

Zenith Energy Signs Power Purchase Agreement with Dacian Gold

Highlights

- **Zenith Energy and Dacian Gold have executed a Power Purchase Agreement (PPA) to Build, Own and Operate (BOO) a 17MW Power Station at Dacian's Mt Morgans Gold Project in WA**
- **PPA term of eight years, commencing March 2018**
- **Grows Zenith Energy's BOO capacity from circa 95MW to in excess of 110MW**

Pursuant to the ASX announcement on 28 August, remote power generation specialist Zenith Energy Limited (ASX: ZEN) ("**Zenith**") is pleased to announce that its wholly-owned subsidiary, Zenith Pacific Pty Ltd, has now executed the PPA to build, own and operate a 17MW gas-fired power station for Dacian Gold Limited's (ASX: DCN) ("**Dacian**") wholly owned subsidiary Mt Morgans WA Mining Pty Ltd.

Under the terms of the PPA, Zenith will construct the power station to service the power needs of Dacian's Mt Morgans Gold Project, located 20km west of Laverton, and approximately 750km northeast of Perth, in Western Australia.

The power station will utilise gas-fuelled generators, providing the Mt Morgans Project with cost effective and clean power generation into the future. The PPA will have a supply commencement date of 7 March 2018, and an initial eight year term, with Mt Morgans WA Mining Pty Ltd having the option to extend for a further term of three years.

The PPA should positively impact Zenith's FY2018 earnings and will have a materially positive impact in FY2019 when the first full-year impact of the PPA is attributed to ZEN's financial results.

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Zenith Energy's Managing Director, Hamish Moffat, commented:

"We are delighted to have been awarded this contract by Dacian and look forward to working with the Dacian team to deliver a world class power supply solution to serve the Mt Morgans Project for many years to come.

"The new capacity at the Mt Morgans Project, together with several recent project expansions for existing customers, will see Zenith's contracted BOO capacity grow from circa 95MW to in excess of 110MW of installed capacity.

"Execution of the PPA with Dacian further demonstrates Zenith's ability to deliver innovative, reliable, highly efficient, and cost-effective power generation solutions to support the diverse needs of our customers," Mr Moffat concluded.

ENDS

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