purchase agreement with the Company. BOOM projects are becoming increasingly popular in the commercial sector, offering companies the opportunity to access green power generated on site while utilising their organic by-products at cheaper rates and with no upfront costs.

Activities for the year have focused on the completion of the Research and Development investigation as agreed in the Exclusivity Agreement with Beach Energy signed in May 2014, and ongoing maintenance of our Cooper Basin assets, including the reduction of remediation and abandonment liabilities.

RESEARCH PROGRAM

Over the past year, Geodynamics together with Beach Energy and CSIRO have completed a research program into the use of direct heat derived from Enhanced Geothermal Systems (EGS) in the natural gas production process. The analysis incorporated a review of field data from the Habanero Pilot Plant trial together with further desktop research and engineering analysis.

The study into the potential integration of Geodynamics Cooper Basin EGS resource with a possible future Natural Gas processing centre for Beach Energy's Nappamerri Trough Natural Gas (NTNG) Project found:

1. It is technically feasible to integrate geothermal direct heat into a gas processing plant with a minimum complexity and low variation to plant design.
2. The EGS heat can be utilised in the processes to remove hydrogen sulphide and carbon dioxide from the natural gas.
3. EGS as a direct heat source is assessed to be cost competitive with gas on an unsubsidised basis. The base case project provides a ~3.5% discount to the existing gas boiler option, while a vacuum stripper option provides a ~15% discount.
4. The EGS option significantly reduces the project carbon footprint by ~14%.
5. EGS use increases sales gas volumes by ~11% pa.

The general study undertaken by CSIRO into integrating geothermal heat into the natural gas production process found:

1. Gas production is growing to a ~$50 billion pa market in Australia.
2. Gas developers are self consuming ~8-10% of their produced gas.
3. Using geothermal as heat rather than converting it into power is attractive from the geothermal perspective as it avoids the relatively low conversion efficiencies associated with converting geothermal hot water and steam into electricity.
4. In an Australian context, geothermal heat is best matched with the gas sweetening step (removal of H_2S and CO_2), as the high re-boiler duties allow for a good match with flow rates anticipated from geothermal resources.
5. Findings indicate that the use of geothermal heat in a processing plant warrants more detailed consideration on a case-by-case basis. A higher gas price or the introduction of a carbon price would further enhance the economics of geothermal options.

The CSIRO report can be found at https://publications.csiro.au/rpr/home

The studies completed by Geodynamics and CSIRO have been provided to Beach Energy for their consideration. Beach Energy has until the end of the Exclusivity Period, November 2015, to advise Geodynamics of their intentions regarding the Cooper Basin project.

Of relevance to the ongoing discussion with Beach Energy was their announcement on 27 March 2015, advising the market that their joint venture partner Chevron Exploration Australia 1 Pty Ltd will not participate in Stage 2 of the Nappamerri Trough Natural Gas (NTNG) project and thus Chevron's interest in the NTNG project would revert to Beach Energy.

To Innamincka, Dillons Highway turn-off

VARIATION TO ARENA FUNDING AGREEMENT

Following a submission for variation to our Funding Agreement, the Company was pleased to announce in September that the application had been successful with a variation and extension to our grant funding agreement with the Australian Renewable Energy Agency (ARENA) being approved.

The grant, which has been used to support the continued development of the Cooper Basin geothermal resource, was varied to align with the investigations into the feasibility of integrating geothermal process heat into natural gas processing facilities following the agreement with Beach Energy signed in May 2014.

The agreed variation will see ARENA contributing up to $27.15 million of grant funds in support of a revised program aimed at demonstrating the cost, reliability and environmental benefits of utilising large scale geothermal direct process heating in new gas processing facilities. The overall grant has been reduced by $30.45 million to at total of $59.55. ARENA grant funds will be paid in arrears upon completion of milestone activities. A key milestone under the varied funding agreement is the successful formation of a joint venture with Beach Energy for the development of the Cooper Basin geothermal resource.

REMEDIATION OF THE COOPER BASIN

As part of our ongoing cost management and balance sheet management, Geodynamics has commenced remediation work at its Cooper Basin sites. This involves the plug and abandonment of wells and environmental remediation to return the areas used during exploration activities to their natural state.

To date, two wells, Habanero 2 and Habanero 3, have been addressed. Habanero 2 was successfully plugged and abandoned in May 2015. Plug and abandonment operations for Habanero 3 commenced in May 2015 with the majority of works now completed. The Habanero 3 well is currently undergoing a three month monitoring period inline with South Australian regulator specification, before the program can be completed. This work is scheduled for early 2016.

A review of the plug and abandonment liabilities for the 4 remaining wells (Jolokia 1, Savina 1, Habanero 1 and 4) has been undertaken. A campaign to complete the plug and abandonment program for the remaining four wells in the Cooper Basin is estimated to cost $7.8 million. The other infrastructure assets consisting of the power station, brine flow line, dams and power lines are estimated to cost $2.1 million to remediate, bringing the total remediation liability to approximately $10 million. Of this Origin Energy as former Joint Venture partner is obligated to cover 30%. The balance is an eligible R&D tax expense, leaving Geodynamics with an approximate net cash remediation liability of approximately $4 million.

YEAR AHEAD

Activities for the year ahead will largely be determined by Beach Energy's decision in November regarding the Farm-in Agreement for the Cooper Basin assets. Of importance to Geodynamics is the ongoing remediation of the Cooper Basin to reduce liabilities and also meet our environmental obligations under our geothermal permits.

Following the finalising of exploration drilling preparations including the completion of an Environmental and Social Impact Assessment and subsequent Development Consent for exploration activities in FY2014, the focus for FY2015 was on the negotiations of an off–take agreement with the Solomon Islands Electricity Authority (SIEA).

SOLOMON ISLANDS

A prerequisite for committing to exploration drilling is the signing of a Power Purchase Agreement (PPA) whereby the SIEA commit to the purchase of power from the Savo Island Geothermal Power Project.

At commencement of FY15 negotiations for the PPA were progressing well with a draft term sheet and modelling presented to the SIEA for Board Approval, with an intention from both parties to conclude an agreement by end 2014.

In late 2014 a World Bank sponsored tender process for the Tina River Hydro Project was re-launched with the tender process continuing through to the end of FY15.

Negotiations regarding the proposed off-take agreement are currently on hold while the SIEA assesses their ongoing needs due to the lower than expected demand growth in Honiara and await the outcome of the ongoing World Bank sponsored tender process for the Tina River Hydro Project.

Post the period under review, Geodynamics received confirmation from the Department of Mines that the Application for Renewal of the Prospecting Licence had been successful and a 2 year renewal through to 30 July 2017 was granted.

VANUATU

During the year Geodynamics completed a comprehensive Environmental and Social Impact Assessment (ESIA) covering the Takara Project Area, on the Island of Efate. The report confirms the ability of the project to be developed safely with low impact on the environment through the application of high Health, Safety and Environmental standards. It further highlights the significant positive impact which the proposed development of the geothermal power project could have. These include social, economic and health benefits resulting from the replacing of imported diesel fuel with a sustainable locally produced electricity supply.

En route to Savo Island, Solomon Islands

The ESIA report was submitted to the Vanuatu Department of Environment Protection and Conservation for review and public consultation. In February, Geodynamics received confirmation from the Acting Director of the Department of Environmental Protection and Conservation that the application for the drilling of geothermal exploration wells at Takara, has been approved.

Throughout the ESIA process and approval period Geodynamics has engaged with the Vanuatu Government and multilateral development agencies in relation to the formation of a Public Private Partnership (PPP), the Company's preferred option for project progression beyond the current stage. The formation of a PPP would maximise the benefits for Vanuatu while reducing project risk for Geodynamics.

The discussions with the Vanuatu Government were progressing well; however, these have been deferred as the government turns its attention to recovery efforts following the destruction caused by Cyclone Pam in March 2015.

Cyclone Pam

Tropical Cyclone Pam which hit Vanuatu in March is regarded as one of the worst natural disasters in the history of Vanuatu. The project location of Takara, was directly in the path of the Cyclone as it crossed the island of Efate. The village of Takara sustained major damage to the buildings and local infrastructure. Thankfully, and remarkably, it has been reported to us that no lives in the area were lost and no major injuries sustained.

Through the efforts of our in country representative Tim Hewatt, Geodynamics was able to provide immediate support to the community through the provision of emergence foodstuffs and materials to restore the water supply to the community, before international aid could be mobilised to support the village.

AUSTRALIAN EXPLORATION INTEREST

New South Wales

The two tenements EL5886 and EL5560 will be relinquished following the completion of the current rehabilitation work. Remediation activities in the Hunter Valley are complete with the 11 wells located in Muswellbrook EL5560 and Bulga tenement EL5886, successfully plugged and abandoned in late August. The completion reporting requirements and surrender applications will be formalised in late 2015.

Tasmania

Geodynamics has submitted surrender applications for the Tasmania tenements. The Company confirmed required remediation work in late 2014 and advised the Department of Mineral Resources Tasmania that remediation would be re-visited following the completion of remediation works in SA and NSW.

Savo Island girls enjoy a laugh during a community meeting

While there was reduced operational activity in the Pacific and Cooper Basin over the past 12 months our health and safety motto of "Nothing is so important, it cannot be done safely" still embodies our approach to the activities that we undertake.

OUR HEALTH AND SAFETY

The plug and abandonment activities that were carried out in the Cooper Basin and Hunter Valley were conducted without incident, meaning that for the third year running the Company can report a Total Recordable Injury Frequency Rate (TRIFR) of 0.0, a very pleasing result.

As our remediation activities in the Cooper Basin progress we will continue to implement the strategies and procedures established in the Safety Management Plans (SMP), and strive to maintain our record of zero incidents. The acquisition of Quantum Power will also require us to review and establish new frameworks that guide our operations in what will be a new set of operating environments for the Company. We will continue to place strong emphasis on hazard identification, risk assessment and risk management across all our activities to prevent injuries and minimise impact on the environment.

OUR ENVIRONMENT

Effective environmental management of our exploration areas is a key priority for Geodynamics. We are committed to minimising the impact of our activities on the natural landscape, waterways, flora and fauna in a manner consistent with environmental best practice standards.

Cooper Basin

Our environmental remediation activities in the Cooper Basin have largely focused on the removal of surface equipment installed during drilling operations. This has included the removal of waterlines and the rehabilitation of dam areas. Areas set aside for rehabilitation are cordoned off to allow undisturbed regeneration of vegetation. Routine site inspections by Geodynamics guarantee the integrity of fencing and ensures the site is free of any weeds and other materials that will hinder regeneration. Remediation activities will continue in conjunction with the plug and abandonment programs in the Cooper Basin.

Takara Geothermal Project

An Environmental and Social Impact Assessment (ESIA) for the Takara Geothermal Power Project was completed during the year. The ESIA provides a comprehensive review of the potential impacts of the proposed exploration and development activities of the project. An Environmental and Social Management and Monitoring Plan, which forms an integral part of the report, details the mitigation measures and best practice guidelines that are to be followed and implemented in the project.

Of importance is that the ESIA has confirmed that the Project can be developed safely with low impact on the environment through the application of Health Safety and Environmental standards and good industry practice. Further, the report highlighted and reinforces that the development of the Project would positively impact Vanuatu, Efate and Takara and on balance significantly outweighs any negative impacts associated with the proposed development.

The key Project benefits can be summarised as:

- Expanded generation capacity on Efate to facilitate increased access for domestic and business customers;
- Potential for reduction in electricity prices in the energy market from the geothermal least cost electricity generation, with flow on benefits to domestic and business customers;
- Contribute to Vanuatu's National Energy Roadmap (NERM) goal of self-sufficiency for energy with a reduction in reliance on imported diesel for power generation and achieving a renewable target of 65% by 2020;
- Reduction in overall greenhouse gas emissions through the displacement of diesel power generation;
- Potential improvements in Port Vila's air quality with a reduction in diesel power generation air emissions; and
- Community Benefits Program for the Takara area, to facilitate increased employment and training opportunities, through improvements for areas such as health, education and community infrastructure.

OUR COMMUNITY

Over the past twelve months Geodynamics has sought to ensure that the communities in which we operate are well informed about the project's progress. The long term commitment and support of the communities in Solomon Islands and Vanuatu is vital in ensuring the potential future development of these projects.

Solomon Islands

During the year Geodynamics completed delivery of the third year of community projects under the Surface Access Agreement. This brings the total number of community projects completed to 30. Over the three years the community projects have assisted schools, aid posts and community groups such as the sewing school and music group to improve their facilities and encourage greater participation.

Over the coming 12 months Geodynamics will continue its engagement with the community through the Savo House of Chiefs and Kaogeli and Sesepi Landowners Trust. The Surface Access Agreement with the communities of Savo has been extended in parallel to the renewal of the Prospecting Licence. This will see Geodynamics continue its support of the community projects for a further 2 years.

Vanuatu

Following the completion of the ESIA a series of community consultations were held at Takara and Port Villa. These meetings were designed to allow local residents and members of the public to raise any questions or concerns they had arising from the report. The meetings were well attended with feedback and questions being incorporated into the final report.

Following Cyclone Pam, Geodynamics was able to provide emergency supplies to the community at Takara through the assistance of our in country representative Tim Hewatt. The supplies which were delivered in the days immediately following the cyclone enabled the village to reconnect its drinking water supply and carry out repairs to buildings to secure temporary shelter until further aid could arrive.

INNAMINCKA RESOURCES STATEMENT

Background

Located in the Nappamerrie trough area of the northern Cooper Basin in South Australia, our geothermal resources are based on the heat stored within the Innamincka granite body drilled at Habanero, Jolokia and Savina locations.

The Innamincka granite resource is held by Geodynamics under ten (10) geothermal retention leases, GRLs 3-12. Since the withdrawal of Origin Energy from the Innamincka joint ventures, Geodynamics holds 100% of all these licences.

Geodynamics also holds GRLs 20-24 over the Moomba area and GELs 211 and 268 which adjoin the GRLs 3-12. Since no deep wells have yet been drilled to test the temperature and productivity of granite bodies known or believed to exist beneath these other tenements in South Australia, no geothermal resources have been declared in these areas.

Resource Estimation

The Innamincka tenements, GRLs 3-12, cover an area of 991 km^2. These are areas where Geodynamics has high confidence in the presence of hot granite lying immediately below the Cooper Basin sedimentary sequences and are the basis of the "in-place" thermal energy estimates.

Resources estimated for this granite area has been referred to as "Inferred Geothermal Resources". Within this larger area, Indicated and Measured Geothermal Resource estimates have been based on a small area around Habanero where Geodynamics has secured greater geological data through drilling activities, remote sensing and geological studies over previous years.

In parallel with the successful Habanero Pilot Plant Project and preparation of the Field Development Plan, our resource estimates have been revised and externally reviewed to ensure compliance with The Geothermal Reporting Code *Second Edition (2010).*

Key inputs into the resource estimates include:

- Resource estimates are based on 991 km^2 of the Innamincka tenements where the presence of conductive faults within the granite have been proven at Habanero and Savina;
- Measured Geothermal Resources are estimates based upon a reasonable, but limited, extension of the existing seismic cloud at Habanero;
- Measured and Indicated Geothermal Resources are estimates based upon the presence of one conductive fault as proven at Habanero and indicated at Savina;
- Inferred Geothermal Resources are estimates based upon the presence of a possible, second, deeper conductive fault;
- Estimates for all resources are based upon a 20 year project life with wells drilled at 1,000 metre spacing; and
- Estimates of all geothermal resources are based upon production forecasts.

As input to the Field Development Plan, a numerical 3D thermodynamic simulation model of the Habanero reservoir was developed. This model was used to derive forecasts of temperature performance of the multi-well system for long-term circulation at rates of 25, 35 and 45 kg/s. The heat extraction derived from these models implies a recovery factor of approximately 6% when circulating at the most likely rate of 35 kg/s for 20 years.

Resources Summary

	Units	Measured	Indicated	Inferred
Area	km^2	16	975	991
Depth Range	m	4,000 – 4,500	4,000 – 4,500	4,500 – 5,000
Temperature	°C	247	250	266
Heat in Place	PJ_{th}	1,400	89,000	111,000
Geothermal Resources (Recoverable Thermal Energy)	PJ_{th}	80	5,000	5,700

Competent Persons Statement

The Exploration Results and estimates of Geothermal Resources and Geothermal Reserves in this report have been compiled in accordance with The Geothermal Reporting Code, Second Edition (2010), prepared by the Australian Geothermal Reporting Code Committee.

The information in this report is based on data and estimates compiled by Robert Hogarth, who appears on the Register of Practicing Geothermal Professionals maintained by the Australian Geothermal Energy Group Incorporated at the time of the publication of this report.

Robert Hogarth is a consultant of Geodynamics. Robert Hogarth has sufficient experience which is relevant to the style and type of geothermal play under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in The Geothermal Reporting Code. Robert Hogarth has consented in writing to the inclusion in this report of the matters based on his information in the form and context in which it appears.

2014 SAVO RESOURCE STATEMENT

Background

The Savo geothermal project is located on the south-east slopes of Savo Island in the Solomon Islands, approximately 35 km from the nation's capital, Honiara. Savo Island is the top 490 metres of a sub-marine stratovolcano which displays numerous geothermal features including boiling jets and springs, sulphurous steaming fumaroles and areas of warm ground. Geodynamics has farmed-in to the prospecting licence over Savo Island that was granted to Kentor Energy Pty. Ltd. (Kentor). Geodynamics currently holds 25% of the licence and is the project operator. The joint venture agreement with Kentor provides for Geodynamics to acquire 70% of the licence after conducting agreed exploration activities.

Resource Estimation

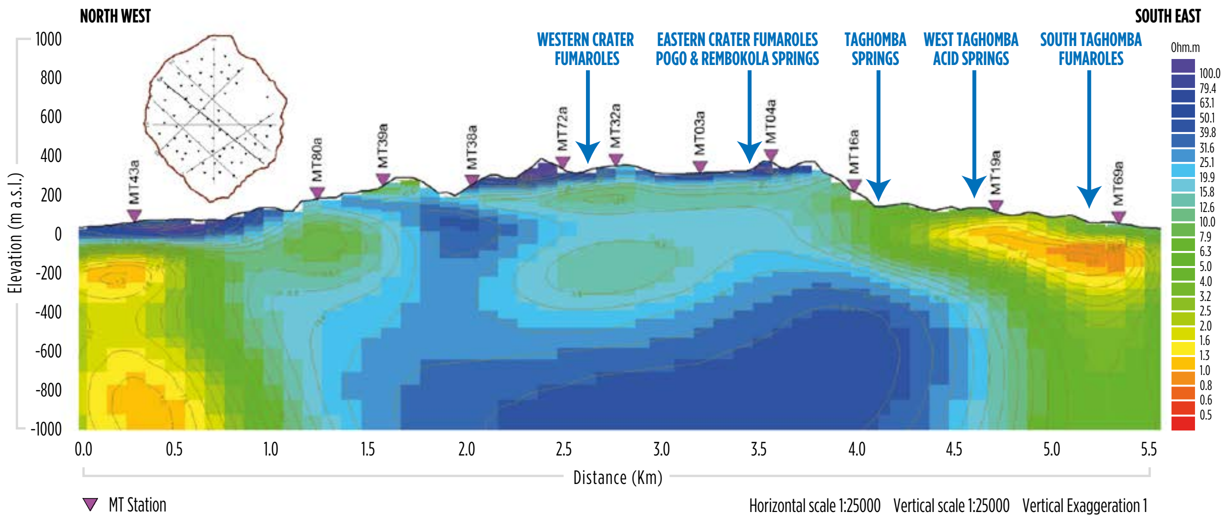
The initial geothermal resource assessment for Savo was prepared by Dr Graeme Wheller of Volcanex in 2013 and forms the basis for this resource statement. This assessment is based upon a comprehensive geothermal conceptual model for the island. The model incorporates the nature and locations of the main surface thermal features, the geochemical and isotopic compositions of the thermal fluids, and a 3D model of the sub-surface resistivity structure derived from a magneto-telluric (MT) survey of the island. The figure below shows a cross-section through the 3D MT model and indicates the location of the main surface features in the south-east of the island.

