

## **Proposed Power Purchase Agreement with Dacian Gold for Mt Morgans Gold Project**

### *Highlights*

- **Letter of Intent to execute New Power Purchase Agreement (PPA) to Build, Own and Operate (BOO) a 17MW Power Station at Dacian's Mt Morgans Gold Project**
- **Proposed PPA contract term of 8 years, commencing March 2018**

Remote power generation specialist Zenith Energy Limited (ASX:ZEN)("Zenith") is pleased to announce that its wholly-owned subsidiary, Zenith Pacific Pty Ltd, has entered into a Letter of Intent to award a PPA for the building, ownership and operation of a 17MW gas-fired power station Dacian Gold Limited's (ASX:DCN) ('Dacian') wholly owned subsidiary, Mt Morgans WA Mining Pty Ltd. Zenith anticipates execution of the PPA in the coming weeks.

Under the proposed PPA, Zenith will build, own and operate a new 17MW power station to service the power needs of Dacian's Mt Morgans Project, located 20km west of Laverton, and approximately 750km northeast of Perth in Western Australia. The power station will incorporate gas generators which will provide the Mt Morgans Project with cost effective and clean gas fuelled power generation into the future. Subject to negotiation of the final terms, the PPA will have a supply commencement date of 7 March 2018, and an initial 8 year term, with options to extend.

The PPA will positively impact FY18 earnings and will have a materially positive impact in FY19 when the full-year impact of the PPA accrues to ZEN's results.

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## **ASX RELEASE**

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Zenith Energy's Managing Director, Hamish Moffat noted:

"We are very pleased to have been selected by Dacian and look forward to working with the Dacian team to deliver a world class power supply solution to the Mt Morgans Project for many years to come."

Mr Moffat added that the new capacity on the Mt Morgans Project, together with several recent project expansions for existing customers, has seen Zenith's contracted BOO capacity exceed 110MW.

Entry into the Letter of Intent with Dacian further demonstrates Zenith's ability to deliver innovative, reliable, highly efficient, and cost-effective power generation solutions to support our customers.

**ENDS**

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