

PACIFIC ENERGY LIMITED

POWER GENERATION

2015 RESULTS PRESENTATION



August 2015
ASX: PEA



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Power Station Developer & Owner – approx 234MW

Pacific Energy Limited (ASX: PEA)

Kalgoorlie Power Systems (KPS)
228MW

Hydro
6MW



Power station developer, owner and electricity supplier

FY15 Highlights

Financial

- Sales Revenue from Operations down 4%
- EBITDA down 10% to \$30.8m (down 4% if exclude FY14 one-off gains of \$2.0m)
- NPAT down 19% to \$12.0m (down 10% if exclude FY14 one-off gains of \$2.0m)
- Operating cash flow steady - up marginally to \$25.2m, fully funding capex, dividends and debt reduction
- Balance Sheet in good shape – gearing 18.5%

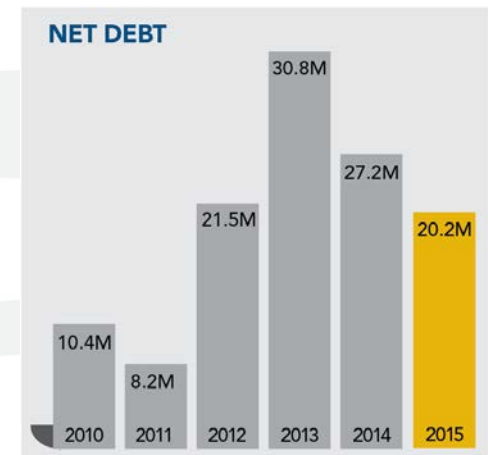
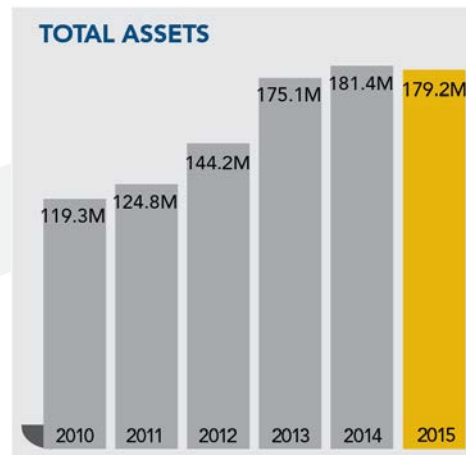
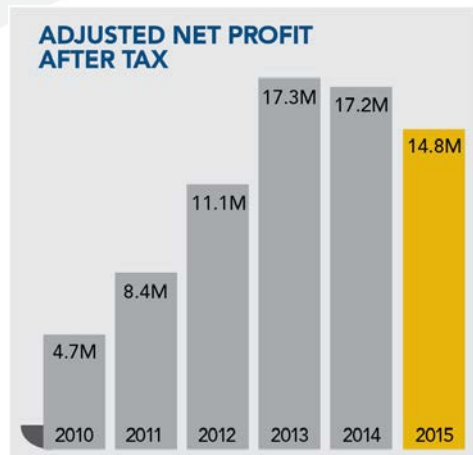
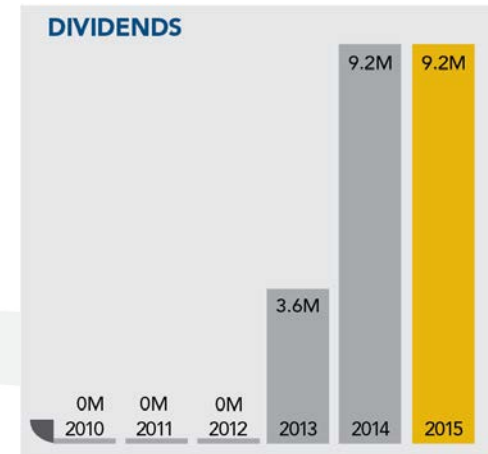
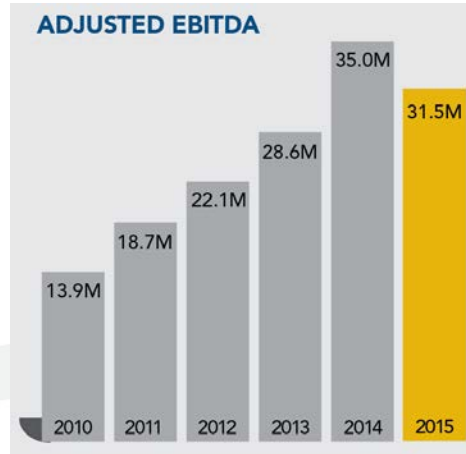
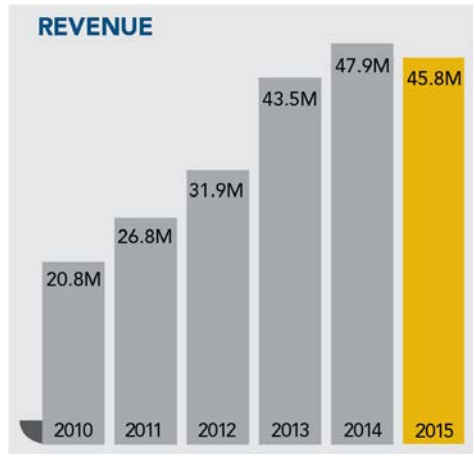
Operating

