

Zenith Energy signs Power Purchase Agreement with Gascoyne Resources Limited

Highlights

- **Zenith Energy has executed a Power Purchase Agreement (PPA) with Gascoyne Resources, through Gascoyne's 100% owned subsidiary GNT Resources Pty Ltd to Build, Own and Operate (BOO) a 15MW gas fired power station at Gascoyne's Dalgaranga Gold Project**
- **Zenith Energy's BOO capacity will increase from circa 110MW to more than 125MW following the completion of the new power station**
- **Supply will commence in late in the second quarter of 2018 for an initial 6-year term, with an option to extend the contract for a further four years**

Remote power generation specialist Zenith Energy Limited (ASX:ZEN) ("**Zenith**") is pleased to announce that its wholly-owned subsidiary, Zenith Pacific (DGA) Pty Ltd, has now executed the PPA to build, own and operate a 15MW gas-fired power station for Gascoyne Resources Limited's (ASX:GCY) ("**Gascoyne**") wholly owned subsidiary, GNT Resources Pty Ltd.

Under the terms of the PPA, Zenith will construct the power station to service the power needs of Gascoyne's Dalgaranga Gold Project, located approximately 70km by road North West of Mt Magnet in the Murchison gold mining region of Western Australia.

The power station will utilise LNG gas-fuelled generators, providing the Dalgaranga Gold Project with clean, cost effective power long into the future. The PPA will have a supply commencement date late in the second quarter of 2018, under an initial 6-year term, with GNT Resources Pty Ltd having the option to extend this for a further four years.

ZENITH ENERGY LIMITED

PERTH | 24 Brennan Way, Belmont, WA, 6104 | **P** +61 (0) 8 9416 2000 | **F** +61 (0) 8 9477 1833

CAIRNS | 80 Fearnley Street, Cairns, QLD, 4870 | **P** + 61 (0) 7 4051 9533 | **F** +61 (0) 7 4051 9599

E info@zenithenergyltd.com

| **W** www.zenithenergyltd.com

| **ACN** 615 682 203



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The PPA should positively impact FY18 earnings and will have a materially positive impact in FY19 when the first full-year impact of the PPA accrues to ZEN's results. Once again, Zenith Energy has demonstrated its ability to deliver innovative, reliable, highly efficient, and cost-effective power generation solutions to support the diverse needs of its resources clients in remote locations.

Zenith Energy's Managing Director, Hamish Moffat noted:

"We are delighted to have been awarded this PPA by Gascoyne and look forward to working with the Gascoyne team to deliver a world class power supply solution to the Dalgara Gold Project which will serve them well for many years to come."

Mr Moffat added that the new capacity at the Dalgara Gold Project, together with several recent new project wins and expansions for existing customers, will see Zenith's contracted BOO capacity grow from circa 110MW to more than 125MW of installed capacity at completion of construction.

ENDS

Zenith Energy Ltd.

Hamish Moffat
Managing Director
(08) 9416 2000

Media Enquiries

John Gardner
Managing Director, Citadel-MAGNUS
0413 355 997

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