

# Liontown executes binding Power Purchase Agreement for Kathleen Valley

ASX Announcement

20/12/2022

**Long-term contract for the supply of power from off-grid wind-solar-battery storage hybrid power station finalised with execution of a binding Power Purchase Agreement.**

## Highlights

- Liontown and Zenith Energy have executed a binding Power Purchase Agreement for the supply of electricity to the Kathleen Valley Lithium Project in Western Australia for a period of 15 years.
- The Power Purchase Agreement expands on the material terms agreed in the Letter of Award announced on 12 September 2022.
- Zenith Energy has progressed the planning, engineering and design works for the 95MW Hybrid Power Station at Kathleen Valley, including the order of long lead items such as the wind turbines.
- With 46MW of emissions free power generation capacity, the 95MW hybrid power station is currently expected to be one of the largest off-grid wind-solar-battery storage renewable energy facilities in the mining industry in Australia.
- The thermal components are designed to operate in “engine off” mode at various times, enabling Liontown to operate from 100 per cent renewable energy during periods of high wind and solar resource.
- Liontown has also secured approval for a \$25 million guarantee facility from Export Finance Australia as part of the security package under the Power Purchase Agreement.

Liontown Resources Limited (ASX: LTR) (**Liontown** or the **Company**) is pleased to announce that it has executed the binding Power Purchase Agreement with Australian independent power producer Zenith Energy Pty Ltd (**Zenith Energy**) for the supply of power to the Kathleen Valley Lithium Project (**Kathleen Valley**) in Western Australia. The Power Purchase Agreement follows a competitive tender process and Letter of Award detailing key commercial terms, which was announced on 12 September 2022.

Zenith Energy will finance, design, construct, own, operate and maintain a 95MW hybrid power station at Kathleen Valley (**Hybrid Power Station**) for an initial term of 15 years from commercial operation of the Hybrid Power Station, which is expected to coincide with the commissioning of the process plant in the first half of 2024.

The Hybrid Power Station will include wind generation from five wind turbines each capable of generating 6MW. A 16MWp fixed axis solar PV array coupled to a 17MW / 19MWh Battery Energy Storage System (**BESS**) will provide additional clean energy, supported by highly reliable synchronous condensers that provide critical system stability and resilience. The thermal power component will comprise 27MW of gas generation and 5MW of diesel standby generation.

Zenith Energy has progressed the necessary planning, legal, engineering and design works, as well as placing orders for long lead items, each of which is required to facilitate the delivery of the Hybrid Power Station in line with the Kathleen Valley Project schedule.

Liontown has secured approval for a \$25 million guarantee facility from Export Finance Australia (EFA) as part of the security package under the Power Purchase Agreement, which will underpin the timely construction of the Hybrid Power Station at Kathleen Valley. Provision of the facility is subject to a number of conditions which are customary for facilities of this nature, and finalisation of facility agreements. EFA is the Commonwealth of Australia's export credit agency. Liontown's Kathleen Valley Lithium Project has been identified as a critical minerals project under Austrade's Critical Minerals Prospectus.

**Liontown's Managing Director and CEO Tony Ottaviano commented:**

*"Finalising the Power Purchase Agreement marks another important milestone for Liontown and the development of Kathleen Valley, paving the way for the construction of one of the largest off-grid wind-solar-battery storage facilities of its kind in the Australian resource sector. This reflects our unwavering commitment to delivering on our ESG credentials and establishing industry-leading carbon emissions from the outset.*

*Zenith Energy's commitment to deliver a high-capacity hybrid power solution includes incentives to produce renewable power over thermal power and, together with a renewable energy guarantee, sets us up to meet our renewable energy target of 60 per cent at start up.*

*Securing the \$25 million guarantee from Export Finance Australia assists to reinforce Liontown's position as a new globally significant producer and exporter of lithium integral to the transition to a low-carbon future."*

**ENDS**

This announcement has been authorised for release by the Managing Director, Mr Tony Ottaviano.



TONY OTTAVIANO  
Managing Director

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**Forward Looking Statement**

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

**About Liontown Resources**

Liontown Resources (ASX:LTR) is an emerging Tier-1 battery minerals producer. Our aim is to be an ESG leader and a globally significant provider of battery minerals for the rapidly growing clean energy market. As we transition from explorer to producer, we are committed to incorporating the right approach and foundation from the outset and ESG principles underpin all decisions. We currently control two major lithium deposits in Western Australia and aim to expand our portfolio through exploration, partnerships and acquisitions. In addition, we look to participate in downstream value-adding where control of the deposit provides a strong competitive advantage.

To learn more, please visit: [www.ltresources.com.au](http://www.ltresources.com.au)

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