- Excellent safety record continues
- Outstanding equipment reliability and fuel efficiency – living up to reputation
- As a leader in fuel efficiency and with diesel/gas/dual fuel capabilities, well placed for miners seeking out cost efficiencies and savings
- Second half saw several new contracts and contract extensions secured after none in first half

Outlook

- Contracts secured in second half and early FY16 underpin stronger performance in FY16
- Responding to international enquiries – plan to expand geographical spread of the business
- Seeking opportunities in the broader energy infrastructure market

Historical Comparison



Balance Sheet

	2015 \$m's	2014 \$m's
Cash	16.3	15.6
Receivables	5.5	6.6
PP&E	129.2	128.8
Intangibles	27.2	29.4
Other	0.9	1.0
TOTAL ASSETS	179.1	181.4
Current liabilities (ex debt)	4.2	5.3
Current debt	5.7	10.6
Non current debt	30.9	32.4
Deferred tax	6.9	6.1
Other	1.3	1.2
TOTAL LIABILITIES	49.0	55.6
NET ASSETS	130.1	125.8
NET TANGIBLE ASSETS	109.3	101.9

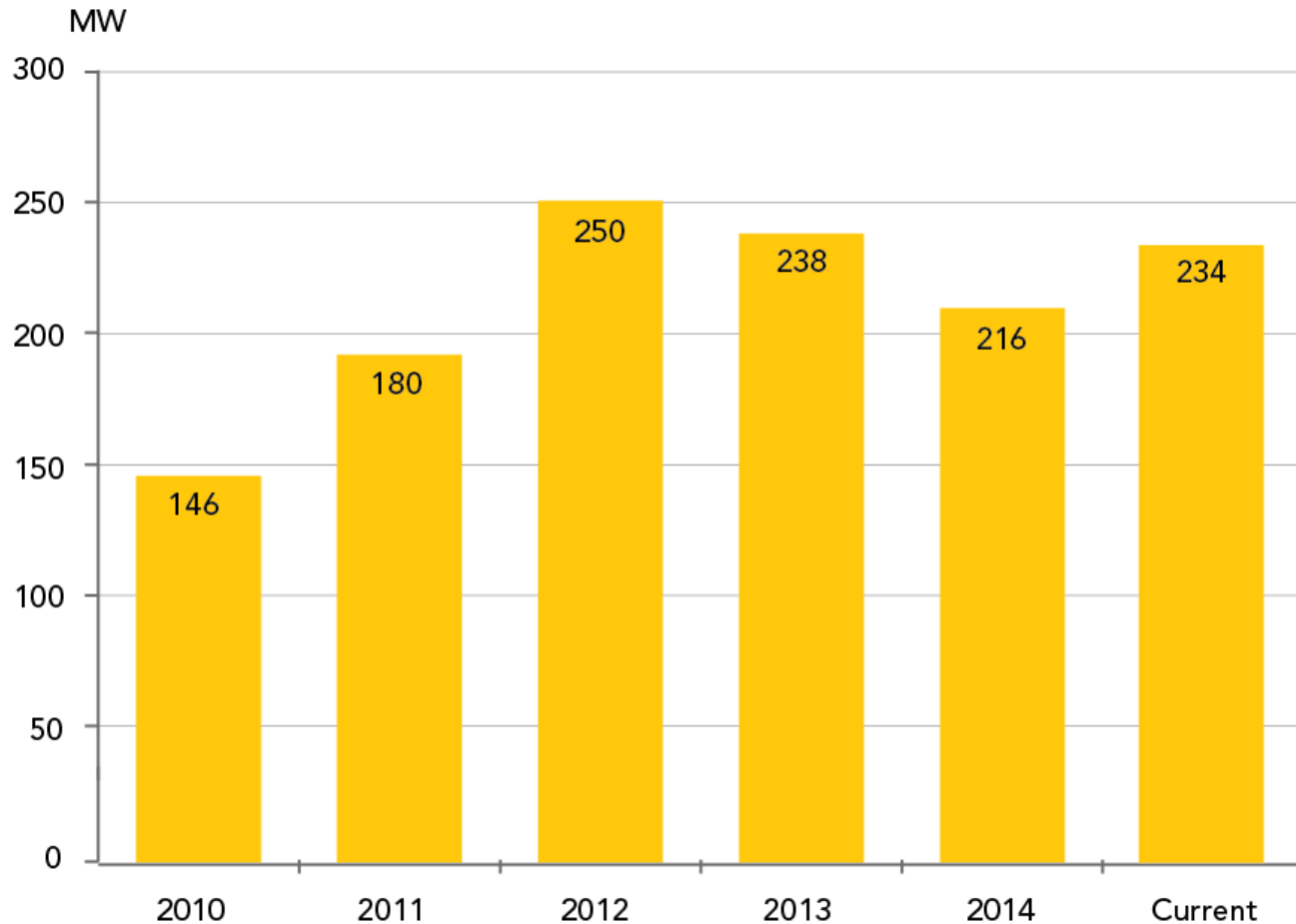
■ KEY RATIOS

	2015	2014
Current Ratio	2.29	1.45
Net Debt: Net Assets	15.5%	21.7%
Net Debt: NTA	18.5%	26.2%

■ Net Debt **\$20.2m**

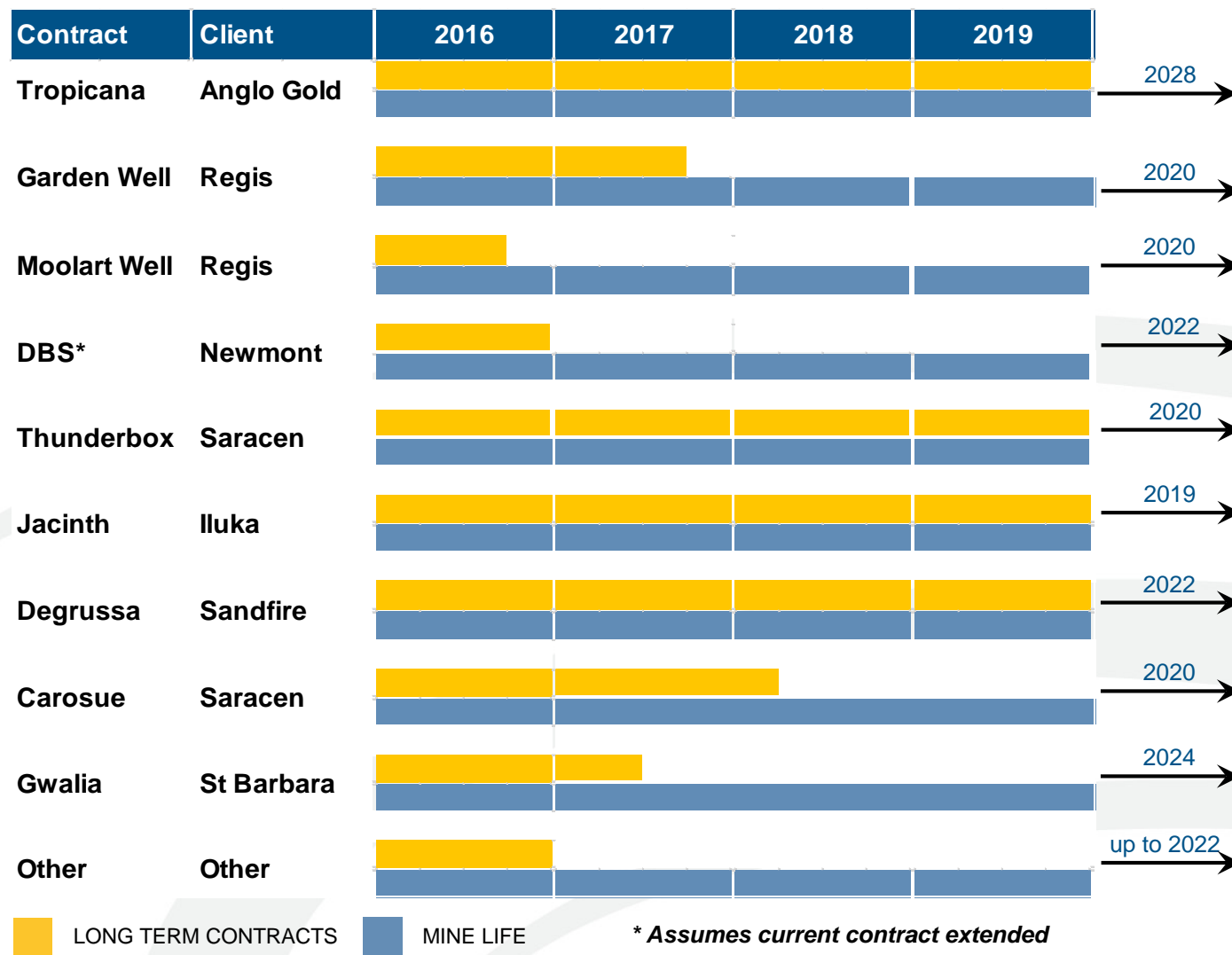
■ Total Debt Facilities **\$65m**

Contracted Capacity



Second half run of new contracts – majority of work to be completed by December 2015, underpinning increasing earnings