In the conceptual model, all of the known surface thermal fluids are considered to be of secondary origin, formed as a result of having absorbed H_2S, CO_2 and steam evolving from the boiling tops of two hydrothermal systems about 350-500 metres below the surface. The larger system occurs in the southern part of the island and the smaller system in the north.

The surface thermal fluids contain very little chloride but substantial and variable amounts of sulphate, silica and bicarbonate. Contrasting low-volume acidic and high-volume alkaline sulphate fluids are thought to have been derived from small, near-surface ephemeral pools and a shallow flowing aquifer lying below the summit crater floor, respectively. Silica contents suggest the formation temperatures of the latter are probably in excess of 200°C.

Discharges of primary hydrothermal fluids from the deep convection cells are not known on Savo Island but may occur offshore on the lower flanks of the volcano. Resource temperatures have been estimated from the minimum temperatures at which water would boil directly below the conductive clay caps suggested by the 3D resistivity model.

The absence of strong surface discharges of magmatic gases suggests the primary fluids are unlikely to be excessively acidic and therefore may be suitable for electricity generation.



North-west to south-east section through the 3D MT model with topography and nearby surface geothermal features.

The geothermal resource estimate for Savo Island has been prepared based upon a probabilistic stored-heat assessment using ranges of input parameters. Since no new data has been acquired recently, the parameter ranges established by Wheller (2013) have been adopted and are shown in the table below.

Input Estimates and Assumptions	Units	Min.	Most Likely	Max.
Northern Area				
Resource Area	km^2	1.5	2.6	3.9
Resource Temperature	°C	220	240	260
Southern Area				
Resource Area	km^2	5.0	6.5	8.9
Resource Temperature	°C	240	260	280
Common				
Resource Thickness	m	500	1,000	1,500
Porosity	%	5	7	9
Liquid Saturation	%		100	
Cut-off Temperature	°C		180	
Rock Density	kg/m^3		2,500	
Rock Specific Heat Capacity	J/(kg.K)		900	
Recovery Factor	%	5	17.5	25
Conversion Efficiency	%	10	12	14
Plant Capacity Factor	%		90	
Project Economic Life	yr		30	

Estimates and assumptions for Savo Island input parameter

Resource Summary

The results of this probabilistic assessment are shown below in Table 2. Since neither prospect has yet been drilled, the resources are categorised as Inferred Geothermal Resources.

Results	Units	P90	P50 (Median)	P10
Northern Area				
Stored Heat	PJ_{th}	220	390	620
Inferred Geothermal Resources (Recoverable Thermal Energy)	PJ_{th}	33	60	100
Electrical Power Potential	MW_e	5	8	14
Southern Area				
Stored Heat	PJ_{th}	820	1,340	2,020
Inferred Geothermal Resources (Recoverable Thermal Energy)	PJ_{th}	116	209	329
Electrical Power Potential	MW_e	16	29	46

Geothermal resource and power potential estimates for Savo Island

Geodynamics is planning to drill exploration wells in the Southern Area, with a view to developing an initial 10 MW_e power project to supply the Honiara market.

2014 TAKARA RESOURCES STATEMENT

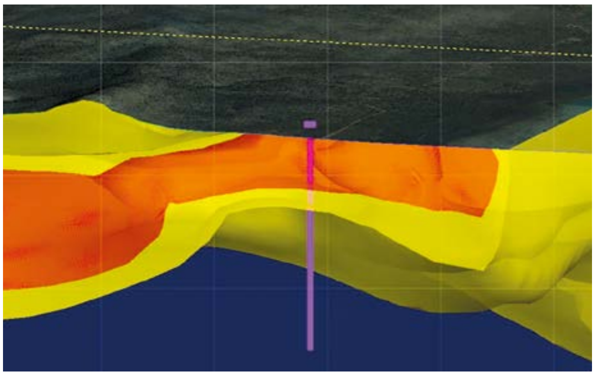
Background

The Takara geothermal project is located on the north-east corner of the island of Efaté in the Republic of Vanuatu. Efaté is the main island of Vanuatu and the nation's capital, Port Vila, is located approx. 25 km south-west from Takara. The Takara production licence is held by KUTh Energy (Vanuatu) Limited which became a wholly-owned subsidiary of Geodynamics in January 2014.

The presence of hot springs at Takara and elsewhere on Efaté has long been recognised as an indicator of the potential for geothermal development on the island. Resource investigations have been undertaken by several consulting groups including BRGM (1972), KRTA-GENZL (1986) and Sinclair Knight Merz (SKM, 2011).

Resource Estimation

The most recent and complete geothermal resource assessment was prepared for KUTh by SKM in July 2011 and forms the basis for this resource statement. The SKM 2011 assessment identified three geothermal prospects within the Takara licence area, Targets A, B and C. Of these three, Target C, located in the vicinity of the Takara airstrip, was recommended by SKM as the "priority for drilling on the basis of the highest measured surface temperature and where there is low resistivity and the conductive cap is thin". This Target C prospect described by SKM is the focus for Geodynamics' Takara geothermal project. Limited new geological data has been obtained since 2011, hence the resource estimates reported here have been taken directly from the SKM report. The figure below provides a cross-section view of the MT resistivity model looking towards the west-south-west and shows the proposed exploration well trajectory.



Cross section view through Takara MT resistivity model looking towards the west-south-west. Red shading indicates <5 ohm.m and yellow shading indicates 5-8 ohm.m.

The resource estimate for Takara has been prepared based upon a probabilistic stored-heat assessment using ranges of input parameters. The inputs and results for this estimate are shown in the tables below. The resource area has been based upon the interpreted extent of the conductive layer using the results of a 2009 magneto-telluric survey. The resource thickness has been based upon the planned well design. There is no evidence in the geochemistry for steam zones in the reservoir, so 100% liquid saturation has been assumed. The range of recovery factors assumed (10-30%) is based upon experience in similar geothermal systems and projects elsewhere.

The resource temperatures used in this estimate have been based upon geothermometry from surface water samples, with a minimum value set at 120°C, just above the approximate 100°C recorded near surface. The only new data obtained since 2011 have been temperature measurements recorded in shallow, soil sampling holes drilled along the Takara airstrip. The deepest of these holes was drilled to 29 metres below surface and borehole temperatures were recorded at 9 metres and at 29 metres depth. The temperature gradient between these two borehole recordings suggests that the minimum resource temperature of 120°C is overly conservative. This would suggest that the resource estimate is conservative, but until an exploration well is drilled the current estimate has been retained.

In addition, rock samples recovered from the bottom four metres of the 29 metre hole at Takara are heavily altered basaltic rock, consisting largely of smectite clays which indicates that the hole has drilled into the top of the clay cap. This confirms the presence of a hydrothermal system beneath the Takara airstrip.

Input Estimates and Assumptions	Units	Min.	Most Likely	Max.
Resource Area (Target C)	km^2	2.60	3.45	4.30
Resource Thickness	m	500	1,375	1,600
Porosity	%	10	15	20
Resource Temperature	°C	120	150	190
Base Temperature	°C		80	
Rock Density	kg/m^3		2,500	
Rock Specific Heat Capacity	J/(kg.K)		1,010	
Liquid Saturation	%		100	
Recovery Factor	%	10	20	30
Conversion Efficiency	%	10	13.5	17
Plant Capacity Factor	%		98	
Project Life	yr		30	

Input parameters for Takara stored heat resource assessment

RESOURCES SUMMARY

The results of this probabilistic assessment for the Takara geothermal prospect are shown in the table below. Since the prospect has yet to be drilled, the resource is categorised as an Inferred Geothermal Resource.

Results	Units	P90	P50 (Median)	P10
Stored Heat	PJ_{th}	430	730	1,000
Inferred Geothermal Resources (Recoverable Thermal Energy)	PJ_{th}	82	140	220
Electrical Power Potential	MW_e	10	18	28

Takara geothermal resource and power potential estimates

Geodynamics is planning to drill an exploration well at Takara, with a view to developing an initial 4 MW_e power project to supply the Port Vila market.

2015 FINANCIAL REPORT

GEODYNAMICS LIMITED ABN 55 095 006 090

CONTENTS

DIRECTORS' REPORT

DIRECTOR PROFILES

Your Directors submit their report for the period ended 30 June 2015. The names and details of the Directors of Geodynamics Limited in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

NAME & QUALIFICATIONS	EXPERIENCE
KEITH SPENCE B.Sc (Hons), FAIM ***Non-executive Chairman***	Mr Spence has over 30 years experience in the oil and gas industry, including 18 years with Shell and has a broad knowledge of the resources sector. He retired from Woodside in 2008 after a 14 year tenure in top executive positions in that company. Mr Spence held many roles during his period with Woodside, including Chief Operating Officer and Acting Chief Executive Officer. Mr Spence is a Non-executive Director of Oil Search and Independence Group. He is Chairman of Base Resources Limited, the National Offshore Petroleum Safety and Environmental Management Authority Board and the Industry Advisory Board of the Australian Centre for Energy and Process Training.
GEOFF WARD B.E (Chem) (Hons) MBA ***Managing Director & CEO***	Mr Ward was appointed Managing Director and Chief Executive Officer of Geodynamics in January 2011. Prior to his appointment he held the role of Director at Azure Capital, a Perth-based independent advisory firm, offering corporate advisory services to leading firms in the resources and engineering industries where he had worked since 2007. Mr Ward has over 20 years experience in the energy and finance industries in senior roles covering business development, mergers and acquisitions, operations, oil and product trading, strategic and organisational development, planning and economics, investor relations and new project development. Mr Ward holds an honours degree in Chemical Engineering from the University of Melbourne and a Masters of Business Administration from the University of Western Australia Business School, receiving the Director's Letter of Commendation.
ANDREW STOCK B.Eng. (Chem) (Hons), FIE Aust ***Non-executive Director***	Mr Andrew Stock was formerly Director, Executive Projects for Origin Energy and in previous roles, he was responsible for Origin's major capital investments in upstream petroleum, power generation, and low emissions technology businesses. With over 35 years of experience, he previously held senior management positions in energy industries in Australia and overseas. He is a Non-executive Director of the listed Companies Horizon Oil Limited (since February 2011) and Silex Systems Limited (since August 2013), a Board Member of Alinta Holdings and the Clean Energy Finance Corporation, Chair of the Adelaide University Institute for Mineral & Energy Resources Advisory Board, Chair of the Melbourne Energy Institute Advisory Board, a member of the Advisory Board of the Adelaide University Faculty of Engineering, Computer and Mathematical Sciences, and a member of the Advisory Board of the Adelaide University Centre for Energy Technology. He has a Chemical Engineering degree (Honours) from the University of Adelaide, is a Fellow of the Institution of Engineers Australia, and a Graduate member of the Australian Institute of Company Directors.
ROBERT DAVIES CMA (Canada) ***Non-executive Director***	Mr Robert Davies is a Chartered Professional Accountant (Canada) and has extensive senior finance experience with global mining and resource companies. He was formerly the Chief Executive Officer and a Director of Australian Energy Company Limited, an unlisted public company. Prior to that he was Executive Vice President and Chief Financial Officer for Inco Ltd, the western world's largest nickel producer. Prior to that, he was Chief Financial Officer for Alumina Ltd., and General Manager Treasury Tax and Investor Relations for WMC Ltd. He has previously held senior finance positions with BHP in Canada, the US, Chile and Australia, acquiring significant operational and corporate finance experience. He was also previously a director of PT Inco and Alcoa of Australia.

NAME & QUALIFICATIONS	EXPERIENCE
JACK HAMILTON B.Eng. (Chem), Ph.D, FAICD ***Non-executive Director***	Dr Jack Hamilton was formerly CEO of Exergen Pty Ltd, a low emission coal resource development Company and prior Director of NWS Ventures with Woodside Energy. Dr. Hamilton is also Chairman of Antilles Oil and Gas NL and a non-executive director of Calix Ltd, Duet Group and Federation Training. Dr Hamilton graduated from Melbourne University with a Bachelor of Chemical Engineering and Doctorate of Philosophy in 1981. He has over 28 years' experience both locally and internationally in operations management, in refining, petrochemicals and gas production, marketing, strategy and LNG project management.
MICHEL MARIER BBA (Int'l Mgt), M.Sc. (Finance), CFA, FRM ***Non-executive Director***	Mr Michel Marier joined The Sentient Group in 2009 and he is based at their office in Sydney. Before joining the Sentient Group, Mr Marier worked 8 years at the Private Equity division of la Caisse de dépôt et placement du Québec (CDPQ). While at CDPQ, his responsibilities ranged from currency hedging, risk and return analysis to investments. In 2006, he participated in the establishment of a new sector in the Private Equity division – distressed debt. In less than two years, the portfolio grew to billions through co-investments and private equity funds. After this accomplishment, Mr Marier concentrated his efforts on restoring the natural resources sector within the Private Equity division. Michel Marier holds a Master's degree in finance from HEC Montreal. He is a CFA charter holder. He is a former Director of Natural Resources USA Corp, a Director of Samco Gold, a company listed on the TSX.V exchange, and a Director of Toro Energy Limited.
GEORGE MILTENYI LLB, BSW ***Non-executive Director*** (appointed 1 March 2014)	George Miltenyi recently served for 7 years as a Non-Executive Director of KUTh Energy. George has been owner, investor and director in a wide range of commercial ventures including companies engaged in organisational development, marketing, immigration, education, life insurance, water distillation technology, renewable distributed energy generation and recruitment. Since 1989, George has been the Managing Director of EMD Workforce Development working with some of Australia's largest corporations including Atlas Copco, Mobil, Amcor, Smorgons, Ausgrid, BASF, AAPT, Snowy Hydro, Energex, Ergon Energy, Queensland Health, Queensland Rail, and ARTC with a focus of building leadership and optimising organisational strategy and performance. George was instrumental in building one of Australia's largest English language educational companies (ACL). Recently, he was a director of Australian Life Insurance Pty Ltd. George co-founded and managed such business as Multicultural Marketing and Management, Immigration Australia and Clean Water Technology. George has a passion for commercialising renewable energy, distributed generation, low carbon emission power ventures and building businesses.

COMPANY SECRETARY

TIM PRITCHARD

MCom, MIT, CPA, GIA (Cert)

Mr Tim Pritchard joined Geodynamics in 2010 as Financial Controller and became Chief Financial Officer in May 2011 responsible for managing all financial activities of the Company as well as leading the information technology team. He was appointed Company Secretary in March 2012.

Mr Pritchard has over 20 years management experience in finance, accounting, consulting, project management and information technology. In addition to extensive accounting experience, he has led a number of successful business transformation and system implementation assignments that have resulted in significantly improved financial processes and business systems.

Before joining Geodynamics, Mr Pritchard was most recently engaged by leading institutional investment company, QIC as Head of Management Information.

CORPORATE STRUCTURE

Geodynamics Limited is a company limited by shares, incorporated and domiciled in Australia. It listed on the Australian Securities Exchange on September 2002 under code GDY. Its registered office and principal place of business is Level 1, 9 Gardner Close, Milton QLD 4064.

PRINCIPAL ACTIVITIES

The principal activity of Geodynamics Limited during the year was focussed on accelerating our search for profitable growth investments in the clean technology sectors outside of geothermal developments.

Since flagging our new diversified strategy to the market many opportunities have presented in the areas of Clean Energy Supply and Services, Efficiency and Storage and Cleantech Industrial Services.

Our focus on reducing operating costs and expenses over the past 12 months have resulted with the company having a strong cash position. This strong cash position together with our internal capabilities are key assets and advantages to successfully growing the Company beyond geothermal.

While actively seeking diversification opportunities we have continued to progress our existing geothermal projects to key milestones at low cost. In the Cooper Basin we have completed the agreed research and development program with Beach Energy regarding potential future uses for the Habanero Project and the Innamincka Deeps Granite Resources. In the Pacific Islands, we continue our engagement with host governments, electricity utilities, regulators, development agencies and local communities in Vanuatu and Solomon Islands to secure required environmental approvals and off-take agreements necessary to support further development activities. There continues to be strong interest in the development of renewable energy in the Pacific Region from major stakeholders and we will continue to work with all key stakeholders as we look to progress these projects towards achieving a return on investment for shareholders.

REVIEW AND RESULTS OF OPERATIONS

The Company realised a loss before tax for the financial period as set out below:

	2015 $	2014 $
Loss before income tax expense	(14,445,416)	(14,780,549)
Net loss attributable to members of Geodynamics Limited	(14,445,416)	(14,780,549)
Earnings per Share	**(cents)**	**(cents)**
Basic and diluted loss per share	(3.31)	(3.51)

In the 12 months to 30 June 2015, Geodynamics has made further progress in its development of zero-emissions, renewable energy generation. The key achievements and highlights for the 12 months to June 2015 were as follows:

Quantum acquisition

- Completion of due diligence and negotiations in regards to the Takeover Offer for Quantum Power Limited.
- Signing of Bid Implementation Agreement with Quantum Power.

Takara Project

- Completion of the Takara Geothermal Power Project Environmental and Social Impact Assessment, confirmed that the Project can be developed safely with low impact on the environment.

Other

- Variation to the ARENA grant deed with continued contribution of up to $27.15 million.
- Receipt of $3.5 million under R&D Tax Incentive rebate in December
- Completion of research program under the farm - in agreement with Beach Energy.
- Continued progress to complete remediation works and reduce liability associated with geothermal permits in the Hunter Valley, NSW and Innamincka, SA (Cooper Basin).
- Registration of GDY Solar as an exempt retailer so allowing GDY to offer Solar Power Purchase Agreements to businesses and tenants in the commercial, industrial, educational and government sectors.

REVIEW AND RESULTS OF OPERATIONS *(continued)*

- Geodynamics continues to work with both the Vanuatu and Solomon Islands governments and local utility companies to explore opportunities to further the projects in these countries. As at 30 June 2015 there are no plans for substantive expenditure on further exploration or evaluation of these resources, nor is it clear that the carrying amount of the exploration and evaluation costs associated with these projects are likely to be recovered through successful development or by sale. The Board has therefore impaired the carrying amount of the deferred exploration, evaluation and development costs in respect of these projects to $nil. In the absence of any agreement to fund or sell these projects this represents the company's best estimate of the fair value less cost to sell of these assets at 30 June 2015. In the scenario where an agreement is reached to fund or sell these projects an impairment reversal may be recorded.

EMPLOYEES

The Company had 10 equivalent full time employees as at 30 June 2015 (2014: 23 employees).

DIVIDEND

The Directors do not propose to recommend the payment of a dividend in respect of the period ended 30 June 2015.

DIRECTORS' INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

As at the date of this report, the interests of the Directors in the shares of Geodynamics Limited were:

DIRECTOR	FULLY PAID ORDINARY SHARES	OPTIONS OVER ORDINARY SHARES
K. Spence	212,413	-
G. Ward	730,319	-
R. Davies	120,775	-
J. Hamilton	856,708	-
M. Marier	-	-
A. Stock	62,315	-
G. Miltenyi	2,648,152	-

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Company during the financial period were as follows:

- The acquisition of Quantum Power Limited is progressing well with acceptances of the offer now exceeding 99%.
- The focus of activities in the Cooper Basin is on the planning and execution of the full remediation of the site in accordance with the Statement of Environmental Objectives. This includes the plug and abandonment of the remaining wells as well as the removal of surface infrastructure and rehabilitation of the site.

