



**14 June 2016**

## **ESTABLISHMENT OF AFRICAN BUSINESS**

Power generation specialist Pacific Energy Limited (ASX: PEA; "Pacific Energy") together with its major operational business, Kalgoorlie Power Systems ("KPS") is pleased to announce that it has incorporated a subsidiary company in the Republic of South Africa. The new subsidiary, KPS Power Africa Pty Ltd ("KPS Africa"), will focus on remote power opportunities on the African continent, with its founding office based in Johannesburg.

Pacific Energy's Managing Director, Mr James Cullen expressed confidence in the existence of prospective opportunities in Africa. "Power generation in the mining industry in Africa is similar to that in much of Australia, with a great many mines not having access to grid power due to their remote locations, and those that are connected to the grid often do not have reliability".

"Pacific Energy's entry to the African market brings over 30 years of KPS experience and expertise in remote power generation and we believe that our build/own/operate model with built in fuel efficiency guarantees will provide an attractive offering to the market", he said. "Reliability and fuel efficiency are what mining companies want these days and have been the keys to our success in Australia. Africa is no different".

KPS Africa has appointed Mr Ben Zikmundovsky as its executive manager for African operations. Mr Zikmundovsky is an experienced global resource industry professional with extensive African experience. This experience includes establishing GRD Minproc in Africa in 2002, where he was Managing Director until 2008. He has also held senior management positions with such companies as Goldfields Limited and Bechtel and has a strong network throughout Africa.

Commenting on his appointment, Mr Zikmundovsky said "I am excited about heading up the new operation in Africa. I see great prospects for the KPS style of business here, not only in new greenfield projects but also in brownfield projects where ageing or inefficient power infrastructure can be improved with a KPS solution. I look forward to speaking with mining companies seeking opportunities to access reliable, fuel efficient power generation".

Although Africa produces more than 60 metal and mineral products and has over 30% of the world's total mineral reserves, it remains relatively under-explored. There are approximately 190 ASX listed companies with almost 600 mining projects across 38 countries in Africa.

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There are also a large number of projects owned by Canadian, UK, South African and multinational companies which will be targeted by KPS.

These factors together with KPS's market leading Australian remote power capabilities are indicative of the potential for the company to build a sizeable portfolio of power generating assets in Africa in the years to come and make a significant contribution to the earnings of the group.

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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 233MW of contracted capacity at 18 mine site locations across Australia.

**Pacific Energy 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.