



20 February 2015

## PACIFIC ENERGY SIGNS CONTRACT TO CONVERT EXISTING 44MW TROPICANA POWER STATION

### Highlights

- Conversion of 44MW Tropicana Gold Mine power station from diesel to gas fuelled;
- Pacific Energy's wholly-owned business, Kalgoorlie Power Systems, to perform a staged replacement of diesel fuelled generation equipment with gas fuelled generation equipment;
- Gas fuelled solution to commence commissioning by 1 January 2016; and
- Will enhance the future earnings of Pacific Energy.

Power generation company Pacific Energy Limited ('Pacific Energy') is pleased to announce its wholly-owned business, Kalgoorlie Power Systems ('KPS'), has been awarded a contract by AngloGold Ashanti Australia Limited ('AngloGold') to convert KPS's existing 44MW Tropicana Gold Mine power station from a diesel to gas fuelled operation.

The conversion will be completed via a staged replacement of the existing diesel fuelled generation equipment with gas fuelled generation equipment.

The converted gas fuelled power station is expected to be completed and commissioned by 20 July 2016.

In June 2012, KPS signed a 15-year contract with AngloGold – as manager of the Tropicana Joint Venture – to build, own and maintain the 44MW Tropicana Gold Mine power station. The power station has been supplying electricity to the Tropicana Gold Mine, located 220 kilometres north east of Kalgoorlie, since June 2013. AngloGold has 70% of Tropicana and Independence Group NL has 30%.

As announced to the market on 21 July 2014, Pacific Energy subsequently commenced discussions with AngloGold to convert the power station from diesel fuelled to gas fuelled.

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Pacific Energy's Managing Director Adam Boyd said he was pleased KPS had reached an agreement with AngloGold on the conversion of the power station:

"We are delighted to be working closely with our resource sector clients to convert our existing KPS power station fleet from diesel to gas fuelled," Mr Boyd said.

"The successful negotiation and delivery of gas conversion and gas fuelled power generation infrastructure to the resource sector is a key part of keeping Australia's resource sector cost competitive in the long term.

"With this cost competitive focus, Pacific Energy's ability to successfully complete conversion projects like this is important for delivering ongoing value for our clients and shareholders alike.

"KPS has both the capability and fuel flexibility technology solutions for remote gas fuelled power generation delivery and the Company looks forward to completing on this project and others.

Mr Boyd said the conversion will enhance the future earnings of the business commensurate with the associated new capital investment required.

"Pleasingly, our KPS business continues to advance new tender opportunities and arrangements for the potential re-start of KPS power stations co-located at mine projects currently in a care and maintenance phase," Mr Boyd said.

**End**

### 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 204MW of contracted capacity at 19 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.