There were no other significant changes in the state of affairs of the Company during the financial period.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Other than the acquisition of Quantum Power Limited as discussed in the significant changes in the state of affairs section above, there has not arisen between 30 June 2015 and the date of this report any item, transaction or event of a relevant and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The principal activity of Geodynamics Limited during the year was focussed on accelerating our search for profitable growth investments in the clean technology sectors outside of geothermal developments.

Geodynamics has a strong capability in a range of clean energy technologies and the associated utility and infrastructure sectors. With the significant changes occurring in these markets we are continuing to actively assess and consider opportunities outside our existing portfolio that can provide returns to shareholders. Our activities in this area have included a rigorous and deliberate review of emerging opportunities in the clean technology sectors that has identified a number of areas of opportunity for further consideration.

In line with our search for profitable growth investment opportunities, on 14 July 2015 Geodynamics announced an all scrip offer to acquire Quantum Power Limited. The merger of the two companies will provide Geodynamics shareholders with entry into the biogas energy market, a growing and attractive segment of the clean technology and renewable energy sector, and exposure to immediate short-term attractive project opportunities and a pipeline of medium and longer term growth opportunities.

Geodynamics will continue to actively seek other opportunities to invest in alongside the Quantum investment to build a strong portfolio of opportunities in the clean technology sectors.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS (continued)

Having successfully completed the sale and transfer of the Habanero Camp to Beach Energy Limited, additional field works in the Cooper Basin will be undertaken to plug and abandon and complete site remediation works associated with the Habanero-4, Habanero-1, Jolokia and Savina well sites and the surface infrastructure within the Habanero site in line with our permit obligations.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

Geodynamics Limited's presence within the Cooper Basin reduced significantly with the de-manning of our Habanero Camp in June 2014. Geodynamics continues to manage its assets within the tenements through routine site inspections/ maintenance and remote well monitoring. Geodynamics maintains a strong commitment to the effective environmental management within our tenements. Our Environmental Policy and Environment Management System (EMS) provide the framework to support and guide activities, both in our offices and on our sites, in relation to environmental performance.

A summary of the Company's compliance with environmental regulatory requirement with regards to environmental performance over the year is as follows:

- No serious environmental incidents occurred.
- Notices of Entry have been submitted to all relevant stakeholders prior to commencement of activities, including traditional owners and pastoralists, with no complaints received. Activity Notifications and Work Programs submitted to Department of Statement Development (DSD) for each activity as part of this process.
- Geodynamics met the requirements of an Environmental Improvement Notice from DSD with the removal of disused pipeline between Jolokia and Habanero.
- Submission of Quarterly and Annual Reports to the DSD as required for our existing tenements.

With the transfer of the Habanero Camp to Beach Energy, Geodynamics continues to minimise its footprint within the Cooper Basin.

Geodynamics will continue to plan and manage plug, abandonment and rehabilitation activity in the Cooper Basin in line with the Statement of Environmental Objectives (SEO) requirements for the area. Remediation activity will be linked to the completion of agreed observation periods following the plug and abandonment of wells.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the entity paid premiums in respect of contracts insuring directors, secretaries, and executive officers of the Group and related entities against liabilities incurred as director, secretary or executive officer to the extent permitted by the Corporations Act 2001, subject to the terms, conditions, limitations and exclusions of the policy.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (unless otherwise stated) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

SHARE OPTIONS

Unissued shares – employee options

As at the date of this report, there were NIL unissued ordinary shares under employee options (2014 – NIL).

Shares issued as a result of the exercise of employee options

There were no employee options exercised during the financial year (2014 – Nil) or since the end of the financial year.

Unissued shares – shareholder options

As at the date of this report, there were no unissued ordinary shares under shareholder options (2014 – Nil).

Shares issued as a result of the exercise of shareholder options

There were no shareholder options exercised during the financial year (2014 – Nil) or since the end of the financial year.

DIRECTORS' MEETINGS

During the period there were ten directors' meetings held of which seven were by telephone conference. The number of directors' meetings and the number of meetings attended by each of the Directors of the Company during the financial period are as follows:

	DIRECTORS' MEETINGS		AUDIT & RISK MANAGEMENT COMMITTEE MEETINGS		REMUNERATION & NOMINATIONS COMMITTEE MEETINGS	
	NUMBER HELD WHILST IN OFFICE	NUMBER ATTENDED	NUMBER HELD WHILST IN OFFICE	NUMBER ATTENDED	NUMBER HELD WHILST IN OFFICE	NUMBER ATTENDED
K. Spence	10	10	-	-	1	1
G. Ward	10	10	-	-	-	-
B. Davies	10	10	2	2	1	1
J. Hamilton	10	8	2	2	-	-
M. Marier	10	8	2	2	-	-
A. Stock	10	10	-	-	1	1
G. Miltenyi	10	9	-	-	-	-

DIRECTORS' MEETINGS *(continued)*

The HSE Committee was suspended in August 2015 due to low levels of field activity. All HSE issues and updates were discussed as an agenda item during formal Board meetings. The HSE Committee will be reinstated when considered appropriate to do so.

The Company had three committees during the year with the following membership:

Audit & Risk Management Committee – Membership comprises three Non-executive Directors being Messrs Davies (Chair), Marier and Hamilton.

Remuneration & Nominations Committee – Membership comprises three Non-executive Directors being Messrs Stock (Chair), Spence and Davies.

Health, Safety & Environment (HSE) Committee – Membership comprises three Non-executive Directors being Messrs Hamilton (Chair), Spence, and Stock with G. Ward as an ex-officio member.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The Directors received a declaration from the auditor of Geodynamics Limited which is listed immediately after this report and forms part of this Directors' report.

During the 2015 financial year, no non-audit services were provided by the entity's auditor, Ernst & Young (2014: $nil).

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

CORPORATE GOVERNANCE

The Directors recognise the need for the highest standards of corporate behaviour and accountability and therefore support and have adhered to the principles of Corporate Governance. The Company's Corporate Governance Statement is printed immediately following this Directors' Report.

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2015 outlines the remuneration arrangements in place for Directors and Executives of Geodynamics Limited in accordance with the requirements of the Corporations Act 2001 and its Regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Executive remuneration arrangements
   A. Remuneration principles and strategy
   B. Approach to setting remuneration
   C. Detail of Incentive Plans

REMUNERATION REPORT (AUDITED) *(continued)*

4. Executive remuneration outcomes for 2014/15 (including link to performance)
5. Executive contracts
6. Non-executive Director remuneration (including statutory remuneration disclosures)
7. Additional statutory disclosures

1. Introduction

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company directly or indirectly including any Director.

For the purposes of this report, the term 'executive' encompasses the Managing Director and the executive management team of the Company.

NON-EXECUTIVE DIRECTORS (NEDS)	
K. Spence	Chairman
R. Davies	Director
J. Hamilton	Director
M. Marier	Director
A. Stock	Director
G. Miltenyi	Director
EXECUTIVE DIRECTORS	
G. Ward	Managing Director and CEO
OTHER EXECUTIVES	
K. Coates	Operations Manager
R. Hogarth	Reservoir Engineering Manager
T. Pritchard	Chief Financial Officer & Company Secretary
A. Hodson	Well Engineering and Technology Manager
A. Mills	Project Engineering Team Leader

2. Remuneration Governance

Remuneration Committee

The Remuneration & Nominations Committee comprises three Non-executive Directors (NEDs). The Remuneration and Nominations Committee has the primary objective of assisting the Board in developing and assessing the remuneration policy and practices of the Directors, Chief Executive Officer (CEO) and Senior Executives who report directly to the CEO.

Specifically, the Board approves the remuneration arrangements of the CEO, the aggregate annual fixed remuneration salary review, the level of the short-term incentive (STI) pool and the methodology for awards made under the long-term incentive (LTI) plan, following recommendations from the Remuneration & Nominations Committee. The Board also sets the aggregate remuneration of NEDs, which is then subject to shareholder approval, and NED fee levels.

REMUNERATION REPORT (AUDITED) (continued)

2. Remuneration governance *(continued)*

Committee assessments incorporate the development of remuneration policies and practices which will enable the Company to attract and retain executives who will create value for shareholders.

Executives will be fairly and responsibly rewarded having regard to the performance of the Company, the performance of the executive and the general market environment. The Committee also assists the Board in its own self evaluation by annually reviewing the process for self evaluation. This considers attributes such as the qualitative and quantitative nature of the review, and the mix between total Board review and individual Director review.

The Remuneration & Nominations Committee meets regularly through the year. The CEO attends remuneration committee meetings by invitation, where management input is required. The CEO is not present during any discussions related to his own remuneration arrangements.

Further information on the Remuneration & Nomination Committee's role, responsibilities and membership can be found on the Company's web site at www.geodynamics.com.au

Use of Remuneration Consultants

In keeping with the legislation relating to the appointment of remuneration consultants for organisations, Guerdon Associates was appointed by the Chair of the Remuneration and Nominations Committee to provide a formal valuation of the Geodynamics Share Appreciation Rights prior to issue.

Based on the advice provided by Guerdon Associates, Share Appreciation Rights were issued to the Managing Director in accordance with the Long Term Incentive Plan approved by shareholders at the company's Annual General Meeting on Thursday 28 November 2013.

The fees paid to Guerdon Associates for the remuneration recommendations were $3,597 (2014 - $44,529).

The Company is satisfied the advice received from Guerdon Associates is free from undue influence from the Managing Director to whom the remuneration recommendations apply as the reports received from Guerdon Associates were presented to the Remuneration and Nominations Committee.

Remuneration Report approval at FY13/14 AGM

The FY13/14 remuneration report received positive shareholder support at the FY13/14 AGM with a vote of 94.8% in favour.

3. Executive Remuneration Arrangements

3A. Remuneration principles and strategy

Geodynamics' executive remuneration strategy is designed to attract, motivate and retain highly skilled executives and align the interests of executives and shareholders.

To this end, the company embodies the following principles in its remuneration framework:

- Provide competitive salaries to attract high calibre executives;
- Link executive performance rewards to medium and longer term shareholder value creation through the KPI linked Short Term Incentive plan;
- Establish appropriate share price performance hurdles under its long term incentive plan to align executive reward with shareholder value creation, the achievement of which will depend on the Company achieving key corporate milestones that are integral to the Company's successful completion of its business plan.

The Company aims to reward its Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- Reward Executives for company, business division and individual performance against targets set by reference to appropriate benchmarks;
- Link reward with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

3B. Approach to setting remuneration

The Managing Director's and key executives' emoluments are structured to retain and motivate Executives by offering a competitive base salary, a short term annual cash-based performance related component together with longer term performance incentives through the Geodynamics Limited Share Appreciation Rights Plan which allow executives to align with the success of Geodynamics Limited.

Remuneration consists of the following key elements:

- Fixed Remuneration – Base salary and superannuation;
- Variable Remuneration under the Geodynamics Short Term Incentive Plan (STIP) – payable in cash at the end of the financial year;
- Variable Remuneration under the Geodynamics Limited Share Appreciation Rights Plan payable in Shares subject to performance conditions in accordance with the Plan.

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration of the Managing Director is reviewed annually by the Remuneration and Nominations Committee and approved by the Board. Factors considered include Company and individual performance, relevant comparative remuneration in the market and internal and, where appropriate, external advice. The Remuneration and Nominations Committee has access to external advice independent of management.

Senior Executives receive their fixed (primary) remuneration in cash. The fixed remuneration component of KMP is detailed in Table 1 of this report.

REMUNERATION REPORT (AUDITED) *(continued)*

3. Executive Remuneration Arrangements *(continued)*

3C. Details of Incentive Plans

Short Term Incentive Plan (STIP)

The objectives of the Geodynamics STIP are to:

- Reward employees for their contribution in ensuring that Geodynamics achieves the corporate key deliverables;
- Encourage team work;
- Enhance Geodynamics attracting and retaining high calibre and high performing employees; and
- Link remuneration directly to the achievement of key annual organisational objectives.

The Company has in place an annual STIP that establishes a pool of funds up to a maximum of 30% of annualised fixed remuneration, adjusted in size according to the achievement of key Company Business Plan milestones in a year.

The distribution of the pool is to be determined by team achievement in delivering the team business plan milestones. Specifically, base targets are outlined that if achieved would result in an award of 20% of annualised fixed remuneration. First stretch targets are outlined that if achieved would result in an award of up to 25% of fixed annual remuneration and second stretch targets are outlined that if achieved would result in an award of up to the maximum of 30% of fixed annual remuneration.

To participate in the Plan, eligible staff must be employed for at least six months for the financial year in question meaning that for the FY14/15 year, eligible staff must have started by 1 January 2014.

On an annual basis, after consideration of performance against KPIs, the board, in line with their responsibilities, determine the amount, if any, of the short-term incentive to be paid from the pool of funds.

Geodynamics Share Appreciation Rights Plan

The Geodynamics Share Appreciation Rights (SARs) Plan was approved by the Board in October 2013. The first issue of SARs under the approved plan rules was approved by shareholders at the November 2013 AGM.

A Share Appreciation Right is a right to receive shares in the Company or an equivalent cash payment based on the increase in the GDY share price over a specified period, subject to satisfying certain conditions (including a performance condition).

The objective of the Geodynamics SARs is to:

- Align the interests of eligible employees with those of shareholders;
- Provide incentives to attract, retain and/or motivate eligible employees in the interests of the company; and
- Provide eligible employees with the opportunity to acquire Share Appreciation Rights, and ultimately Shares, in accordance with the plan rules.

The Board may, at its discretion, grant to an eligible employee or may invite an eligible employee to apply for a grant of SARs. The vesting of SARs is subject to conditions determined at the time of each issue.

Hedging of shares and options risk

Currently no Director or officer uses hedging instruments to limit their exposure to risk on either shares or options in the Company. The Company's policy is that the use of such hedging instruments is prohibited.

4. Executive Remuneration outcomes for FY14/15

Company performance and its link to short-term incentives

Due to the focus during the year on accelerating our search for profitable growth investments in the clean technology sectors outside of geothermal developments, management and the Board deemed it to be inappropriate to establish milestones under the short term incentive plan.

The Board and management will re-establish milestones under the short-term incentive plan after the completion of merger and acquisition activities which will drive the strategic future direction of Geodynamics.

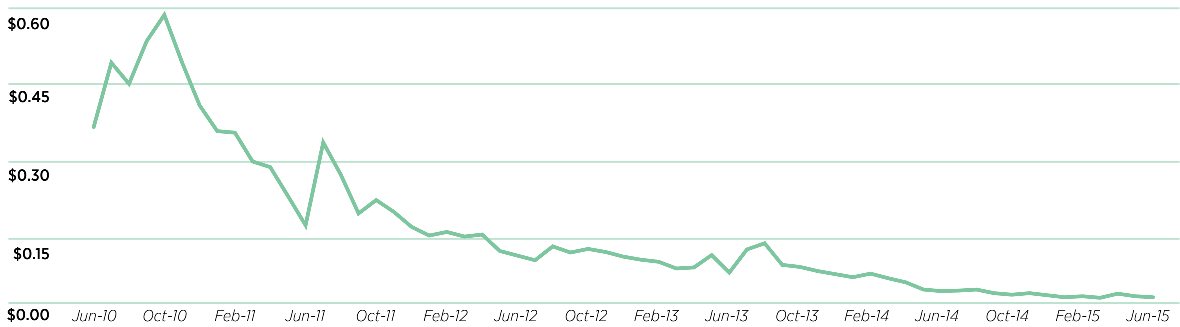
REMUNERATION REPORT (AUDITED) (continued)

4. Executive Remuneration outcomes for FY14/15 (continued)

Company performance and its link to long-term incentives

The graph below shows the performance of the Company as measured by its share price and therefore by definition its Total Shareholder Return. The loss per share from continuing operations for the last five years was as follows: 2010/11 - $0.43, 2011/12 - $0.031, 2012/13 - $0.26, 2013/14 - $0.03, 2014/15 - $0.03.

Geodynamics Limited Share Price 2010 - 2015



2,428,679 shares vested during the year for nineteen employees who met the vesting hurdle of three years of continuous service. These shares had been issued to employees prior to the termination of the long term incentive plan.

No shares were issued to the Deferred Employee Share Plan.

Table 1 – Remuneration of KMP of the Company for the year ended 30 June 2015

	SHORT-TERM		POST EMPLOYMENT	SHARE BASED PAYMENT		TOTAL	PERFORMANCE RELATED
	SALARY	CASH BONUS – SHORT TERM INCENTIVE	SUPERANNUATION	SHARES (AMORTISED COST)	SARs [5] (AMORTISED COST)		
G. Ward [1]	407,500	0	29,942	17,857	131,805	**587,104**	**25.49%**
K. Coates [2]	152,885	0	6,771	5,102	0	**164,758**	**3.10%**
R. Hogarth [3]	151,963	0	8,940	6,255	0	**167,158**	**3.74%**
T. Pritchard	259,115	0	22,255	2,373	0	**283,743**	**0.84%**
A. Hodson [4]	92,700	0	1,263	5,104	0	**99,067**	**5.15%**
A. Mills	277,678	0	19,271	4,744	0	**301,693**	**1.57%**
Totals	**1,341,841**	**0**	**88,442**	**41,435**	**131,805**	**1,603,523**	

1 The share and option amortised cost relate to those shares and options issued to the CEO as approved by shareholders at the November 2011 Annual General Meeting and November 2013 Annual General Meeting respectively.

2 Ceased employment on 30 September 2014

3 Ceased employment on 31 December 2014

4 Ceased employment on 1 August 2014

5 4,862,222 Share Appreciation Rights (SARs) were granted to the CEO during the financial year in accordance with shareholder approval at the Annual General Meeting on 28 November 2013. The SARs were granted in two tranches and the fair value of the respective tranches at grant date were 4.4 cents and 4.9 cents respectively. At 30 June 2015 and for the year then ended none of the SARs granted had vested, issued or lapsed.

REMUNERATION REPORT (AUDITED) *(continued)*

Table 2 – Remuneration of KMP of the Company for the year ended 30 June 2014

	SHORT-TERM		POST EMPLOYMENT	SHARE BASED PAYMENT		TOTAL	PERFORMANCE RELATED
	SALARY	CASH BONUS – SHORT TERM INCENTIVE	SUPERANNUATION	SHARES (AMORTISED COST)	OPTIONS (AMORTISED COST)		
G. Ward [1]	466,609	0	4,225	39,583	61,517	**571,934**	**17.68%**
K. Coates	293,685	0	17,803	22,027	0	**333,515**	**6.60%**
R. Hogarth	314,767	0	21,905	27,005	0	**363,677**	**7.43%**
T. Pritchard	265,695	0	15,381	19,329	0	**300,405**	**6.43%**
A. Hodson	233,429	0	23,661	21,752	0	**278,842**	**7.80%**
A. Mills	252,714	0	20,224	17,358	17,080	**307,376**	**11.20%**
Totals	**1,826,899**	**0**	**103,199**	**147,054**	**78,597**	**2,155,749**	

1 The share and option amortised cost relate to those shares and options issued to the CEO as approved by shareholders at the November 2011 Annual General Meeting

5. Summary of Executive Contractual arrangements

Remuneration arrangements for KMP are formalised in employment agreements. Details of these contracts are provided below.

The contracts below include arrangements entered into prior to the amendments to the Corporations Act 2001 regarding termination payments which came into effect on 24 November 2009. No contracts of the Company however exceed the revised limits on termination payments.

