

Monday, 29 December 2014

ARBITRATION – NEUTRAL OUTCOME

ERM Power Limited (ASX: EPW) (**ERM Power**) announced today that an interim award has been handed down in the arbitration of a dispute arising from contractual arrangements in respect of the Neerabup power station. The power station was commissioned in 2009.

The financial effect of this award is a modest sum in favour of the NewGen Neerabup Partnership (**NNP**) in which ERM Power has a 50% interest.

The current profit guidance figures for ERM Power do not provide for any financial effect arising from the dispute, and thus the interim award is both revenue and balance sheet neutral.

NNP will consider the interim award in more detail in January and determine whether any further action, by way of appeal or otherwise, is warranted. The questions of interest and costs are yet to be determined.

The subject of the arbitration was a claim made by Lend Lease Services Limited (**LLS**), formerly Bilfinger Berger Services (Australia) Pty Limited, in relation to extensions of time and delay costs, and a counterclaim by NNP against LLS for liquidated damages for delays in completion, and general damages, under the contract.



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About ERM Power

ERM Power is a diversified Australian energy company with interests in electricity sales, generation and metering, and gas production and exploration. Trading as ERM Business Energy and founded in 1980, we have grown to become the 4th largest electricity retailer in Australia with operations in every state and the Australian Capital Territory. We initially focused on larger businesses but now offer our industry leading services to small businesses. We have equity interests in 497 megawatts of low emission, gas fired peaking power stations in Western Australia and Queensland, operate an electricity metering business that trades as Powermetric, sell conventional gas and condensate from onshore discoveries in Western Australia, and have gas exploration operations in Western Australia and New South Wales.