



ASX Announcement

24 May 2021

DELOREAN ENERGY VICTORIA ONE BIOENERGY (DEVO) PROJECT – FINAL INVESTMENT DECISION

HIGHLIGHTS

- Delorean Corporation has approved Financial Investment Decision (FID) for the construction, commissioning and operation of the Delorean Energy Victoria One (DEVO) bioenergy facility located in Stanhope, Victoria.
- The DEVO project underpins Delorean’s transition to a builder, owner and operator of bioenergy infrastructure assets, expanding as a national renewable energy ‘gentailer’ (integrated generator and retailer).
- The DEVO project will divert commercial, industrial, agricultural and municipal organic waste from landfill and generate renewable electricity, with further opportunity to produce renewable gas.
- The project is expected to deliver an unlevered internal rate of return north of 12%.
- The project is expected to deliver gate fee revenues inside of 12 months from start of construction (expected July 2021), estimated to be \$1.7m per annum in free cashflows when fully operational.

Delorean Corporation (ASX: DEL) (“Delorean” or “the Company”) is pleased to announce that its wholly owned subsidiary Delorean Energy Pty Ltd has reached Financial Investment Decision (FID) for the construction, commissioning and operation of the Delorean Energy Victoria One (DEVO) bioenergy facility located in Stanhope, Victoria.

Delorean Energy owns 90% of the DEVO project through a special purpose vehicle Delorean Energy Victoria One Pty Ltd, with the remaining 10% share held by Bourke Family Trust.

Managing Director Joe Oliver said “Consistent with our Prospectus, we are excited to be moving into construction on the DEVO facility, which will start to deliver gate fee revenues inside of 12 months. This project underpins Delorean’s transition to a builder, owner and operator of bioenergy infrastructure assets using its own in-house capabilities, and with energy offtakes to Cleantech Energy we set the platform for geographic expansion as a national renewable energy ‘gentailer’ (integrated generator and retailer).”

Project Overview

The DEVO project is a bioenergy facility located in Stanhope, Victoria that will divert commercial, industrial, agricultural and municipal organic waste from landfill and generate renewable electricity in the base case, with the further opportunity to produce renewable gas suitable as mains gas.

The \$13.8M project will receive up to 41,000 tonnes per annum of food and agricultural by-products in Phase 1. Renewable energy will be generated via anaerobic digestion technology and produce 1.4MW of electrical energy for export to the grid under an offtake with Delorean Corporation's energy retailer, CleanTech Energy. The project will provide CleanTech Energy with its first generation platform to underpin its expansion beyond Western Australia into the Victorian electricity retail market.

As project developer and owner, Delorean Energy has secured the project site (owned by the Bourke Family Trust) on a 25 year lease with 25 year option. The required regulatory approvals have been conditionally granted to accept up to 71,300 tonnes per annum of organic waste at the site. These conditions will now be met with the completion of FID by the Delorean Board and in advance of construction.

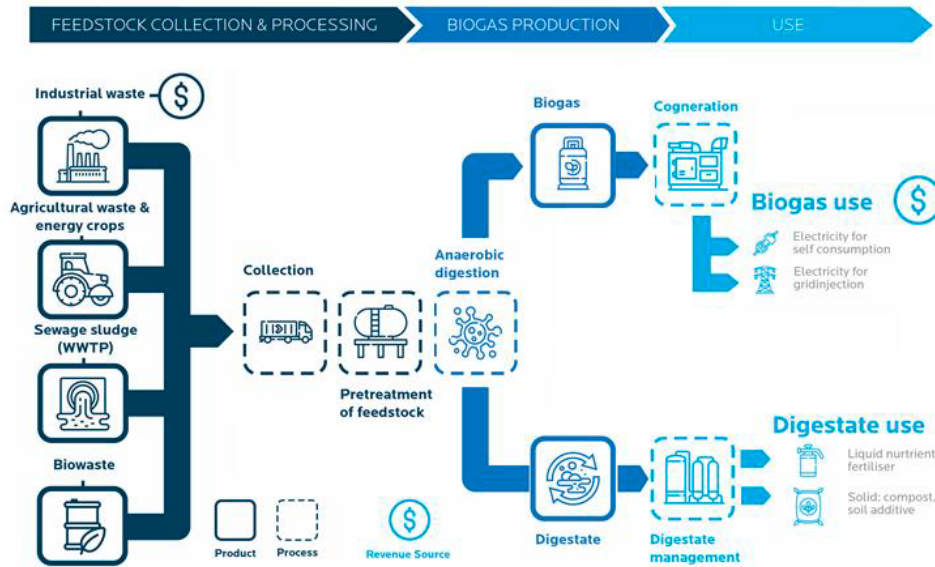
Construction is expected to commence in July 2021, with the facility being commissioned in July 2022.



Figure 1: DEVO Site Layout

The DEVO project will generate revenue streams from:

- Gate fees for acceptance of organic waste streams diverted from landfill and lower value recycling pathways
- Sale of renewable electricity to CleanTech Energy for retail to its customers via the electricity grid (with the option of upgrading biogas to biomethane for export to the gas mains)
- With opportunities to gain further revenue from upgrading and manufacturing of nutrient rich biofertiliser for sale into the local and domestic agricultural markets.



Financial Summary

The table below provides the key financial metrics of the 25 year life asset Base Case Scenario.

CAPEX	\$13.8M
Operational life	25+ yrs
Project IRR (Unlevered Pre-Tax)	12.2%*
Revenue (per annum)	\$2.9m
Opex	\$1.2m
Free cash flow (per annum)	\$1.72m

* with upside to 16% with optimisation opportunities

Authorised on behalf of the Delorean Corporation Board of Directors by Hamish Jolly, Executive Chair.

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About Delorean Corporation Limited

Delorean Corporation is a pioneering Australian bioenergy company specialising in the design, build, ownership and management of bioenergy infrastructure, associated power generation and energy retail. Delorean Corporation comprises a group of four vertically integrated companies working together to deliver each stage of the bioenergy generation and energy retail business.

The Delorean Corporation group began with Biogas Renewables which designs and constructs bioenergy plants in Australia and New Zealand.

The business then established Cleantech Energy to retail energy for its completed projects with retail licenses both in the Wholesale Electricity Market (WEM) and the National Electric Market (NEM) Completing the group, infrastructure developer Delorean Energy and fabricator Tekpro were established, and in 2019 all four were merged under Delorean Corporation, a vertically-integrated renewable energy generation and retail company, as it is today.

Now, Delorean Corporation, has the inhouse capability to deliver bioenergy projects across the full lifecycle, from project conception to completion, processing organic waste, generating renewable energy and monetisation of electricity, heat and gas.