Managing Director and Chief Executive Officer

Mr Geoff Ward was appointed Managing Director on 31 January 2011. Mr Ward's remuneration package is formalised in an open ended contract, the details of which were disclosed in the 2013 Notice of Meeting for the Annual General Meeting on 28 November 2013. The key terms of Mr Ward's contract are as follows:

- He currently receives a base remuneration including superannuation of $450,000 per annum;
- Short Term Incentive – Up to $225,000 per annum which is only payable on the achievement of certain performance milestones. Due to the Short Term Incentive Scheme being placed on hold, no incentive payments were made to Mr Ward for FY2015.
- Long term incentive (Share Appreciation Rights) – an annual grant of Share Appreciation Rights (SARs) based on a maximum of 50% of his base remuneration. Performance conditions for the vesting of the SARs at the testing dates is based on growth in the GDY share price. 4,862,222 share appreciation rights were granted during the financial year in accordance with the shareholder approval at the Annual General Meeting on 28 November 2013. The SARs were granted in two tranches and the fair value of the respective tranches at grant date were 4.4 cents and 4.9 cents respectively. At 30 June 2015 and for the year then ended none of the SARs granted had vested, issued or lapsed.

The CEO's termination provisions are as follows:

	NOTICE PERIOD	PAYMENT IN LIEU OF NOTICE	TREATMENT OF STI ON TERMINATION	TREATMENT OF LTI ON TERMINATION
Resignation	6 months	6 months	Unvested awards forfeited	Unvested awards forfeited
Termination for cause	14 days	None	Unvested awards forfeited	Unvested awards forfeited
Termination in cases of long term illness, disablement, or notice without cause	6 months	6 months	Maybe prorated for time and performance subject to Board discretion	Maybe prorated for time and performance subject to Board discretion
Change of control	14 days	12 months	Prorated for time and performance	Prorated for time and performance

REMUNERATION REPORT (AUDITED) *(continued)*

5. Summary of Executive Contractual arrangements *(continued)*

Other KMP

All other KMP have rolling contracts.

Other standard KMP provisions are as follows:

	NOTICE PERIOD	PAYMENT IN LIEU OF NOTICE	TREATMENT OF STI ON TERMINATION	TREATMENT OF LTI ON TERMINATION
Resignation	3 months	3 months	Unvested awards forfeited	Unvested awards forfeited
Termination for cause	None	None	Unvested awards forfeited	Unvested awards forfeited
Termination in cases of death, disablement, or notice without cause	3 months	3 months	Maybe prorated for time and performance subject to Board discretion	Maybe prorated for time and performance subject to board discretion
Change of control	1 month	1 month	Prorated for time and performance	Prorated for time and performance

6. Non-executive Director remuneration arrangements

Remuneration Policy

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to Non-executive Directors of comparable companies when undertaking the annual review process. The amounts are set at a level that compensates the Directors for their significant time commitment in overseeing the progression of the Company's business plan.

The Constitution of Geodynamics and the ASX Listing Rules specify that the aggregate remuneration of Non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on 28 November 2007 when shareholders approved an aggregate remuneration of $700,000 per year.

The Board will not seek any increase for the NED pool at the 2015 AGM.

Structure

Each Non-executive Director receives a fee for being a Director of the Company. The current fee structure is to pay Non-executive Directors a base annual remuneration of $64,500 p.a. with the Chairman paid $118,250 p.a. The Chairman of each committee receives an additional fee of $16,125 p.a. As advised in the Quarterly Report for the period ended 31 December 2014 the Directors unanimously agreed to a fifty percent reduction in Board fees while the Company pursues new opportunities. The Directors have agreed to a new fee structure to commence with the downsizing of the Board after the August 2015 meeting. The new fee structure is to pay Non-executive Directors a base annual remuneration of $50,000 p.a. with the Chairman paid $65,000 p.a. There are no retirement benefits offered to Non-executive Directors other than statutory superannuation which is in addition to these amounts. In accordance with good corporate governance practice, the Non-executive Directors do not participate in share and share option based remuneration plans of the Company.

The Company notes that collectively Sunsuper Pty Ltd & The Sentient Group are major investors and as such the Director appointed as their Board representative is not considered by the ASX Corporate Governance Principles to be independent.

The remuneration of Non-executive Directors for the year ending 30 June 2015 is detailed in Table 3 of this report and the remuneration for the comparative year ending 30 June 2014 is detailed in Table 4 of this report.

REMUNERATION REPORT (AUDITED) (continued)

6. Non-executive Director remuneration arrangements (continued)

Table 3 – Non-executive Directors' Remuneration for the year ended 30 June 2015

	SALARY & CONSULTING FEES	DIRECTORS FEES	SUPERANNUATION	OTHER	TOTAL
K. Spence	-	78,833	7,489	-	**86,322**
R. Davies	-	53,750	5,106	-	**58,856**
J. Hamilton	-	51,499	-	-	**51,499**
M. Marier	-	43,000	4,085	-	**47,085**
A. Stock	-	53,750	5,106	-	**58,856**
G. Miltenyi	-	43,000	4,085	-	**47,085**
Totals	**-**	**323,832**	**25,871**	**-**	**349,703**

Table 4 – Non-Executive Directors' Remuneration for the year ended 30 June 2014

	SALARY & CONSULTING FEES	DIRECTORS FEES	SUPERANNUATION	SHARES (AMORTISED COST)	TOTAL
K. Spence	-	118,250	10,938	-	**129,188**
R. Davies	-	80,625	7,458	-	**88,083**
J. Hamilton	-	88,083	-	-	**88,083**
M. Marier	-	64,500	5,966	-	**70,466**
A. Stock	-	80,625	7,458	-	**88,083**
G. Miltenyi [1]	-	21,500	1,989	-	**23,489**
Totals	**-**	**453,583**	**33,809**	**-**	**487,392**

1 Appointed 1 March 2014

7. Additional statutory disclosures

Table 5 – Shares granted to executives as part of remuneration for the year ended 30 June 2015

During the financial year, no shares were granted under the Long Term Incentive Plan to executives as the plan was terminated in the prior financial year.

Shares vested to executives for the year ended 30 June 2015.

	VALUE OF SHARES VESTED DURING THE YEAR	VALUE OF SHARES FORFEITED DURING THE YEAR	VALUE PER SHARE VESTED AT GRANT DATE
R. Hogarth	10,877	-	0.200
T. Pritchard	5,661	-	0.057
A. Mills	12,114	-	0.146
G. Ward	16,981	-	0.159

REMUNERATION REPORT (AUDITED) *(continued)*

7. Additional statutory disclosures *(continued)*

Table 6 - Shareholdings of Key Management Personnel

FY2015	BALANCE AT BEGINNING OF PERIOD 01/07/14	APPOINTMENTS/ BECAME KEY MANAGEMENT PERSONNEL	GRANTED AS REMUNERATION*	PURCHASED ON MARKET, SHARE PURCHASE PLAN	RESIGNATIONS DISPOSED OF/ OTHER / NO LONGER KEY MANAGEMENT PERSONNEL	BALANCE AT END OF PERIOD 30/06/15
Directors						
G. Ward	730,319	-	-	-	-	730,319
R. Davies	120,775	-	-	-	-	120,775
J. Hamilton	481,708	-	-	375,000	-	856,708
M. Marier	-	-	-	-	-	-
K. Spence	212,413	-	-	-	-	212,413
A. Stock	62,315	-	-	-	-	62,315
G. Miltenyi	2,648,152	-	-	-	-	2,648,152
Executives						
K. Coates	401,396	-	-	-	(401,396)	-
R. Hogarth	544,269	-	-	-	-	544,269
T. Pritchard	284,685	-	-	-	-	284,685
A. Hodson	439,439	-	-	-	-	439,439
A. Mills	301,136	-	-	-	-	301,136
Total	**6,226,607**	**-**	**-**	**375,000**	**(401,396)**	**6,200,211**

* Shares granted as remuneration were issued under the Geodynamics Deferred Employee Share Plan and are held in escrow on behalf of the Executive. The Executive is required to remain employed by Geodynamics for 36 months from the date of allocation for the shares to vest.

Signed in accordance with a resolution of the Directors.

K. Spence
Chairman
Brisbane, 28 August 2015

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF GEODYNAMICS LIMITED

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Building a better working world

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF GEODYNAMICS LIMITED

In relation to our audit of the financial report of Geodynamics Limited for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Andrew Carrick

Partner

Brisbane

28 August 2015

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Geodynamics Limited is responsible for the corporate governance of the Company and is committed to achieving and demonstrating the highest standards of corporate governance.

The Geodynamics Limited Corporate Governance Statement is structured with reference to the Australian Securities Exchange Corporate Governance Council's "Corporate Governance Principles and Recommendations with 2010 Amendments" as revised in June 2010 the Principles of which are as follows:

Principle 1. Lay solid foundations for management and oversight

Principle 2. Structure the Board to add value

Principle 3. Promote ethical and responsible decision making

Principle 4. Safeguard integrity in financial reporting

Principle 5. Make timely and balanced disclosure

Principle 6. Respect the rights of shareholders

Principle 7. Recognise and manage risk

Principle 8. Remunerate fairly and responsibly

This Corporate Governance Statement contains certain specific information and discloses the extent to which the Company has followed the guidelines during the period. Where a recommendation has not been followed, that fact is disclosed, together with the reasons for the departure.

Geodynamics Limited's corporate governance practices were in place throughout the year ended 30 June 2015 and were fully compliant with the Council's recommendations except for the following:

Recommendation 3.3 - Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them. The Company has adopted a Diversity Policy that encourages the participation and provision of opportunity to all interested in working at Geodynamics. As the Company has a relatively small work-force with many requiring specific skills that may not be widely available, the Company has not deemed it appropriate to set specific numeric targets as these could be inappropriately skewed by the small sample size. Geodynamics currently has participation from a diverse workforce, with gender diversity being in advance of industry averages for our sector.

Recommendation 3.4 - Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board. The Company has adopted a Diversity Policy that encourages the participation and provision of opportunity to all interested in working at Geodynamics. As the Company has a relatively small work-force with many requiring specific skills that may not be widely available, the Company has not deemed it appropriate to publish specific employment numbers as Company does not believe this information adds any meaningful value due to its small workforce.

For further information on corporate policies adopted by Geodynamics Limited, please refer to "Governance" under the Our Company Tab on our website located at www.geodynamics.com.au.

For 2015, the Company's reporting against the Principles is as follows:

1. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Companies should establish and disclose the respective roles and responsibilities of Board and management.

The Board operates in accordance with the following principles and guidelines.

- The Board does comprise a majority of Non-executive Directors.
- The Chairperson is an independent Director.
- The Board does comprise Directors with an appropriate range of qualifications and expertise.
- The terms and conditions of the appointment of Non-executive Directors are set out in a letter of appointment. The appointment letter covers the following matters:
  - the level of remuneration;
  - the tenure of appointment;
  - the expectation of the Board in relation to attendance and preparation for all Board meetings;
  - the Directors code of conduct;
  - the procedures dealing with conflicts of interest; and
  - the availability of independent advice - The Board has agreed a procedure for Directors to take independent professional advice at the expense of the Company. Prior approval of the Chairman is required, but this will not be unreasonably withheld.
- The Board meets as often as required to attend to the affairs of the Company and follow meeting guidelines set down to ensure all Directors are made aware of, and have available to them all necessary information enabling them to participate in an informed discussion of all agenda items.
- The Chairman of the Board meets regularly with the Managing Director.

1. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT *(continued)*

The Board is responsible for the direction and supervision of the Company's business on behalf of the shareholders, by whom they are elected and to whom they are accountable. This includes ensuring that internal controls and reporting procedures are adequate and effective. The Directors recognise the need to maintain the highest standards of behaviour, ethics and accountability. The primary functions of the Board include responsibility for:

- Approving objectives, goals and strategic direction for management;
- Monitoring financial performance including adopting annual budgets and approving the Company's financial statements;
- Ensuring that adequate systems of internal control exist and are appropriately monitored for compliance;
- Selecting, appointing and reviewing the performance of the Managing Director and Chief Executive Officer and reviewing the performance of senior operational management;
- Ensuring significant business risks are identified and appropriately managed; and
- Reporting to shareholders on performance.

The Company's Managing Director's performance and remuneration is reviewed annually by the Non-executive Directors. The performance criteria against which executives are assessed is aligned with the financial and non-financial objectives of Geodynamics Limited. Further details of the process for evaluating performance are set out in the Remuneration Report.

The Board may determine from time to time to establish specific purpose sub-committees to deal with specific issues. All matters determined by committees are submitted to the full Board as recommendations for Board decision. Minutes of committee meetings are tabled at the immediate subsequent Board meeting.

2. STRUCTURE THE BOARD TO ADD VALUE

Companies should have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.

SKILLS, EXPERIENCE AND EXPERTISE OF DIRECTORS

The Directors in office at the date of this statement are:

NAME	POSITION	INDEPENDENT	TERM IN OFFICE	EXPERTISE
Keith Spence	Non-executive Chairman	Yes	7.1 years	Energy, Engineering and Management
Geoff Ward	Managing Director	No	4.6 years	Energy, Engineering, Corporate Finance and Management
Robert Davies	Non-executive Director	Yes	6.8 years	Finance, Governance and Management
Jack Hamilton	Non-executive Director	Yes	8.9 years	Energy, Engineering and Management
Michel Marier	Non-executive Director	No	4.5 years	Finance and Management
Andrew Stock	Non-executive Director	Yes	11.8 years	Energy, Engineering and Management
George Miltenyi	Non-executive Director	Yes	1.5 years	Energy, Management and Employment

INDEPENDENT DIRECTORS

Directors of Geodynamics Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgement.

In the context of director independence, 'materiality' is considered from both the Company and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the Director in question to shape the direction of the Company's loyalty.

In accordance with the definition of independence above, and the materiality thresholds set, the Directors as marked in the previous table are considered to be independent. Therefore there are six Non-executive Directors, five of whom are deemed independent, and one Executive Director. One Non-executive Director who is not deemed independent is an Officer of one of the Company's three largest shareholders.

Further details of the members of the Board including their experience and expertise are set out in the Directors' Report.

2. STRUCTURE THE BOARD TO ADD VALUE *(continued)*

NON-EXECUTIVE DIRECTORS

The six Non-executive Directors periodically meet for a period of time, without the presence of management, to discuss the operation of the Board and a range of other matters including those relating to Remuneration and Directors' Nominations. Relevant matters arising from these meetings are shared with the full Board.

TERM OF OFFICE

The Company's constitution specifies that all Directors (with the exception of the Managing Director) must retire from office no later than the third annual general meeting (AGM) following their last election. Where eligible, a Director may stand for re-election.

NOMINATIONS

The Company has established a combined Remuneration and Nominations Committee. Membership and composition of this Committee is discussed at the end of this Corporate Governance Statement. With regard to the Nominations charter of the Committee, the main functions of the Committee are to:

- Devise criteria (necessary and desirable competencies) for Board membership for approval by the full Board.
- Identify specific individuals for nomination.
- Make recommendations to the Board for new Directors and membership of committees being always mindful that any recommendation should ensure there is a complementary mix of necessary skills.
- Annually, assist the Chairman of the Company in advising Directors about their performance and tenure.
- Oversee management succession plans, including the Managing Director and Chief Executive Officer and first line managers;
- Review of the Board succession plan.
- Critically examine the Committee's performance and recommend any changes to the responsibilities to the Board.

In devising criteria for Board membership, the Company uses a Board skills matrix to identify any gaps in the skills and experience of the Directors on the Board. In addition, the Company uses a combination of professional intermediaries to identify and assess candidates as well as the network of contacts within the Board itself.

PERFORMANCE

In order to ensure that the Board continues to discharge its responsibilities in an appropriate manner, the performance of all Non-executive Directors is reviewed annually by the Chairman. In addition during the year, all Directors completed a structured self evaluation questionnaire that aimed to evaluate the performance of the Board as a whole. These responses are collated and subsequently discussed by the Board to improve the functional operations of the Board. The Chairman meets privately with each Director as appropriate to discuss their individual performance. The Chairman's performance is reviewed by the Board.

3. PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

Companies should actively promote ethical and responsible decision-making.

The Company supports and has adopted the Code of Conduct published by The Australian Institute of Company Directors in 2005. This code recognises the need for Directors and employees to observe the highest standards of behaviour and business ethics and its commitment to ensuring compliance with the insider trading laws.

The Company has established a policy regarding Diversity that is underpinned by four key principles:

- Fairness: Every person will have the opportunity to work and succeed at Geodynamics - regardless of their gender, nationality, background, age, physical ability or sexual orientation.
- Support: The Company will support the varying needs of its diverse workforce by providing flexible working conditions and ensuring programs are in place to enable every Geodynamics employee to reach their career potential.
- Respect: Every Geodynamics employee will be treated with dignity and respect, recognising that success depends upon the commitment, capabilities and diversity of the Company's employees.
- Leadership: The Board and senior leaders will be ultimately responsible for instilling a culture that embraces and values diversity amongst the workforce.

At least once every 12 months, the Remuneration and Nominations Committee will review the Diversity Policy including a review of the diversity objectives and initiatives to ensure they remain current and appropriate and a review of progress on the achievement of diversity objectives over the preceding year.

4. SAFEGUARD INTEGRITY OF FINANCIAL REPORTING

Companies should have a structure to independently verify and safeguard the integrity of their financial reporting.

The Board has adopted an Audit & Risk Committee Charter to ensure the truthful and factual presentation of the Company's financial position and to review and advise on the company's risk management processes. Audit & Risk Committee meetings will be held periodically throughout the year. It is the policy of the Board that the members of the committee shall be a minimum of three Non-executive Directors. The Audit & Risk Committee will be chaired by a Non-executive Director other than the Chairman of the Board.

The Chief Executive Officer and Chief Financial Officer may attend the committee meetings by invitation.

The main functions of the committee will be to:

- Assess the appropriateness of accounting policies, practices and disclosures and whether the quality of financial reporting is adequate;
- Review the scope and results of internal, external and compliance audits;
- Maintain open lines of communication between the Board and external auditors and the Company's compliance officers;
- Review and report to the Board on the annual report, the half-year financial report and all other financial information published by the Company or released to the market;
- Assess the adequacy of the Company's internal controls and make informed decisions regarding compliance policies, practices and disclosures;
- Ensure effective deployment of risk management processes;
- Nominate the external auditors and review the terms of their engagement, the scope and quality of the audit and the auditor's independence;
- Review the level of non-audit services provided by the external auditors and ensure that it does not adversely impact on auditor independence.

The Chairman of the Audit & Risk Management Committee reviews the performance of the Committee with members and reports annually to the Board.

The members of the Audit & Risk Committee during the year were:

Robert Davies (Chairman)

Michel Marier

Jack Hamilton

For details on the qualifications of the audit & risk committee members, the number of meetings of the Audit Committee held during the year and the attendees at those meetings, refer to the Directors' Report.

5. MAKE TIMELY AND BALANCED DISCLOSURE

Companies should promote timely and balanced disclosure of all material matters concerning the company.

The Board has adopted a Listing Rule 3.1 Compliance Policy, which has been designed to ensure compliance with the ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.

The Company Secretary has been nominated as the person responsible for communications with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX listing rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

The Company rigorously polices its continuous disclosure responsibilities to ensure a fully informed market at all times. The Company's Continuous Disclosure Policy is available on the Company's website.

6. RESPECT THE RIGHTS OF SHAREHOLDERS

Companies should respect the rights of shareholders and facilitate the effective exercise of those rights.

The Board of Directors aims to ensure that the shareholders, on behalf of whom they act, are provided with all information necessary to assess the performance of the Company. Information is communicated to the shareholders through:

- The Annual Report, which will be distributed to all shareholders (unless shareholders specifically indicate otherwise);
- Quarterly Reports to all shareholders;
- The Annual General Meeting, and other meetings called to obtain approval for Board action as appropriate; and
- The Company's Corporate Internet site at www.geodynamics.com.au. This web site is actively maintained and includes all market announcements, research reports from analysts, briefings to shareholders, full texts of notices of meeting and explanatory material and compliance reports such as the quarterly cash flow report and annual report.

