

ASX ANNOUNCEMENT

21 August 2018

**Contract Power Awarded 17 MW Variation to MinRes EPC Contract
Commences Work on Microgrid Project for Horizon Power**

Key Points

- **Pacific Energy subsidiary, Contract Power, receives variation order to install and commission interim 17 MW diesel power station on behalf of Mineral Resources Ltd at Wodgina Lithium project**
 - **Lifts total Wodgina EPC contract value to approximately \$30 million**
 - **Work scheduled to be completed in first half of FY19**
 - **Early works commence on \$2m lithium battery installation for Horizon Power**
-

Power generation specialist Pacific Energy Limited (“Pacific Energy”) refers to the previously announced award to its new Contract Power Australia Pty Ltd subsidiary of a contract to build a 52MW gas fired power station for Mineral Resources Ltd (“MinRes”) at the Wodgina Lithium Project.

MinRes has now issued a variation to Contract Power for the design, installation and commissioning of a further 17 MW of temporary power utilising MinRes supplied and owned diesel power assets.

MinRes’ original project delivery plan was to utilise interim power facilities hired from a third party in order to supply power to the site during the progressive ramp up of the Spodumene Concentrate facility. Ramp up to full production will occur approximately four months prior to completion of construction and commissioning of the new permanent 52MW gas fired power station and pipeline. MinRes subsequently elected to purchase the power generation assets required to supply this interim power to Wodgina as they will be redeployed across its growing business in the future, this decision representing a better use of capital.

The variation work lifts the total contract value to approximately \$30m and will be delivered whilst Contract Power continues to deliver in parallel the new permanent power station for MinRes. The 52MW permanent power station, understood to be one of the largest high speed reciprocating gas power stations in the global mining industry, is currently on time and on budget, with an expected completion of January 2019.

Pacific Energy’s Managing Director, James Cullen said “We thank MinRes for their confidence in selecting Contract Power in this highly important project. The award is a strong endorsement of Contract Power’s capabilities to deliver projects in the gas and diesel remote power generation space for the resource sector.”



Progress of Engine Hall Construction – Wodgina Lithium Project

Pacific Energy also advises that Contract Power has recently commenced early works on a contract with Horizon Power dated 18 March 2018 to supply and install a utility scale Samsung lithium battery (1.3MW) and integrate it with gas and solar generation facilities in the Western Australian town of Onslow.

The project has a value of approximately \$2m and completion is scheduled for March 2019 and further demonstrates the strides Pacific Energy and its subsidiaries are making into evolving renewable energy technologies.

The battery storage system is part of an important initiative by Horizon Power to provide and optimise the use of renewables. The project will see the Western Australian town of Onslow being supplied with its electricity needs from one of the largest comprehensive microgrid systems in Australia.

The selection of Contract Power by Horizon Power recognizes past performance and, importantly, supports ongoing growth and diversification. The award follows Contract Power's existing 10 year contract to supply power to six Western Australian remote towns, including a solar/diesel hybrid system for the town of Meekatharra.

-ENDS-

For Further Information Contact:

**James Cullen
Managing Director
Pacific Energy Ltd
+61 (08) 9303-8888**