



INVESTORS' NEWSLETTER

OCTOBER 2011

LATEST NEWS

In a Nut Shell

- 1 T3 is completed & successfully statically tested
- 2 Turbine shortlisted in the Australian Cleantech Ideas Competition
- 3 Control Test being planned & Site options being assessed
- 4 Next round of ASSOB funding began in September
- 6 Grants still being pursued



The Directors of Sundermann Water Power Limited again have much to report to shareholders.

T3 Manufacture

The T3 turbine manufactured by GMG in Maryborough, Queensland is completed and handover occurred on 3rd October. The process has highlighter small areas for improvement and refinement but has been an overwhelming success. The turbine is shown in the photos overleaf and being tested above.

Inventor and founder, Fred Sundermann has spent considerable time overseeing the manufacture and critically assessing various aspects and solving issues that arose.

We are seeking GMG's assessment on possible revisions, enhancements and even the use of alternative materials, for future production; the cost of which should decrease with volume.

Australian Cleantech Ideas Competition

The Sundermann Water Turbine, was shortlisted in the Australian Cleantech Ideas Competition from more than 70 entries across the country.

The competition is to identify the best ways of addressing the challenges of climate change and sustainability. The company is delighted that our turbine has been recognised amongst so many other clean technology ideas. We are driven by a desire to offer an

affordable, dependable, alternative to diesel and other fossil fuels.



Directors, Ed Gibson and Leigh Bennett attended a full day workshop in Sydney to hear high profile private equity firms and government agencies discuss the hurdles and opportunities in commercialisation of new technologies. The experience was educational and very fruitful. In addition, as a part of the judging, Ed Gibson was filmed in a 5 minute "pitch" on the turbine and its attributes.

The final judging occurred in Sydney on October 6th and was attended by Leigh Bennett and Fred Sundermann, Directors and other company supporters. We were unsuccessful but have already gained much exposure from the event.



Static Testing

The Board spent considerable time planning, costing and devising a control test before deciding to suspend the turbine in a yacht lift and creating the water flow from a large marine vessel moored in front.

The purpose of the test was to ascertain that the T3 turbine was fully functional and that no inhibitors to the free rotation of the blades and gears was apparent in its operation. Subsequently, we sought to determine, using the water flow of a large marine vessel moored in front of the turbine, the KWA output at various speeds (measured in metres / second) and the rpm of the blades.

The test was an overwhelming success based on the proven operational functioning of the turbine and it reaching, at times, optimum performance for the fitted generator and consistently 70% of the generators maximum output.

The test was able to power 3 standard hot water system heaters (elements) at a rate considered equal to that achievable with mains power in a typical household. It generated up to 6 Kilowatts of power.

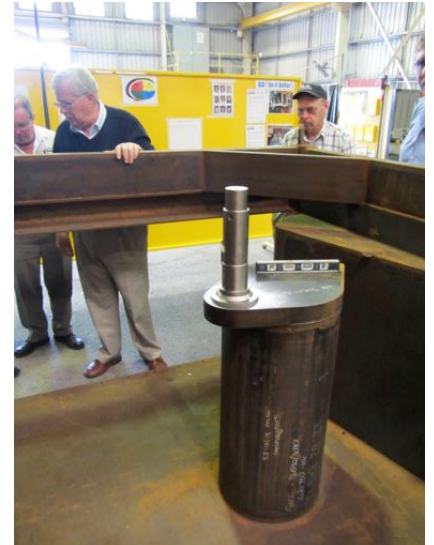
Our subsequent trials will be via more prolonged operational tests, most likely in a river or canal environment to assess the efficiency of the device in solving slow current power generation needs of future customers. See the website for the report.

ASSOB Prospectus

The latest Investor Prospectus has been approved by ASSOB and is on the market. Please visit the website for a copy.

Government Liaison & Grants

We are still going through the process of a Commercialisation Australia grant and have reached stage two. Also, as part of the Cleantech short listing we have been given a fast track with Ausindustry and its Enterprise Connect service which also allows us to apply for a further small grant.



We need your email address!

We request that you send an email to leigh.bennett@sundermannwaterpower.com so that we have your email address and can communicate with you via emails for future Newsletters and announcements.

Ed Gibson Chairman