Shareholders are actively encouraged to become 'online shareholders' by registering electronically with the Company to receive an email notification of announcements as they are made. The Company endeavours to respond to all shareholder queries on a prompt and courteous basis.

All information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX.

7. RECOGNISE AND MANAGE RISK

Companies should establish a sound system of risk oversight, management and internal control.

The Company is committed to having a culture of risk management and has established a risk management system that supports a pro-active approach to managing risk and to exploiting opportunity at all levels.

A series of extensive workshop reviews have been held for each component phase of the Company's business plan and these will continue to be held for subsequent stages to highlight major risk areas and plan the treatment to manage those risks. In addition, a formal risk management plan is included as part of every major capital acquisition or procurement decision and key risk/opportunity areas and their drivers are included in the Management/Board reporting system. The Board has also established a Health Safety and Environment Committee which operates under a charter approved by the Board.

Management, through the Managing Director and Chief Executive Officer, is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system. Management reports to the Audit and Risk Committee on the Company's key risks and the extent to which it believes these risks are being managed. This is performed on a six monthly basis or more frequently as required by the Board or Committee.

The Board is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented a sound system of risk management and internal control. It reviews strategic, operational and technical risks in conjunction with, and as a key input to an annual corporate strategy workshop attended by the Board and senior management. This workshop reviews the Company's strategic direction in detail and includes specific focus on the identification of business risks which could prevent the Company from achieving its objectives. Management are required to ensure that appropriate controls and mitigation strategies are in place to effectively manage those risks. Compliance and reporting risks are reviewed on an ongoing basis and independently audited from time to time. The Audit and Risk Committee oversees the adequacy and comprehensiveness of risk reporting from management.

The Board receives a written assurance from the Chief Executive Officer and the Chief Financial Officer that to the best of their knowledge and belief, the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks. The Board notes that due to its nature, internal control assurance from the Chief Executive Officer and Chief Financial Officer can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

HEALTH, SAFETY & ENVIRONMENT COMMITTEE

Health, Safety & Environment (HSE) meetings are held on an as required basis. The Committee is comprised of a Chair drawn from the Non-executives of the Geodynamics Board. It is the policy of the Board that the members of the committee shall be a minimum of three Non-executive Directors. The HSE Committee has been given the following Terms of Reference:

- Its primary objective is to assist the Board of Directors in its responsibilities relating to establishing and maintaining the highest standards of HSE performance by Geodynamics, and compliance with all relevant legislation. In addition the Committee will ensure that Management reports to the Board on:
  - Compliance with statutory requirements, codes, standards, and guidelines;
  - Establishment of measurable objectives and targets aimed at elimination of work related incidents or environmental impacts from Geodynamics' activities;
  - The defining of roles, responsibilities and levels of accountability for HSE within Geodynamics.
- Act as an independent and objective party to review the safety and environmental performance reports presented by management for the use of all stakeholders.
- Review HSE risk assessment processes and monitor their effectiveness.
- Review all significant Geodynamics incident reports along with the results of the subsequent investigations and the implementation of the identified corrective actions.
- Oversee and appraise the quality of the health & safety and the environmental audits conducted by the HSE auditors.
- Ensure through regular meetings that open lines of communication exist among the Board, Management and HSE Auditors.

The members of the HSE Committee during the year were:

Jack Hamilton (Chairman)

Keith Spence

Andrew Stock

The HSE Committee was suspended during the year due to low levels of field activity. All HSE issues and updates were discussed as an agenda item during formal Board meetings. The HSE Committee will be reinstated when considered appropriate to do so.

8. REMUNERATE FAIRLY AND RESPONSIBLY

Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.

REMUNERATION

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating Directors and key executives fairly and appropriately with reference to relevant employment market conditions. The Managing Director's and key executives' emoluments are structured to retain and motivate executives by offering a competitive base salary together with short and long term performance incentives through cash, shares and options which allow executives to share in the success of Geodynamics Limited. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit.

The Company currently has six Non-executive Directors and a Managing Director. The Company's Managing Director does not receive Directors' fees and his remuneration package is formalised in a service agreement. The Non-executive Directors' maximum aggregate remuneration as approved by shareholders is currently $700,000 and is set at a level that compensates the directors for their significant time commitment in overseeing the progression of the Company's business plan.

There are no retirement benefits offered to Non-executive Directors other than statutory superannuation. For a full discussion of the Company's remuneration philosophy and framework and the remuneration received by Directors and Executives in the current period, please refer to the Remuneration Report which is contained within the Directors' Report.

REMUNERATION AND NOMINATIONS COMMITTEE

The Remuneration and Nominations Committee operates under a charter approved by the Board. Remuneration and Nomination Committee meetings are held at least semi-annually and otherwise as required throughout the year. It is the policy of the Board that the members of the Committee shall be a minimum of three Non-executive Directors and a majority of independent directors. The Remuneration and Nominations Committee will be chaired by a Non-executive Director other than the Chairman of the Board.

With regard to the Remuneration charter of the Committee, the main functions of the Committee are to:

- Set the terms and conditions of employment for the Chief Executive Officer.
- Set policies for Senior Executive remuneration including the Chief Executive Officer and other Executive Directors (if any) and review from time to time as appropriate.
- Set policies for Non-executive Director remuneration and review and recommend the level of remuneration with the assistance of external consultants as appropriate.
- Make recommendations to the Board on remuneration for the Chief Executive Officer and Executive Director(s).
- Review and approve the recommendations of the Chief Executive Officer on the remuneration of Senior Executives.
- Review all equity based plans and make recommendations to the Board for approval.
- Review and approve the design of Executive Incentive Plans ensuring appropriate performance hurdles are in place.
- Review transactions between the group and the Directors, or any interest associated with the Directors, to ensure the structure and the terms of the transaction are in compliance with the Corporations Act 2001 and are appropriately disclosed.
- Review and approve the annual Remuneration Report contained within the Directors' Report.

The members of the Remuneration and Nominations Committee during the year were:

Andrew Stock (Chairman)

Keith Spence

Robert Davies

For details on the number of meetings of the Remuneration and Nominations Committee held during the year and the attendees at those meetings, refer to the Directors' Report.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FINANCIAL YEAR ENDED 30 JUNE 2015	NOTE	2015 $'000	2014 $'000
Continuing Operations			
Interest Income		986	1,507
Other Income		2,242	-
Impairment of Property, Plant & Equipment	6	(2,550)	-
Impairment of Deferred Exploration & Evaluation Costs	7	(8,044)	(40)
Personnel expenses	3A	(2,561)	(5,694)
Exploration and Evaluation Costs	3B	(1,998)	(8,425)
Other General & Administrative Expenses	3C	(2,547)	(2,740)
Corporate Expenses Recovered		27	611
Total Expenses		**(14,445)**	**(14,781)**
Income/(Loss) before Income Tax Expense		**(14,445)**	**(14,781)**
Income Tax Benefit	4	-	-
Income/(Loss) after Income Tax Expense		**(14,445)**	**(14,781)**
Other Comprehensive Income		-	-
Items that may be reclassified subsequently to profit and loss			
Exchange differences on translation of foreign operations	12	27	(22)
Other Comprehensive Income for the period		27	-
Total Comprehensive Income/(Loss) for the period		(14,418)	(14,803)
Attributable to:			
Equity holders of the Parent		(14,418)	(14,803)
Non-controlling interests		-	-
Basic and Diluted Earnings/(Loss) per share (cents per share)	15	(3.31)	(3.51)
Basic and Diluted Earnings/(Loss) per share attributable to the equity holders of the entity (cents per share)	15	(3.31)	(3.51)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015	NOTE	2015 $'000	2014 $'000
Current Assets			
Cash Assets	20(A)	28,000	33,815
Inventories – Rig Parts and Well Materials		950	893
Receivables	5	2,375	5,335
Total Current Assets		**31,325**	**40,043**
Non Current Assets			
Property, Plant and Equipment	6	1,364	4,127
Deferred Exploration, Evaluation & Development phase costs	7	-	7,390
Total Non Current Assets		**1,364**	**11,517**
Total Assets		**32,689**	**51,560**
Current Liabilities			
Payables	8	616	4,091
Provisions	9	7,477	3,001
Total Current Liabilities		**8,093**	**7,092**
Non Current Liabilities			
Provisions	9	337	6,052
Total Non Current Liabilities		**337**	**6,052**
Total Liabilities		**8,430**	**13,144**
Net Assets		**24,259**	**38,416**
Equity			
Issued Capital	11	348,338	348,338
Other Reserves	12	11,235	10,947
Accumulated Losses		(335,314)	(320,869)
Total Equity		**24,259**	**38,416**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT

FINANCIAL YEAR ENDED 30 JUNE 2015	NOTE	2015 $'000	2014 $'000
Cash Flows from/(used in) Operating Activities			
Net Goods and Services Tax received		850	138
Payments to suppliers and employees		(6,549)	(7,798)
Net Interest Received		1,254	1,388
Net cash flows from/(used in) Operating Activities	20(B)	**(4,445)**	**(6,272)**
Cash Flows from/(used in) Investing Activities			
Proceeds from Government Grants		-	4,500
Proceeds from R&D Tax Incentive		3,488	8,542
Purchase of Property, Plant & Equipment		(56)	(1,118)
Payments for Exploration and Evaluation expenditure		(6,392)	(14,003)
Cash acquired from KUTh Energy Limited		-	186
Proceeds from sale of property, plant & equipment		1,590	590
Net cash flow (used in) investing activities		**(1,370)**	**(1,303)**
Cash Flows from Financing Activities			
Net cash flow provided by financing activities		-	-
Net increase / (decrease) in cash held		(5,815)	(7,575)
Add: Opening cash carried forward		33,815	41,390
Closing cash carried forward	20(A)	**28,000**	**33,815**

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FINANCIAL YEAR ENDED 30 JUNE 2015	ISSUED CAPITAL $'000	EMPLOYEE EQUITY BENEFITS RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	ACCUMULATED LOSSES $'000	TOTAL EQUITY $'000
At 1 July 2014	**348,338**	**10,969**	**(22)**	**(320,869)**	**38,416**
Recognition of foreign exchange hedge reserve	-	-		-	
Total expense for period recognised directly in equity	-	-	-	-	-
Loss for the period	-	-	-	(14,445)	(14,445)
Other comprehensive income	-	-	27	-	27
Total loss for the period	-	-	27	(14,445)	(14,418)
Equity Transactions:					
Share based payment on Employee Share Plan	-	129	-	-	129
Cost of share-based payment - recognition of share option expense	348,338	132	-	-	132
At 30 June 2015	**348,338**	**11,230**	**5**	**(335,314)**	**24,259**

FINANCIAL YEAR ENDED 30 JUNE 2014					
At 1 July 2013	**346,083**	**10,456**	**-**	**(306,088)**	**50,451**
Recognition of foreign exchange hedge reserve	-	-	-	-	-
Total expense for period recognised directly in equity	-	-	-	-	-
Loss for the period	-	-	-	(14,781)	(14,781)
Other comprehensive income	-	-	(22)	-	(22)
Total loss for the period	-	-	(22)	(14,781)	(14,803)
Equity Transactions:					
Issue of Share Capital for the acquisition of KUTh Limited	2,255	-	-	-	2,255
Share based payment on Employee Share Plan	-	337	-	-	337
Cost of share-based payment - recognition of share option expense	-	176	-	-	176
At 30 June 2014	**348,338**	**10,969**	**(22)**	**(320,869)**	**38,416**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

NOTE 1 – CORPORATE INFORMATION

The financial report of Geodynamics Limited (the Company) for the year ended 30 June 2015 was authorised in accordance with a resolution of the Directors on 28 August 2015.

Geodynamics Limited is a Company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Company are described in the Directors' Report.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis. The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($000) unless otherwise stated. The Directors have adopted the going concern assumption in preparing the financial report.

(B) Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(C) New Accounting standards and interpretations

Certain Australian Accounting Standards and interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Company for the annual reporting period ended 30 June 2015.

The new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2014 are:

- Annual Improvements to IFRS 2010-2012 Cycle (effective 1 July 2014);
- Annual Improvements to IFRS 2011-2013 Cycle (effective 1 July 2014);
- AASB 1031 Materiality (1 July 2014);
- AASB 2013-9 *Amendments to Australian Accounting Standards- Conceptual Framework, Materiality and Financial Instruments Cycle* (effective 1 July 2014); and

None of these standards or amendments to standards affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2015 reporting period. The following new accounting standards and interpretations are not likely to affect future periods:

- AASB2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (effective 1 July 2015);
- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation* (effective 1 July 2016);
- AASB 2014-9 *Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements* (effective 1 July 2016);
- AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective 1 July 2016) and;
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101* (effective 1 July 2016).

The following are yet to be assessed:

- AASB 9 *Financial Instruments* (effective 1 July 2018) and;
- IFRS 15 *Revenue from Customer Contracts* (effective 1 July 2017).

(D) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as at 30 June 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non- controlling interests having a deficit balance.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(D) Basis of Consolidation *(continued)*

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Controlled entity/subsidiaries

The consolidated financial statements include the financial statements of Geodynamics Limited and its controlled entities listed in the following table:

		EQUITY INTEREST %	
NAME	**COUNTRY OF INCORPORATION**	**2015**	**2014**
Parent Entity			
Geodynamics Limited	Australia	100	100
Directly controlled by Geodynamics Limited			
Geodynamics NT Pty Ltd	Australia	100	100
Geodynamics (Savo Island) Pty Ltd	Australia	100	100
Geodynamics Share Plans Pty Ltd	Australia	100	100
KUTh Energy Limited	Australia	100	100
Directly Controlled by KUTh Energy Limited			
KUTh Exploration Pty Ltd	Australia	100	100
Mineral Ventures Pty Ltd	Australia	100	100
KUTh Pacific Ltd	Australia	100	100
Directly Controlled by KUTh Pacific Ltd			
KUTh Exploration (Fiji) Limited	Fiji	100	100
KUTh Energy (PNG) Ltd [1]	PNG	50.2	50.2
KUTh Energy (Vanuatu) Ltd	Vanuatu	100	100

1 At 30 June 2015 KUTh Energy (PNG) Ltd is substantially dormant. Ongoing administrative costs are incurred by Geodynamics Limited (ultimate parent entity). At 30 June 2015 the non-controlling interest amount is $nil (2014 - $nil).

(E) Significant Accounting Judgements, Estimates and Assumptions

The carrying amounts of certain assets and liabilities are often determined based on judgement, estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black Scholes model.

Provision for site rehabilitation

The Company reviews rehabilitation requirements for its geothermal exploration tenements on a six-monthly basis by undertaking an in-house analysis of the costs to rehabilitate the sites including the plugging and abandoning of wells as appropriate.

Capitalisation of Deferred Exploration and Evaluation Expenditure & Impairment

The Company determines whether Deferred Exploration and Evaluation Costs are impaired as described by AASB 6 at least on an annual basis. The Company considers whether an area of interest will be subject to further activity in the foreseeable future. Where substantive expenditure on further exploration and evaluation is neither budgeted or planned consideration is given as to whether an impairment cost should be recognised relating specifically to that area of interest.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(F) Foreign Currency Translation

Both the functional and presentation currency of Geodynamics is Australian dollars ($A). Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the financial report are taken to net income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(G) Property, Plant & Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. The costs include obligations relating to reclamation, plant closure and other costs associated with the restoration of the site. Depreciation is provided on a straight line basis on all property, plant and equipment. All classes are depreciated over periods ranging from 3 to 15 years (comparable to prior year). The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate the carrying value may be impaired.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment exists when the carrying value exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the statement of comprehensive income in the year the loss is recognised.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(H) Exploration, Evaluation, Development and Restoration costs

Costs carried forward

Costs arising from exploration and evaluation activities are carried forward provided such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not, at balance date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. Costs carried forward in respect of an area of interest that is abandoned are written off in the year in which the decision to abandon is made.

As reported at 30 June 2014, the Company finalised the technical appraisal of its Cooper Basin project and associated resource. In the absence of a small scale commercial project or other plan to commercialise the project in the medium term, the Company impaired the carrying amount of its deferred exploration, evaluation and development costs in respect of the Cooper Basin Project to $nil.

Commensurate with the ongoing appraisal and review of the Cooper Basin project additional evaluation costs have been incurred since 1 July 2014. As it is not possible to reliably demonstrate the additional costs in respect of the Cooper Basin project will be recouped through successful development or sale, the Company has recorded these costs in the Statement of Comprehensive Income for the year ended 30 June 2015.

Geodynamics continues to work with both the Vanuatu and Solomon Islands governments and local utility companies to explore opportunities to further the projects in these countries. As at 30 June 2015 there are no plans for substantive expenditure on further exploration or evaluation of these resources, nor is it clear that the carrying amount of the exploration and evaluation costs associated with these projects are likely to be recovered through successful development or by sale. The Board has therefore impaired the carrying amount of the deferred exploration, evaluation and development costs in respect of these projects to $nil. In the absence of any agreement to fund or sell these projects this represents the company's best estimate of the fair value less cost to sell of these assets at 30 June 2015. In the scenario where an agreement is reached to fund or sell these projects an impairment reversal may be recorded.

Grants and subsidies (including R&D incentives) relating deferred exploration and evaluation costs are recorded as a reduction in the carrying amount of the associated asset. Grants and subsidies (including R&D incentives) related to exploration and evaluation costs recorded in the Statement of Comprehensive Income are recognised in profit or loss at the same time as the expenses for the costs for which the grant is expected to compensate.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

***(H) Exploration, Evaluation, Development and Restoration costs** (continued)*

Impairment

The carrying values of exploration, evaluation, development and restoration costs are reviewed for impairment in accordance with AASB 6 Exploration and Evaluation of Mineral Resources when facts and circumstances suggest that the carrying amount of such an asset may exceed its recoverable amount. Any impairment loss identified is recognised as an expense in accordance with AASB 136 Impairment of Assets.

Amortisation

Costs on productive areas will be amortised over the life of the area of interest to which such costs relate on the production output basis.

Restoration costs

Restoration costs that are expected to be incurred are provided for as part of the cost of the exploration, evaluation, development, construction or production phases that give rise to the need for restoration. Accordingly, these costs will be recognised gradually over the life of the facility as these phases occur. The costs include obligations relating to reclamation, plant closure and other costs associated with the restoration of the site.

(I) Intangibles

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

(J) Impairment of Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(K) Cash and Cash Equivalents

Cash assets on the statement of financial position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash includes cash on hand and in banks and short term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

(L) Trade and Other Receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount. An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

(M) Inventories

Inventories include spare parts and consumable items used in drilling operations and are valued at the lower of cost and net realisable value.

(N) Contributed Equity

Ordinary shares are classified as equity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(O) Trade and Other Payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(P) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(Q) Employee Benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(R) Share-based Payment Transactions

The Company provides benefits to employees (including executive directors) in the form of share-based payment transactions, whereby employees render services in exchange for rights over shares ('equity-settled transactions'). The current plan in place to provide these benefits is the Geodynamics Limited Share Appreciation Rights Plan which both provides benefits to executive directors and senior employees.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

(S) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. In the case of interest, revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(T) Government Grants

Government grants relating to deferred exploration and evaluation costs are recorded as a reduction in the carrying amount of the associated asset. Government grants relating to expensed exploration and evaluation costs are recorded as an offset against those expenses.

Other Government Grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account until such time as all conditions associated with the grant are met. Once these conditions are achieved the credit is allocated to the relevant asset. The amount of the grant is then released to net income over the expected useful life (by way of reduced depreciation or amortisation) of the relevant asset.

(U) Earnings per Share

Basic earnings per share is determined by dividing the profit/(loss) after tax by the weighted average number of ordinary shares outstanding during the financial period. Diluted earnings per share is determined by dividing the profit/(loss) after tax adjusted for the effect of earnings on potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) outstanding during the financial period.

