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PACIFIC ENERGY ACQUIRES NOVAPOWER

Highlights

- **Pacific Energy to acquire NovaPower Pty Ltd ('Nova') www.novapower.com.au**
- **Nova owns the 10MW Nova gas-fired power station in Victoria**
- **Increases group contracted + installed capacity to over 300MW**
- **Multiple options available for expansion and introduction of storage technology**

Power generation specialist Pacific Energy Limited ('Pacific Energy') is pleased to announce that it has signed an agreement to acquire the 10MW Nova gas-fired power generation plant ('Nova') in Traralgon, Victoria.

The purchase price is \$7.5 million and will be funded from the Company's available facilities. Settlement is subject to conditions precedent, expected to be satisfied in December.

Nova was commissioned in 2014 as a high-efficiency/low emissions gas-fired power station to generate quick response to electricity demand in peak periods, funded partially by the Clean Energy Finance Corporation. The plant operates when the spot price of electricity exceeds the cost of acquiring gas plus an R&M allowance.

With technology delivering lower emissions than traditional coal-fired power generation, Nova provides a cleaner form of electricity directly to the Traralgon network.

The Nova site has an ability to expand, with gas supply infrastructure in place to fuel a 20MW plant, subject to augmenting existing grid connection infrastructure.

The Company has also identified other opportunities to enhance the power supply facilities at the 2 hectare site, with opportunities for battery storage technology and gas storage technology to be investigated.

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Pacific Energy's Managing Director, Jamie Cullen, said "This is an exciting opportunity to expand our presence in the National Electricity Market, where there is clearly significant focus at present. With the Federal Government's new policy aimed at reliability as well as emissions, Nova represents a well-timed and affordable acquisition of a strategic asset that can be expanded to capitalise on opportunities in the NEM.

We will be developing an optimisation plan for the site which will include consideration of battery and gas storage as well as potentially entering into long term capacity contracts".

Mr Cullen said that Nova was not expected to have a material impact on FY18 results as the Company would spend the initial period after completing the acquisition developing its asset optimisation plan and finalising its strategy utilising latest technology.

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About Pacific Energy

Pacific Energy is an ASX listed (ASX: PEA) power generation project developer and owner. Headquartered in Perth, Western Australia, Pacific Energy is focused on the development, ownership and maintenance of mine site and renewable energy power stations.

Kalgoorlie Power Systems, a wholly owned subsidiary of Pacific Energy Limited, is a leading provider of power generation infrastructure to the mining and resources sector in Australia. The business operates a build, own, maintain execution model with 287MW of contracted capacity at 22 mine site locations across Australia.

Pacific Energy Victorian Hydro, a wholly owned subsidiary of Pacific Energy Limited, owns and operates 6MW of hydro power generation capacity located approximately 70 kilometres east of Melbourne, Victoria. The company's hydro assets commenced operation in 1992 and comprise two separate power stations located at the Cardinia Reservoir and Blue Rock Dam.