(V) Income Tax

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

***(V) Income Tax** (continued)*

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

For Geodynamics Limited, no deferred income tax asset is being recognised in the accounts as the benefit is not considered to be probable of being realised at this stage of the Company's development. Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date. Income taxes relating to items recognised directly in equity are recognised in equity and not in net income.

Deferred income tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred income tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(W) Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the Cash Flow Statement on a net basis and the GST component arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(X) Segment reporting

A business segment is a distinguishable component of the entity that is engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is a distinguishable component of that entity that is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different than those of segments operating in other economic environments.

(Y) Available for sale securities

Available for sale investments are those non-derivative financial assets, principally equity securities that are designated as available for sale. After initial recognition available for sale securities are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

(Z) Joint Arrangements

The Company is also a party to a joint operation with Kentor Energy Pty Ltd (Kentor). The joint operation assets comprise the Savo Island prospecting license and all property plant and equipment for use on Savo Island. The joint operation is named the Savo Island Geothermal Joint Venture.

Under the terms of the agreement, Geodynamics (Savo Island) Pty Ltd is entitled to earn an initial 25% interest in the Savo Island Geothermal Power Project following the completion of initial geophysical studies to determine target locations for a drilling program. The Company has the right to earn an additional 45% interest through exploration drilling and the completion of a feasibility study for the Project. At 30 June 2015 Geodynamics had met all requirements for the initial 25% interest.

In prior years the Company was a party to two joint operations named the Innamincka 'Deeps' Joint Venture and the Innamincka 'Shallows' Joint Venture. Although named 'Joint Venture' the arrangements are accounted for as Joint Operations. The joint operations with Origin Energy Limited were formed to explore and evaluate enhanced geothermal

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(Z) Joint Arrangements *(continued)*

systems in the Cooper/Eromanga basin in South Australia. The joint operations comprised South Australian geothermal tenements and all property plant and equipment for use in the Cooper/Eromanga basin. At 30 June 2013, Origin Energy Limited withdrew from the joint operations. Coincident with the withdrawal, the Company became the 100% participant in the arrangement and obtained control of its geothermal tenements and all property plant and equipment.

(AA) Parent Entity Financial Information

The financial information for the parent entity, Geodynamics, included in Note 26, has been prepared on the same basis as the consolidated financial statements.

(AB) Fair Value Measurement

The Group measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, lithe most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair-value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All asset and liabilities for which fair value is measured or disclosed in the financial statement are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1— Quoted (unadjusted) market prices in active markets for identical asset or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statement on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation based on the lowest level input that is significant to the fair value measurement as a whole at the end of each reporting year.

(AC) Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial assets are recognised initially at fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- AFS financial assets

During the year ended 30 June 2015 Geodynamics only has Financial Assets recognised under "loans and receivables."

Loans and receivables

This category is the most relevant to the Group. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

This category generally applies to trade and other receivables. For more information on receivables, refer to Note 5.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the groups consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

***(AC) Financial Assets** (continued)*

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing Involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An Impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency In interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease In the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether Impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of Impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

(AD) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging Instruments In an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include only trade and other payables.

The Group has not designated any financial liability as at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the statement or profit or loss.

Offsetting of financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(AE) Going Concern

Geodynamics' activities are currently non-revenue generating. As such a major focus of the Board and management is on ongoing cash flow management to ensure that the Company always has sufficient funds to cover its planned activities and any ongoing obligations. At 30 June 2015, the Directors are satisfied the Company has sufficient cash resources to cover its near term planned expenditure, including cash outflows associated with the proposed acquisition and operation of Quantum Power Limited (refer note 22). As such the going concern basis of financial statement preparation has been adopted.

Geodynamics continues to actively monitor developments in clean energy markets and technologies to assess opportunities to acquire interests in projects or technologies where it is able to utilise its skills and capacity to develop further clean energy projects that provide an acceptable return for shareholders.

NOTE 3A – PERSONNEL EXPENSES	2015 $'000	2014 $'000
Loss before income tax has been determined after charging/(crediting) the following specific items:		
Share Plan Expense	129	337
Share Option Expense	-	176
SAR's Expenses	132	-
Employee Expenses	2,300	5,181
	2,561	**5,694**

NOTE 3B – EXPLORATION AND EVALUATION COSTS		
Loss before income tax has been determined after charging/(crediting) the following specific items:		
Expenditure for the period	4,211	8,300
Change in Rehabilitation	80	2,157
Proceeds from Government Grants	-	(1,500)
Change in R&D Tax Incentive for the financial year	(1,400)	1,468
R&D Tax Incentive for the 2015 financial year	(893)	(2,000)
	1,998	**8,425**

NOTE 3C – OTHER EXPENSES AND LOSSES/(GAINS)		
Loss before income tax has been determined after charging/(crediting) the following specific items:		
Depreciation of plant and equipment and Amortisation of leasehold improvements	79	522
Interest expense	4	4
Operating lease rentals paid	715	1,143
Foreign exchange loss/(gain)	8	(6)
(Profit)/loss on disposal of property, plant & equipment	12	(1,336)

NOTE 4 – INCOME TAX

	2015 $'000	2014 $'000
Income tax expense		
The prima facie tax benefit on loss of 30% (2014 - 30%) differs from the income tax provided in the financial statements as follows:		
Prima facie tax on loss	(4,334)	(4,434)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
R&D Tax Incentive Receivable	893	2,000
Change in R&D Incentive for the prior year	1,400	(1,468)
Other income/(expenses)	79	156
Income tax benefit attributable to current year losses	(1,962)	(3,746)
Deferred tax asset not brought to account as realisation of the asset is not regarded as probable	1,962	3,746
Income tax benefit attributable to operating loss	-	-

Deferred income tax

Deferred income tax at 30 June relates to the following:

	STATEMENT OF FINANCIAL POSITION		STATEMENT OF COMPREHENSIVE INCOME	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Deferred tax liabilities				
Deferred exploration phase expenditure	-	-	-	-
Deferred evaluation phase expenditure	-	-	-	-
Other deferred tax liability	(93)	(199)	-	-
Deferred tax assets[1]				
Losses available for offset against future taxable income			-	-
Company[2]	77,765	76,527		
Subsidiary[3]	1,142	1,142		
Other deferred tax asset	2,346	2,944	-	-
Net deferred tax assets	81,160	80,414		
Deferred tax asset for tax losses not recognised	(81,160)	(80,414)		
Gross deferred income tax assets	-	-		
Deferred tax income/(expense)	-	-	-	-

1 Deferred tax assets arising from tax losses and temporary differences are only brought to account to the extent that it offsets the Group's deferred tax liabilities arising from temporary differences. As the Group does not have a history of taxable profits and is not revenue generating, the deferred tax assets associated with tax losses and temporary differences, in excess of the Group's deferred tax liabilities arising from temporary differences, is not yet regarded as probable of recovery at 30 June 2015.

2 The Company's tax losses for the 2014 financial year (reported above) have been adjusted to reflect the income tax return lodged during the 2015 financial year

3 The subsidiary tax losses were acquired as part of the acquisition of KUTh Energy Limited. No fair value was allocated to the tax losses as part of the business combination accounting as the tax losses are not considered probable of recovery. Given the change in ownership of KUTh Energy Limited and its controlled entities, the recovery of the tax losses is likely to be subject to the same business test.

NOTE 5 – RECEIVABLES (CURRENT)	2015 $'000	2014 $'000
GST Receivable	90	295
Interest Receivable	76	432
Other Receivables	2,209	4,608
	2,375	**5,335**

Accounts receivable, GST receivable, interest receivable and sundry receivables are non-interest bearing.

The other receivables balance represents an amount receivable in relation to recoupment of costs for remediation activities as well as an estimate of the amount due under the R&D Tax Incentive Scheme relating to expenditure incurred during the year ended 30 June 2015.

Allowance for Impairment loss

No allowance has been made for impairment loss. A provision for impairment loss is only recognised when there is objective evidence that an individual receivable is impaired. None of the balances within receivables contain impaired assets.

NOTE 6 – PROPERTY, PLANT & EQUIPMENT	2015 $'000	2014 $'000
Plant and Equipment at cost	23,587	25,370
Less: accumulated depreciation and impairment	(22,223)	(21,243)
Total Property, Plant and Equipment	**1,364**	**4,127**
Reconciliation of Plant & Equipment		
Carrying amount at beginning	4,127	3,962
Additions	25	1,352
Disposals	(1,810)	(1,450)
Impairment *	(2,550)	-
Depreciation/Amortisation Expense	(79)	(522)
Depreciation written back on disposal of assets	1,651	785
Carrying amount at the end	**1,364**	**4,127**

* Impairment of Property Plant & Equipment

While the technical appraisal of the resource and trial of the 1MWe Pilot Plant has been successful and provides proof of concept, the development of EGS geothermal resources in Australia remains a long term challenge requiring significant capital investment and extension of infrastructure.

The Company is planning to complete remediation activities at the Cooper Basin site over the next financial year. Part of this planning includes the removal of surface infrastructure and its associated disposal. Whereas it is expected that there may be some residual value in this equipment it is not possible to accurately estimate the value at this time due to the unique nature of the equipment, the limited market for disposal, and the costs for transportation from site for disposal. The Board has therefore impaired the carrying value of the property plant and equipment at the Habanero site to nil being an estimate of the fair value less costs of disposal at 30 June 2015. If a more favourable outcome is achieved through disposal an impairment reversal can be recorded.

NOTE 7 – DEFERRED EXPLORATION AND EVALUATION COSTS

	2015 $'000	2014 $'000
Exploration Phase	-	-
Evaluation Phase	-	7,390
Total	**-**	**7,390**
Reconciliation of Deferred Exploration & Evaluation costs		
Carrying amount at beginning	7,390	1,177
Add: Evaluation assets acquired as part of KUTh transaction	-	2,485
Add: Evaluation & Development expenditure for period	654	3,768
Less: Impairment of Evaluation & Development expenditure	(8,044)	(40)
Carrying amount at the end	**-**	**7,390**

The carrying amount of deferred exploration and evaluation costs decreased during the year due to impairment of the Pacific Islands projects.

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective geothermal exploration tenements.

Geodynamics continues to work with both the Vanuatu and Solomon Islands governments and local utility companies to explore opportunities to further the projects in these countries. As at 30 June 2015 there are no plans for substantive expenditure on further exploration or evaluation of these resources, nor is it clear that the carrying amount of the exploration and evaluation costs associated with these projects are likely to be recovered through successful development or by sale. The Board has therefore impaired the carrying amount of the deferred exploration, evaluation and development costs in respect of these projects to $nil. In the absence of any agreement to fund or sell these projects this represents the company's best estimate of the fair value less cost to sell of these assets at 30 June 2015. In the scenario where an agreement is reached to fund or sell these projects an impairment reversal may be recorded.

The decision to impair does not change Geodynamics' intention to continue to negotiate in good faith with third parties to progress these projects.

NOTE 8 – ACCOUNTS PAYABLE

	2015 $'000	2014 $'000
Current		
Trade Creditors	252	2,293
Accrued Liabilities	364	1,798
Trade creditors and accruals	**616**	**4,091**

Terms and conditions

Accounts payable and accrued liabilities are non-interest bearing. Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company. All amounts are normally settled within 30 days, and discounts for early payment are normally taken where it is considered advantageous for the Company to do so. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

NOTE 9 – PROVISIONS	EMPLOYEE ENTITLEMENTS $'000	RESTORATION PROVISION $'000	MAKE GOOD PROVISION $'000	TOTAL PROVISIONS $'000
At 1 July 2014	**1,318**	**7,486**	**249**	**9,053**
Arising during the year	101	2,637	-	2,738
Utilised	(1,171)	(2,557)	(249)	(3,977)
At 30 June 2015	**248**	**7,566**	**-**	**7,814**
Current 2015	111	7,366	-	7,477
Non current 2015	137	200	-	337
	248	**7,566**	**-**	**7,814**
Current 2014	1,102	1,899	-	3,001
Non current 2014	216	5,587	249	6,052
At 30 June 2014	**1,318**	**7,486**	**249**	**9,053**

The restoration provision relates to the ultimate restoration of the Habanero 1, Habanero 4, Jolokia 1, and Savina 1 sites including the wells themselves (permanent plugs), the monitoring wells and water supply pipeline routes.

Bank guarantees totalling $290,000 are held to cover South Australian, NSW and Tasmanian governments tenement rehabilitation obligations.

The components of the provision for employee entitlements is detailed in note 14.

NOTE 10 – FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise of cash and cash equivalents, receivables and payables.

All financial assets are recognised initially at fair value plus transaction costs, and financial liabilities are recognised initially at fair value. Subsequent measurement of financial assets and liabilities depends on their classification, summarised in the table below.

	2015 $'000	2014 $'000
	Amortised Cost	Amortised Cost
Financial Assets		
Cash and Cash Equivalents	28,000	33,815
Receivables	2,375	5,335
	30,375	**39,150**
Financial Liabilities		
Payables	616	4,091
	616	**4,091**

Financial assets and liabilities carried at amortised cost are measured by taking into account any discount or premium on acquisition, and fees or costs associated with the asset or liability. Due to the short-term nature of these assets and liabilities, their carrying value is assumed to approximate their fair value.

AASB7 *Financial Instruments: Disclosures* requires disclosures of fair value measurements by level of the following fair value measurement hierarchy:

Level 1 – the fair value if calculated using quoted market prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The Group does not have any level 1, level 2 or level 3 financial instruments as at 30 June 2015 or 30 June 2014.

NOTE 11 – CONTRIBUTED EQUITY	**2015 $'000**	**2014 $'000**
Authorised Shares		
435,880,130 (2014 – 435,880,130) fully paid ordinary shares	348,338	348,338

MOVEMENT IN ORDINARY SHARE CAPITAL:		**NUMBER OF SHARES**	**$'000**
30/06/14	**Balance end of financial year**	**435,880,130**	**348,338**
	NIL Movement		
30/06/15	**Balance end of financial year**	**435,880,130**	**348,338**

Terms and Conditions of contributed equity

Ordinary Shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. Effective 1 July 1998, the Corporations legislation abolished the concepts of authorised capital and par value shares. Accordingly the Company does not have authorised capital nor par value in respect of its issued capital.

Capital Management

When managing capital, management's objective is to ensure the entity continues as a going concern and to maintain a structure that ensures the lowest cost of capital available to the entity. As the entity is not in position to be debt funded until it advances its projects to a completed feasibility phase which has the support of financiers, it must rely totally on shareholders and government grants for its funding requirements.

Unissued Shares – Shareholder Options

At 30 June 2015, there were no unissued ordinary shares under shareholder options (2014 – Nil). Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate. There were no shareholder options granted during the financial year ended 30 June 2015 (2014 – Nil).

NOTE 12 – RESERVES	**2015 $'000**	**2014 $'000**
Deferred Employee Share Plan Reserve	3,591	3,462
Employee Share Option Reserve	7,507	7,507
Employee SARs Reserve	132	-
Foreign Currency Translation Reserve	5	(22)
	11,235	**10,947**
Reconciliation of Reserves		
Carrying amount at beginning	10,947	10,456
Recognition of Share Plan Expense – Transfer from Contributed Equity	-	-
Recognition of Share Plan Expense	129	337
Recognition of Share Option Expense	-	176
Recognition of SARs Expense	132	-
Recognition of Foreign Currency Translation Reserve	27	(22)
	11,235	**10,947**

NOTE 12 – RESERVES (continued)

Nature and purpose of reserves

Deferred employee share plan reserve

The employee share plan reserve is used to record the value of fully paid ordinary shares granted to employees, including key management personnel, as part of their remuneration. Refer to Note 14 for further details.

Employee share option reserve

The employee share option reserve is used to record the value of share options granted to employees, including key management personnel, as part of their remuneration. Refer to Note 14 for further details.

Employee SARs reserve

The employee SARS reserve is used to record the value of share appreciation rights granted to employees, including key management personnel, as part of their remuneration. Refer to Note 14 for further details.

Foreign currency translation reserve

This reserve records the differences arising as a result of translating the financial statements of subsidiaries recorded in foreign currencies to the presentational currency.

NOTE 13 – EXPENDITURE COMMITMENTS

Enhanced Geothermal Systems (EGS) Tenement Commitments

In order to maintain current rights of its EGS tenements, the Company is required to outlay annual rentals and to meet certain expenditure requirements of the New South Wales, South Australian, Queensland and Tasmania Mines Departments. Also included are fees for Solomon Islands licenses. These obligations are subject to renegotiation upon expiry of the tenements. The obligations are not provided for in the financial report and are payable as follows:

	2015 $'000	2014 $'000
Payable not later than one year	259	245
Operating Leases (non-cancellable)		
Payable not later than one year	71	1,127
Later than one year but not later than five years	8	18
	79	**1,145**
Other Commitments (Open Purchase Orders)	**443**	**1,423**

Included in the other commitments are open purchase orders in relation to the Deeps Joint Venture – refer to Note 25 for details.

The Company has no capital commitments at 30 June 2015.

NOTE 14 - EMPLOYEE BENEFITS AND SUPERANNUATION COMMITMENTS

	2015 $'000	2014 $'000
Employee Benefits		
The aggregate employee benefit liability is comprised of:		
Provision for Annual Leave (current)	111	455
Provision for Long Service Leave (current)	-	-
Provision for Time off in Lieu	-	72
Provision for Terminations	-	576
Provision for Long Service Leave (non-current)	137	215
	248	**1,318**

Superannuation Commitments

The Company contributes to external accumulation funds for its employees which provide benefits for employees and their dependants on retirement, disability or death. These funds provide benefits on a defined contribution basis. Contributions are enforceable to the extent of the contribution required by the Superannuation Guarantee Levy.

Employer contributions paid or payable to the plans	**258**	**507**

NOTE 14 - EMPLOYEE BENEFITS AND SUPERANNUATION COMMITMENTS (continued)

Share Appreciation Rights (SARs) Plan

The Geodynamics Share Appreciation Rights (SARs) Plan was approved by the Board in October 2013.

A Share Appreciation Right is a right to receive shares in the Company or an equivalent cash payment based on the increase in the GDY share price over a specified period, subject to satisfying certain conditions (including a performance condition).

The objective of the Geodynamics SARs is to:

- Align the interests of eligible employees with those of shareholders;
- Provide incentives to attract, retain and/or motivate eligible employees in the interests of the company; and
- Provide eligible employees with the opportunity to acquire Share Appreciation Rights, and ultimately Shares, in accordance with the plan rules.

The Board may, at its discretion, grant to an eligible employee or may invite an eligible employee to apply for a grant of SARs. The vesting of SARs is subject to conditions determined at the time of each issue. 4,862,222 share appreciation rights were granted during the financial year in accordance with the shareholder approval at the Annual General Meeting on 28 November 2013. Performance conditions for the vesting of the SARs at the testing dates are based on growth in the GDY share price.

	ISSUE DATE	EARLIEST VESTING DATE	NUMBER OF SARS	WEIGHTED AVERAGE ISSUE PRICE
Balance at beginning of year			-	-
- granted	20/10/14	01/09/15	2,580,274	$0.44
	20/10/14	01/09/16	2,281,948	$0.49
- transferred to employees or forfeited			-	-
Balance at end of year			**4,862,222**	
Vested & Exercisable at end of year			-	-

Information with respect to the number of options granted under the EOP is as follows:

	2015		2014	
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Balance at beginning of year	**-**	**-**	**6,828,319**	**$0.39**
Granted during the year	-	-	-	-
- lapsed or forfeited	-	-	2,887,463	$0.39
- cancelled	-	-	3,940,856	$0.40
Balance at end of year	**-**	**-**	**-**	**-**
Options that vested during the period	-	-	-	-
Vested & Exercisable at end of year	**-**	**-**	**-**	**-**

Options exercised

There were no options exercised by employees during the year ended 30 June 2015.

Total Options held at the end of the reporting period

The following table summarises information about options held by employees as at 30 June 2015:

GRANT DATE	NUMBER OPTIONS	TYPE	EXPIRY DATE	EXERCISE PRICE
	All options cancelled as part of the termination of the Long Term Incentive Plan			
TOTAL	**-**			**-**

NOTE 14 - EMPLOYEE BENEFITS AND SUPERANNUATION COMMITMENTS (continued)

Deferred Employee Share Plan (DESP)

The shares are issued for a term of three years. The shares are valued using fair value at the date of grant which is deemed to be the five day volume weighted average share price at the date of grant.

Information with respect to the number of shares granted under the DESP is as follows:

	2015		2014	
	NUMBER OF SHARES	WEIGHTED AVERAGE ISSUE PRICE	NUMBER OF SHARES	WEIGHTED AVERAGE ISSUE PRICE
Balance at beginning of year	**4,934,093**	**$0.11**	**3,119,681**	**$0.30**
- granted	-	-	3,490,087	$0.06
- transferred to employees or forfeited	(4,934,093)	$0.11	(1,675,675)	$0.37
Balance at end of year	**-**	**-**	**4,934,093**	**$0.11**
Vested & Exercisable at end of year	-	-	-	-

NOTE 15 - EARNINGS PER SHARE	2015 $'000	2014 $'000
Basic and diluted earnings/(loss) per share attributable to the equity holders (cents per share)	**(3.31)**	**(3.51)**
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net loss attributable to equity shareholders ($'000)	**(14,445)**	**(14,781)**
Weighted average number of ordinary shares used in calculation of basic earnings per share	**435,880,130**	**421,547,416**

NOTE 16 - SEGMENT INFORMATION

The Company operates in one segment, being geothermal energy exploration and evaluation.

The Company's areas of operation are currently located in Australia, the Solomon Islands and Vanuatu (Pacific Islands). With the expansion of the Company's activities outside of Australia in the 2015 financial year, the Company has disclosed a geographic split of non-current assets as at 30 June 2015 (comparative information has also been reported).

Operating segments are identified on the basis of internal reports that are regularly reviewed and used by the Board of Directors (chief operating decision maker) in order to allocate resources to the segment and assess its performance. The financial information presented in the Statements of Comprehensive Income and Financial Position is the same as that presented to the chief operating decision maker.

Unless otherwise stated, all amounts reported to the Board of Directors as the chief operating decision maker are in accordance with the entity's accounting policies.

Geographic Split of Non Current Assets

YEAR ENDED 30 JUNE 2015	PACIFIC	AUSTRALIA	CONSOLIDATED
Property Plant & Equipment	1,243	121	1,364
Deferred Exploration and Evaluation	-	-	-
Total Non Current Assets	**1,243**	**121**	**1,364**

YEAR ENDED 30 JUNE 2014			
Property Plant & Equipment	1,332	2,795	4,127
Deferred Exploration and Evaluation	7,390	-	7,390
Total Non Current Assets	**8,722**	**2,795**	**11,517**

The Company's revenue represent interest on cash and cash equivalents and is all generated in the Australian geographic segment.

NOTE 17 – REMUNERATION OF AUDITORS

	2015 $	2014 $
Amounts received or due and receivable by Ernst & Young Australia for:		
An audit or review of the financial report of the entity	69,000	83,500
Other assurance services	-	5,000
	69,000	**88,500**

NOTE 18 – KEY MANAGEMENT PERSONNEL

Details of Key Management Personnel

DIRECTORS

K. Spence	Chairman (non-executive)
G. Ward	Managing Director & CEO
R. Davies	Director (non-executive)
J. Hamilton	Director (non-executive)
M. Marier	Director (non-executive)
A. Stock	Director (non-executive)
G. Miltenyi	Director (non-executive)

EXECUTIVES

K. Coates [1]	Operations Manager
R. Hogarth [2]	Reservoir Engineering Manager
T. Pritchard	Chief Financial Officer
A. Hodson [3]	Well Engineering & Technology Manager
A. Mills	Project Engineering Team Leader

1 Ceased employment on 30 September 2014

2 Ceased employment on 31 December 2014

3 Ceased employment on 1 August 2014

Compensation of Key Management Personnel

	2015 $	2014 $
Short-term employee benefits	1,665,673	2,280,482
Post Employment benefits	114,313	137,008
Share based payment	173,240	225,651
	1,953,226	**2,643,141**

Further information on remuneration of Key Management Personnel is shown in the Remuneration Report contained within the Directors' Report.

NOTE 19 – RELATED PARTY DISCLOSURES

The Metasource (Woodside) environmental credits off take rights

In 2002 Metasource committed by an Agreement to subscribe for 10,443,392 fully paid ordinary shares as a pre-IPO investor in the Company's August 2002 Prospectus. Under the terms of that Agreement Metasource has the right to participate pro rata to its then current shareholding in any further issue of equity in Geodynamics at the price payable by other parties at the time and Metasource has a right to nominate a person to be appointed as a director of Geodynamics.

On 31 March 2004 the Company announced that it had executed an Environmental Credits Off take Deed with Metasource which formalises Metasource's rights to Environmental Credits. Metasource or its nominee has the right to procure all of the environmental credits which arise from 50% (capped at 1,300 GWh/year) of the power generated by Geodynamics' power plant(s). 37.5% of the Environmental Credits can be sold to Metasource at full market price with the balance of 12.5% of the Environmental Credits assigned to Metasource without separate consideration. The term for the purchase of Environmental Credits commenced on 8 April 2004 and ends on the earlier of:

a) 10 years after the commissioning of the first commercial power plant with capacity exceeding 250 megawatts;

b) 20 years after the Company achieves commissioning of EGS plants with a combined sales capacity exceeding 25 megawatts; or

c) 80 years after the date of the contract.

The Origin Energy environmental credits and power off take rights

On 5 August 2003, Geodynamics executed an Investment Deed with Origin Energy Limited wherein the parties agreed to enter into a strategic alliance under which Origin would subscribe for 10,000,000 shares in Geodynamics. Under the terms of the Investment Deed, Origin Energy has a right of participation in future share issues pro rata to its then percentage shareholding in Geodynamics and Origin has a right to nominate a person to be appointed as a director of Geodynamics.

On 29 April 2005, Geodynamics executed a Heads of Agreement (HOA) with Origin Energy Electricity Limited (Origin) under which, at the time final contracts are entered into, the parties will enter into a power purchase agreement (PPA) and Renewable Energy Certificate purchase agreement (RPA). Under the terms of the PPA, Origin will have the right to purchase 50% of the power generated by Geodynamics (capped at 1300 GWh/year) from any power plant that is connected to a transmission system at a discount of 5% to the then market price. The term of the PPA will commence on the first generation of power by Geodynamics from any power plant that is connected to a transmission system and end 10 years after the commissioning of Geodynamics first large commercial power plant (being a power plant which has a nominal rated capacity of 200 MW or more);

Under the terms of the RPA, Origin will have the right to purchase any Renewable Energy Certificates (RECs) and/or environmental credits (ECs) arising from 47.5% of all power generated by Geodynamics at market price (up to a maximum of the number of RECs and ECs arising from the generation of 1300 GWh of power which qualify for the issue of RECs or ECs in each year). In addition a further 2.5% of the RECs and/or ECs will be assigned to Origin without separate consideration. The RPA will start on the first generation of power by Geodynamics and will end 10 years after the commissioning date of Geodynamics first large commercial power plant.

The Origin Energy Joint Operations

In December 2007, shareholders approved a farmin with Origin Energy (Origin) on the Innamincka "Deeps" EGS geothermal resource. In the subsequent 24 month period, Origin contributed $105.6m to project costs in addition to its own 30% share of project expenditure to satisfy the terms of the farmin. The resulting Joint Operation is known as the Innamincka "Deeps" Joint Venture and sees Geodynamics as Operator with a 70% project interest and Origin with a 30% project interest. Although named 'Joint Venture' the arrangement is accounted for as a Joint Operation. The Joint Operations assets comprise the South Australian geothermal tenements and all property plant and equipment in the Cooper Basin including the drilling rigs.

In February 2010, Geodynamics announced that it had agreed to enter into a second joint operation with Origin to explore for shallow geothermal resources on existing Joint Operation licence areas in the Eromanga Basin in South Australia.

The Innamincka "Shallows" Joint Venture focuses on the exploration of shallow hot sedimentary aquifers (HSA) down to approximately 3,000 m depth, as distinct from the existing "Deeps" Joint Venture with Origin, which focuses on higher temperature enhanced geothermal systems (EGS) in the deeper granites generally below 4,000 m. The participating interests in the "Shallows" Joint Venture are Origin as Operator with a 50% interest and Geodynamics with a 50% interest. At 30 June 2014, Origin Energy Limited, held 15,454,119 fully paid ordinary shares in Geodynamics representing 3.6% of its issued capital.

As advised to the ASX on 28 March 2013, Origin Energy have withdrawn from both of the above joint operations effective 30 June 2013. The result being Geodynamics hold a 100% interest in the Deeps and Shallows joint ventures as at 1 July 2013.

The Kentor Energy Joint Operations

In November 2012, Geodynamics Limited entered into a two stage earn-in and joint operating agreement with Kentor Energy Pty Ltd ("Kentor"), a subsidiary of Kentor Gold Ltd (ASX: KGL), to acquire up to 70% interest in a conventional geothermal power supply project in the Solomon Islands.

Under the terms of the agreement, Geodynamics is entitled to earn an initial 25% interest in the Savo Island Geothermal Power Project ("Project") following the completion of initial geophysical studies to determine target locations for a drilling program.

NOTE 19 – RELATED PARTY DISCLOSURES (continued)

The Company has the right to earn an additional 45% interest through exploration drilling and the completion of a feasibility study for the Project.

In April 2013 Geodynamics fulfilled its commitments under Stage One of the Earn-In by releasing a Savo Island Inferred Geothermal Resource Assessment and became entitled to the initial 25% in the Savo Island Geothermal Power Project.

The Sentient/Sunsuper investment

On 10 April 2008, Geodynamics announced that The Sentient Group (Sentient) and Sunsuper Pty Ltd (Sunsuper) had agreed to become joint cornerstone investors in Geodynamics. It had been agreed that Sentient and Sunsuper would collectively subscribe for 11.8% of the Company's then current issued share capital or 25 million fully paid ordinary shares in Geodynamics at an issue price of $1.50 per share. In addition, one attaching unquoted placement option exercisable at $2.00 per share for every two Shares issued (i.e. 12.5 million options) and expiring 28 February 2009 would be issued. An extraordinary general meeting of shareholders was convened on 29 May 2008 and unanimously approved the placement.

As part of the investment, Sentient and Sunsuper have the right to collectively appoint a Non-executive Director to the Board of Geodynamics. Sentient and Sunsuper are collectively required to maintain a 10% shareholding in Geodynamics to maintain this Board representation. Mr Pieter Britz was appointed to the Board on 25 June 2008 as the director representative under this condition. He resigned as a Director on 24 February 2011 and Mr Michel Marier was appointed as his replacement on the same date under that condition.

In March 2010, Sentient and Sunsuper purchased a combined total 14,974,385 fully paid ordinary shares in Geodynamics representing 5.2% of its issued capital. This occurred in an off market transaction thereby increasing their respective holdings by 7,784,592 and 7,189,793 shares. The substantial shareholder notices lodged at the time by both Sentient and Sunsuper showed that Sentient held 20,284,592 fully paid ordinary shares in Geodynamics representing 7.0% of its issued capital and Sunsuper held 19,689,793 fully paid ordinary shares in Geodynamics representing 6.8% of its issued capital.

In December 2011, Sentient and Sunsuper purchased a combined total of 20,000,000 fully paid ordinary shares in Geodynamics representing 5.9% of its issued capital. This was part of a share placement and increased their respective holdings by 10,000,000 shares each. The substantial shareholder notices lodged at the time by both Sentient and Sunsuper showed that Sentient held 30,284,592 fully paid ordinary shares in Geodynamics representing 8.33% of its issued capital and Sunsuper held 29,999,999 fully paid ordinary shares in Geodynamics representing 8.25% of its issued capital.

At 30 June 2015 Sentient and Sunsuper held 6.95% of Geodynamics issued capital.

The Tata Power investment

On 4 September 2008, Geodynamics announced that The Tata Power Company Limited (Tata Power) had agreed to become a cornerstone investor in the Company. It had been agreed that Tata Power would subscribe for 11.4% of the Company's then current issued share capital or 29.4 million fully paid ordinary shares in Geodynamics at an issue price of $1.50 per share. In addition, one attaching unquoted placement option exercisable at $2.25 per share for every two Shares issued (i.e. 14.7 million options) and expiring 28 February 2009 would be issued. At the Annual General Meeting held on 20 November 2008 shareholders approved the placement and attaching options issue.

As part of the investment, Tata Power has the right to appoint a Non-executive Director to the Board of Geodynamics. Tata Power is required to maintain a 10% shareholding in Geodynamics to maintain this Board representation. Mr Minesh Dave was appointed to the Board on 23 February 2012 as the director representative under this condition. At 30 June 2013, Tata Power through its subsidiary Trust Energy Resources, held 29,400,000 fully paid ordinary shares in Geodynamics representing 7.2% of its issued capital. Mr Minesh Dave retired from the Board on 29 November 2012 and, due to the Tata shareholding being below the required level of 10%, was not replaced.

NOTE 20 - NOTES TO THE CASH FLOW STATEMENT		2015 $'000	2014 $'000
(A)	Reconciliation of Cash		
	Cash is defined in Note 2K to this financial report. Cash balance comprises:		
	Cash on Hand	-	-
	Cash at Bank	466	890
	Bank Bills and Term Deposits	27,534	32,925
	Total Cash	**28,000**	**33,815**
(B)	Reconciliation of the operating loss after tax with the net cash flows used in operations		
	Loss after income tax	(14,445)	(14,781)
	Depreciation and amortisation	79	522
	Net (profit)/loss on disposal of property, plant & equipment	220	(1,538)
	Share Option Valuation Expense	-	176
	Shares issued under Deferred Employee Share Plan	129	337
	SARs issued	132	-
	Exploration and Evaluation Cost treated as an investing activity	1,998	8,425
	Impairment of Property Plant & Equipment	2,550	-
	Impairment of Exploration & Evaluation Costs	8,044	40
	Changes in Assets & Liabilities		
	(Increase)/decrease in receivables and prepayments	1,063	(477)
	Increase/(decrease) in other creditors and accruals	(2,919)	(393)
	(Increase)/decrease in inventories	(57)	(704)
	Increase/(decrease) in general provisions	(1,239)	2,121
	Net Cash Flow used in Operating Activities	**(4,445)**	**(6,272)**

(C) Non-Cash Financing and Investing Activities. During the year nil (2014 – nil) fully paid ordinary shares were issued in consideration of professional services rendered by external consultants to the Company in the ordinary course of business.

NOTE 21 – CONTINGENT LIABILITIES

Geodynamics Limited has been advised that the South Australian Geothermal Exploration Licences No. 211 (GEL) and Geothermal Retention Licences (GRL) No. 3 through to 12 and 20 to 24 have been granted by the Department of Primary Industries and Resources South Australia on the basis that the grant of a GEL or GRL is not an act which creates a 'right to mine' and therefore 'the right to negotiate' process in the relevant native title legislation does not apply and the grant of the GELs and GRLs are valid for native title purposes. The Company's legal advice is that this is a sustainable position although it would be open to a Court to reach a different conclusion. Any substantiated claim may have a financial ramification for the Company.

The Company has also been advised that none of the New South Wales tenements are invalid for native title purposes or attract the relevant right to negotiate provisions in the applicable native title legislation.

Bank guarantees totalling $290,000 are held to cover South Australian, New South Wales and Tasmanian governments' tenement rehabilitation obligations. A bank guarantee totalling $37,597 is held by the landlord for the lease of the Brisbane office premises.

NOTE 22 – SUBSEQUENT EVENTS

On 14 July 2015 Geodynamics announced that the company had made an all scrip offer to acquire Quantum Power Limited. Further to this the Company announced the lodgement of the Bidders Statement on 5 August 2015. The Offer period opened on 10 August 2015 and will close on 11 September 2015 unless extended.

There has not arisen between 30 June 2015 and the date of this report any other item, transaction or event of a relevant and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company.

NOTE 23 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise cash and short-term deposits. The main purpose of these financial instruments is to manage the finances for the Company's operations. The Company has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are cash flow interest rate risk and foreign currency risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

Primary responsibility for identification and control of financial risks rests with the board of directors, however the day-to-day management of these risks is under the control of the Managing Director and Chief Financial Officer. The Board agrees the strategy for managing future cash flow requirements and projections.

(A) Interest rate risk

The Company's exposure to interest rate risks primarily relates to the Company's funds held on term deposit. The Company has no debt obligations. At balance date, the Company had the following mix of financial assets and liabilities exposed to interest rate risk:

	2015 $'000	2014 $'000
Cash and cash equivalents	28,000	33,815

The Company's policy is to place funds in interest-bearing deposits that are surplus to immediate requirements. The Company's interest rate exposure is reviewed near the maturity date of term deposits to assess whether more attractive interest rates are available without increasing risk.

At 30 June 2015, if interest rates had moved, as illustrated in the table below, with all other variables held constant, the post tax loss and equity would have been affected as follows:

	POST TAX PROFIT HIGHER/(LOWER)		EQUITY HIGHER/(LOWER)	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
+1%	280	338	280	338
-0.5%	(140)	(169)	(140)	(169)

The movements in the loss and equity are due to higher/(lower) interest income from cash balances.

(B) Credit Risk

The Company's maximum exposures to credit risk at balance date in relation to financial assets, is the carrying amount of those assets as recognised on the statement of financial position. There are no derivative financial instruments currently being used by the Company to offset its credit exposure.

The Company trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Company's policy to securitise its trade and other receivables. It is noted that the company's significant receivable balances at 30 June 2015 relate to the R&D tax incentive and the amount receivable from Origin Energy for the reimbursement of costs related to remediation activity in the Cooper Basin.

(C) Foreign Currency Risk

During the course of its business activities, the Company has had some transactional currency exposures, principally to the US dollar. Such exposure arises from purchases in currencies other than the Company's functional currency. The Company enters into forward currency contracts to hedge some of these exposures due to the length and size of the currency exposure. They generally relate to the purchase of capital assets or major material purchases. Conversely, the purchase of foreign currency operational supplies and services are generally not hedged due to the short time frame associated with the currency exposure and the relatively modest overall exposure at any one point in time.

Approved foreign exchange derivatives are limited to foreign exchange forward contracts and foreign exchange swaps (i.e. simultaneous purchase and forward sale) with tenors of less than 12 months except for long lead time capital items where the tenor shall be as specified under the contract.

Contractually agreed or committed (i.e. Board approval received) foreign currency exposures in excess of the equivalent of AUD 500,000 payable within 12 months are to be fully covered. In addition, contracted capital items with a foreign currency exposure in excess of the equivalent of AUD 500,000 payable beyond 12 months are to be fully covered.

Exposures of less than the equivalent of AUD 500,000 will not normally be covered, as the business risk of not covering these is considered negligible (due to the short time between supply and payment).

It is the Company's policy not to enter into forward contracts until a firm commitment is in place and to negotiate the terms of the hedge derivatives to exactly match the terms of the hedged item to maximise hedge effectiveness.

During the year ended 30 June 2015 the Company did not enter into any forward currency contracts.

At 30 June 2015, the Company had the following exposures to foreign currency that is not designated in cash flow hedges:

	2015 $'000	2014 $'000
Financial Liabilities		
Trade and other payables	11	273
Derivatives	-	-

NOTE 23 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(C) Foreign Currency Risk *(continued)*

At 30 June 2015, had the Australian Dollar moved, as illustrated in the table below, with all other variables held constant, the post tax loss and equity would have been affected as follows:

	POST TAX PROFIT HIGHER/(LOWER)		EQUITY HIGHER/(LOWER)	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
+10%	1	25	1	25
-5%	(1)	(14)	(1)	(14)

The movements in profit and equity in 2015 are less sensitive than in 2014 due to the lower value of the financial liabilities.

- Significant assumptions used in the foreign currency exposure sensitivity analysis include:
- Reasonably possible movements in foreign exchange rates were determined based on a review of the last years historical movements.
- The reasonably possible movement of 10% was calculated by taking the relevant foreign currency spot rates as at balance date, moving those spot rates by 10% and then re-converting back into AUD with the "new spot-rate".
- This methodology reflects the translation methodology undertaken by the Company.

***(D)* Liquidity Risk**

The Company's objective is to maintain sufficient funds to finance its current operations with additional funds to ensure its long-term survival in the event of a business downturn. The Company's policy is that it is dependent on shareholder funds until such time as it commences generating revenue from operations. It has no finance facilities in place and no borrowings. The contractual maturity of the Company's financial liabilities are:

	2015 $'000	2014 $'000
6 months or less	716	4,091

NOTE 24 – INTEREST IN JOINT OPERATIONS

The Company is a party to a joint operation with Kentor Energy Pty Ltd (Kentor). The joint operation assets comprise the Savo Island prospecting license and all property plant and equipment for use on Savo Island. The joint operation is named the Savo Island Geothermal Joint Venture. Although named 'Joint Venture' the arrangement is accounted for as a Joint Operation.

Under the terms of the agreement, Geodynamics (Savo Island) Pty Ltd is entitled to earn an initial 25% interest in the Savo Island Geothermal Power Project following the completion of initial geophysical studies to determine target locations for a drilling program. The Company has the right to earn an additional 45% interest through exploration drilling and the completion of a feasibility study for the Project. At 30 June 2015 Geodynamics had met all requirements for the initial 25% interest.

In prior years the Company was a party to two joint operations named the Innamincka 'Deeps' Joint Venture and the Innamincka 'Shallows' Joint Venture. Although named 'Joint Venture' the arrangement is accounted for as a Joint Operation. The joint operations with Origin Energy Limited were formed to explore and evaluate enhanced geothermal systems in Cooper/Eromanga basin in South Australia. The joint operations comprised South Australian geothermal tenements and all property plant and equipment for use in the Cooper/Eromanga basin. At 30 June 2013, Origin Energy Limited withdrew from the joint operations. Coincident with the withdrawal, the Company became the 100% participant in the arrangement and obtained control of its geothermal tenements and all property plant and equipment.

NOTE 25 – INFORMATION RELATING TO GEODYNAMICS LIMITED (THE PARENT)

	2015 $'000	2014 $'000
Current Assets	32,559	45,752
Total Assets	32,680	51,556
Current Liabilities	8,085	7,067
Total Liabilities	8,423	13,119
Contributed Equity	348,338	348,338
Accumulated Losses	(335,312)	(320,870)
Other Reserves	11,231	10,969
	24,257	**38,437**
Profit or loss of the Parent entity	(14,604)	(14,781)
Total comprehensive income of the Parent entity	(14,604)	(14,781)

The Parent has not issued guarantees in relation to the debts of its subsidiaries.

The Parent has no contingent liabilities nor any contractual obligations on behalf of its subsidiaries at 30 June 2015.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Geodynamics Limited, I state that:

1. In the opinion of the Directors:

(a) the financial statements, notes and additional disclosures included in the Directors' Report designated as audited of the Company are in accordance with the *Corporations Act 2001,* including:

(b) giving a true and fair view of the Company's financial position as at 30 June 2015 and of their performance for the period ended on that date; and

(c) complying with Accounting Standards and Corporations Regulations 2001; and

(d) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2; and

(e) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial period ending 30 June 2015.

On behalf of the Board.

K. Spence

Chairman

Brisbane 28 August 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEODYNAMICS LIMITED

Building a better working world

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111 Eagle Street
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEODYNAMICS LIMITED

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of Geodynamics Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2B, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with I*nternational Financial Reporting Standards.*

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

a. the financial report of Geodynamics Limited is in accordance with the *Corporations Act 2001*, including:
   - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
   - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2B.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Geodynamics Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Andrew Carrick
Partner
Brisbane
28 August 2015

THE METASOURCE AGREEMENT (2002)

Metasource Pty Ltd (a wholly owned subsidiary of Woodside Energy Limited) was at the time of listing in 2002 the Company's largest shareholder. Metasource committed by an Agreement to subscribe for 10,443,392 fully paid ordinary shares as a pre-IPO investor in the Company's August 2002 Prospectus and was therefore a substantial shareholder at the time the Company was admitted to the official list of the Australian Stock Exchange (ASX) on 11 September 2002. At that time, Metasource's shareholding represented 31.6% of the issued share capital of the Company. Metasource subsequently subscribed for a further 1,111,111 fully paid ordinary shares at an issue price of 90¢ per share on 31 March 2004 to support the Company's working capital requirement for the Cooper Basin Stage One project. In 2008, Metasource sold all of its shares in Geodynamics.

The Metasource Agreement of 2002 contains the following material conditions which remain current:

- Metasource or its nominee has the right to purchase Environmental Credits from Geodynamics and the parties agreed to negotiate and enter into a formal purchase contract. Environmental Credits is defined broadly and includes renewable energy certificates, carbon credits and any other legal, commercial or other benefit (whether present or future) from any use of renewable energy arising directly or indirectly from the use of thermal energy or the generation of power from power plants developed by Geodynamics. On 31 March 2004 the Company announced that in conjunction with Metasource's subscription for a further 1,111,111 fully paid ordinary shares at 90 cents, that it had executed an Environmental Credits Off-take Deed with Metasource which formalises Metasource's rights to Environmental Credits.
- Metasource or its nominee has the right to buy all of the environmental credits which arise from 50% (capped at 1,300 GWh/year) of the power generated by Geodynamics' power plant(s). Metasource is, however, not entitled to purchase Environmental Credits in the form of renewable energy certificates, unless either renewable energy certificates become an instrument which is used for purposes other than those currently prescribed in the Renewable Energy (Electricity) Act 2000 or Geodynamics does not claim the benefit of the environmental credits which Metasource is entitled to buy under the purchase contract other than by reason of there being no legal framework within which such benefits can reasonably be claimed.
- The price of environmental credits will be the lower of 75% of the then market price in Australia or the then market price minus $5/tonne. The purchase price of environmental credits cannot be less than zero. Subsequently, this condition has been varied following execution of an Environmental Credits Off-take Deed with Metasource on 31 March 2004 such that 12.5% of the Environmental Credits will be assigned to Metasource without separate consideration and the balance of 37.5% of credits can be sold to Metasource at full market value (therefore the weighted average effective discount for the credits remains unchanged at 25%).

ASX agreed to grant a waiver from ASX listing rule 10.1 to the extent necessary to permit the Company to enter into an agreement for the purchase of Environmental Credits which arise from 50% of the power generated by power plants developed by the Company for a period commencing on the date of commissioning the first power station developed by the Company and terminating 10 years after the commissioning of the first commercial power plant with capacity exceeding 250 megawatts. Subsequently, following execution of an Environmental Credits Off-take Deed with Metasource on 31 March 2004, the Company agreed that the term for the purchase of Environmental Credits shall commence on 8 April 2004 and end on the earlier of:

a) 10 years after the commissioning of the first commercial power plant with capacity exceeding 250 megawatts;
b) 20 years after the Company achieves commissioning of HDR plants with a combined sales capacity exceeding 250 megawatts; or
c) 80 years after the date of the contract.

The waiver from ASX listing rule 10.1 was granted on the following conditions:

- The Company makes full disclosure of the Environmental Credit purchase agreement to any person who may subscribe for the Company's securities under a prospectus issued by the Company during the life of the Environmental Credit purchase agreement;
- The Company includes the following information in each annual report during the life of the Environmental Credit purchase agreement:
  - A statement that Metasource was a substantial holder of the Company at the time that the Company was admitted to the official list of ASX together with details as to Metasource's relevant interest in the total votes attaching to the voting securities of the Company at the time that the Company was admitted to the official list.
  - An explanation of the circumstances under which Metasource first became a substantial holder of the Company.
  - A summary of the terms of the Environmental Credit purchase agreement.
  - The terms of the waiver.

THE ORIGIN AGREEMENT (2003)

Origin Energy Limited (Origin) is the Company's third largest shareholder and currently holds 18,388,688 fully paid ordinary shares representing 4.5% of the issued capital of the Company.

Geodynamics executed an Investment Deed with Origin on 5 August 2003 wherein the parties agreed to enter into a strategic alliance under which Origin would subscribe for 10,000,000 shares in Geodynamics for a subscription price of $0.50 cents per share and also provide technical assistance and Geodynamics would sell to Origin power generated from any power plant that is or could be connected to a transmission system and renewable energy certificates arising from the generation of any power generated by Geodynamics.

Under the terms of the Investment Deed and following shareholder approval, 10,000,000 fully paid ordinary shares were issued and allotted to Origin on 30 September 2003.

Geodynamics was required to apply the subscription monies towards the development of a two well HDR program in the Cooper Basin to produce 20 MWt of thermal energy and for the conduct a full bankable economic feasibility study in relation to the generation of power using HDR geothermal energy from Geodynamics Cooper Basin HDR resource.

The Origin Investment Deed also contains the following material conditions:

Origin will have the right to appoint a non-executive director to the Board of Geodynamics;

- The parties will proceed to negotiate in good faith a heads of agreement (subject to final contracts) under which as long as Origin holds not less than 10,000,000 shares at the time the final contracts are entered into, the parties will enter into a power purchase agreement (PPA) and Renewable Energy Certificate (REC) purchase agreement. Subsequently, on 4 May 2005, Geodynamics announced that it had executed a Heads of Agreement with Origin;
- Under the terms of the PPA, Origin will have the right to purchase 50% of the power generated by Geodynamics up to a maximum of 1300 GWh per annum from any power plant that is or could be connected to a transmission system at a discount of 5% to the then market price. The term of the PPA will commence on the first generation of power by Geodynamics from any power plant that is or could be connected to a transmission system and end 10 years after the commissioning of Geodynamics' first large commercial power plant (being a power plant which has a nominal rated capacity of 200 MW or more);
- Under the terms of the REC purchase agreement, Origin will have the right to purchase any RECs and/or environmental credits arising from 50% of all power generated by Geodynamics (up to a maximum of the number of RECs and environmental credits arising from the generation of 1300 GWh of power which qualifies for the issue of RECs or environmental credits in each year) at a discount of 5% to the then market price. The REC purchase agreement will start on the first generation of power by Geodynamics and will end 10 years after the commissioning date of Geodynamics' first large commercial power plant. Subsequently as part of the Heads of Agreement executed on 3 May 2005, the Company has agreed to vary this condition such that 2.5% of the environmental credits will be assigned to Origin without separate consideration and the balance of 47.5% of credits can be sold to Origin at full market value (therefore the weighted average effective discount for the credits remains unchanged at 5%);
- Geodynamics can terminate either or both agreements if at any time during those agreements Origin holds less than 10,000,000 shares in Geodynamics;
- Origin has a right of participation in future share issues pro rata to its then percentage shareholding in Geodynamics;
- Origin can be involved in the exploration, development, use or generation of HDR geothermal energy without the consent of Geodynamics.
- Under the terms of a waiver granted by the ASX on 25 August 2003, ASX agreed to grant a waiver from listing rule 6.18 to the extent necessary to permit the Company to enter into the above Investment Deed which would enable Origin to maintain its shareholding in the event of further equity issues by the Company (the 'Top-Up Right'). The waiver was granted by ASX on the following conditions:
- The Top-Up right lapses if the strategic relationship between the Company and Origin ceases;
- The Top-Up Right may only be transferred to a wholly owned subsidiary of Origin;
- Any securities issued under the Top-Up Right are issued on the same terms and conditions as are offered to third parties; and
- The Company discloses in each annual report a summary of the terms of the agreement with Origin.

SUMMARY OF THE METASOURCE AND ORIGIN OFF-TAKE RIGHTS

PARTY	ELECTRICITY OFF-TAKE RIGHTS	RENEWABLE ENERGY CERTIFICATES (RECS) AND ENVIRONMENTAL CREDITS (EC'S) OFF-TAKE RIGHTS
Metasource	-	12.5% free to a maximum of those RECs or ECs arising from 325GWh per year.
Metasource	-	37.5% market price – right but not obligation to a maximum of those RECs or ECs arising from 975GWh per year.
Origin	-	2.5% free to a maximum of those RECs or ECs arising from 65GWh per year.
Origin	50% of export electricity produced to a maximum amount of 1300GWh per calendar year - 95% of forward electricity contract market price.	17.5% market price – right but not the obligation to a maximum of those RECs or ECs arising from 455GWh per year.
Total off-take obligations of Geodynamics based on a generated capacity of 2,600 GWh per calendar year	**80%**	100%
Origin	-	For subsequent plants (defined as any other plant other than the first plant), Origin has a right but not the obligation to purchase up to 70% of the REC volume generated from those plants but such quantity cannot exceed more than 30% of the equivalents REC's or EC's capable of being generated at the first plant.
Tenure*	10 years after commissioning of first plant.	10 years after commissioning of first plant.

* refer to specific detail in the agreements outlined above.

SHAREHOLDER INFORMATION

The shareholder information set out below is applicable as at 31 August 2015.

DISTRIBUTION OF FULLY PAID ORDINARY SHARES

Analysis of number of equity security holders by size and holding:

RANGE	SECURITIES	NO OF HOLDERS
100,001 and Over	286,004,585	555
50,001 to 100,000	45,022,200	621
10,001 to 50,000	74,229,638	3,259
5,001 to 10,000	16,746,045	2,209
1,001 to 5,000	12,453,568	4,412
1 to 1,000	1,424,094	2,373
TOTAL	**435,880,130**	**13,429**
Unmarketable Parcels	49,097,199	10,373

TWENTY LARGEST HOLDERS -ORDINARY FULLY PAID SHARES

The names of the twenty holders of fully paid ordinary shares are listed below:

1	HSBC Custody Nominees (Australia) Limited	31,013,660	7.12%
2	Tata Power International Pte Limited	29,400,000	6.74%
3	Origin Energy Limited	15,454,119	3.55%
4	Sentient Executive GP III Limited	30,284,592	6.95%
5	J P Morgan Nominees Australia Limited	6,552,545	1.50%
6	Love Super Services Pty Ltd (J&A Love Super Fund A/C)	5,000,000	1.15%
7	Pacific Custodians Pty Ltd (Geodynamics Plans Ctrl A/C)	4,273,715	0.98%
8	Jetosea Pty Ltd	3,990,335	0.92%
9	Cooee Investments Pty Ltd	3,100,000	0.71%
10	North Western Surveys Pty Ltd	2,792,180	0.64%
11	Mr Paul Armand Darrouzet	2,723,500	0.62%
12	Bullock Point Pty Ltd (Bishop Family Super Fund A/C)	2,355,996	0.54%
13	Dr Gary Robert Lillicrap & Mr Damian Gary Lillicrap & Mrs Imelda Anne Lillicrap (Lillicrap Super Fund A/C)	2,079,499	0.48%
14	Miltout Pty Ltd (The Miltout A/C)	1,840,478	0.42%
15	Mr Edward Joseph Gettingby & Mrs Margaret Mary Gettingby	1,675,373	0.38%
16	Navigator Australia Ltd (MLC Investment Sett A/C)	1,622,034	0.37%
17	Rotherwood Enterprises Pty Ltd	1,410,000	0.32%
18	Crowbrook Pty Ltd (The Whitehall Superfund A/C)	1,400,000	0.32%
19	Mr Gary Alan Chalmers & Mrs Leanne Chalmers	1,360,313	0.31%
20	Mr Paul Anthony Broad	1,327,571	0.30%
TOTAL		**149,655,910**	**34.33%**

SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2011* are:

		ORDINARY SHARES	
		NUMBER HELD	PERCENTAGE OF ISSUED SHARES*
1	The Tata Power Company	29,400,000	6.74%
2	Sentient executive	30,284,592	6.95%
3	Sunsuper Pty Ltd	29,999,999	6.88%

*Represents holding percentage at the time of notification

VOTING RIGHTS

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options

No voting rights.

SECURITIES EXCHANGE LISTING

The shares of the Company are listed under the symbol GDY on the Australian Securities Exchange Limited. The Company's home branch is Brisbane.

SHAREHOLDER ENQUIRIES

Shareholders with queries about their shareholdings should contact the Company's Share Registry as follows:

Link Market Services

Locked Bag A14

Sydney South NSW 1235

Telephone Australia: 1300 554 474

Telephone International: +61 1300 554 474

Fax: +61 2 9287 0303

Email: registrars@linkmarketservices.com.au

CHANGE OF ADDRESS

Issuer sponsored shareholders should notify the share registry immediately upon any change in their address quoting their Securityholder Reference Number (SRN). This can be done by phoning the share registry, by writing to them, or through their web portal at www.linkmarketservices.com.au. Changes in addresses for broker sponsored holders should be directed to the sponsoring brokers with the appropriate Holder Identification Number (HIN).

ANNUAL REPORT

The Company's Annual Report is posted on its web site immediately upon release to ASX. Shareholders will not be mailed a copy of the Annual Report unless they have specifically opted in to request one.

NOTICE OF MEETING AND PROXY VOTING

The Company offers online voting and shareholders may elect to receive the Company's notice of meeting and proxy form via email. The Company encourages this form of electronic communication. Voting can be undertaken online, by logging in to the Link website using the holding details as shown on the proxy form. Shareholders who do not register for online access will continue to receive these documents by post. Shareholder who would like to opt in to receive these documents by email should register their communication preferences at the share registry's web portal at www.computershare.com.au.

CONSOLIDATION OF MULTIPLE SHAREHOLDINGS

If you have multiple shareholding accounts that you wish to consolidate into a single account, please advise the Share Registry in writing. If your holdings are broker sponsored, please contact the sponsoring broker directly.

REGISTER FOR EMAIL ALERTS

Please note, that as a shareholder you can register through the 'Email Alerts' section of our web site to receive electronic communications from the Company. To do so, you should select the 'Shareholder Information' tab on our web site at www.geodynamics.com.au. Registration will provide you with an email advice with a link to www.geodynamics.com.au each time a relevant announcement is made by the company and posted on this site.

At www.geodynamics.com.au shareholders can view:

- Annual and half-year Reports
- Quarterly Reports
- Securities Exchange Announcements
- Geodynamics Share Price Information
- General Shareholder Information

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Mr Keith Spence
(Non-executive Chairman)

Mr Geoff Ward
(Managing Director and CEO)

Mr Bob Davies
(Non-executive Director)

Dr Jack Hamilton
(Non-executive Director)

Mr Michel Marier
(Non-executive Director)

Mr Andrew Stock
(Non-executive Director)

Mr George Miltenyi
(Non-executive Director)

COMPANY SECRETARY

Mr Tim Pritchard CPA CSA (CERT)

PRINCIPAL AND REGISTERED OFFICE

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SHARE REGISTRY

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Website: www.linkmarketservices.com.au
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SECURITIES EXCHANGE LISTING

Geodynamics Limited shares are listed on the Australian Securities Exchange.

Ticker: GDY

GEODYNAMICS
LIMITED

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