Existing KPS Contracts



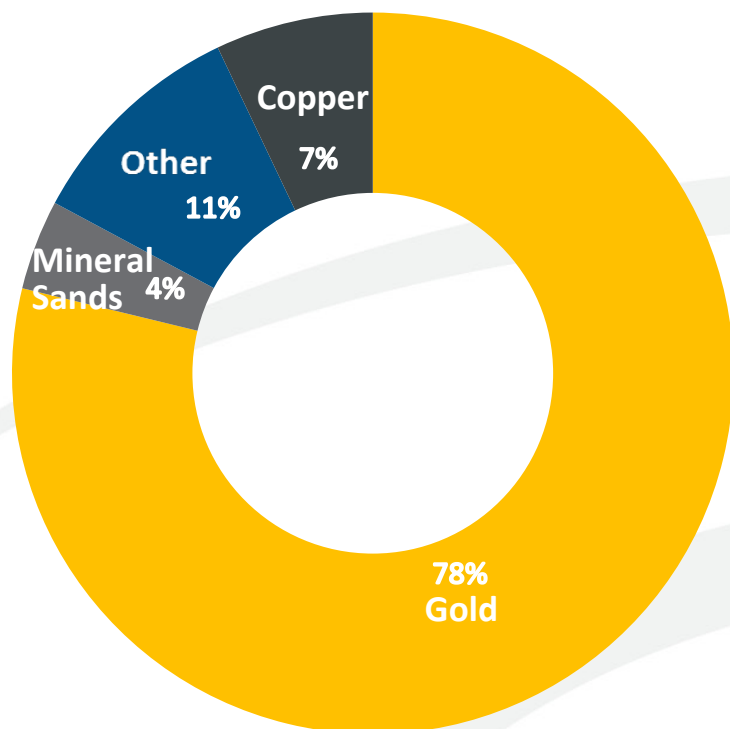
KPS – National Footprint



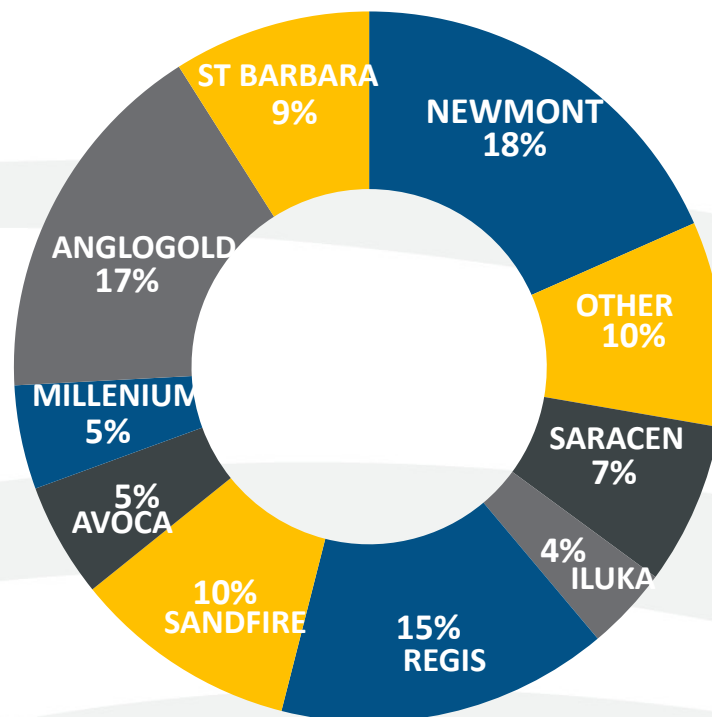
KPS has an established and significant market position

FY15 Revenue

By Commodity



By Client



- *No iron ore exposure*
- *Good spread of customers*

Competitive Advantage – Technology & Efficiency

Positively leveraged industry wide focus on cost reduction and efficiency:

- Market leading fuel efficiency achieved through innovation and equipment modifications
- Dual Fuel Capabilities – gas and diesel fuel flexibility (up to 80% gas for diesel substitution) offers clients lowest cost fuel option available
- Waste Heat Recovery – proven fuel consumption savings technology
- Automated control - < 50 employees for 234MW of generation capacity



Outlook and Growth Strategy

- Growth set to resume underpinned by current full schedule of work at the following sites:
 - Tropicana – conversion of existing KPS 44MW diesel fueled power station to gas fueled
 - Carosue Dam – conversion and expansion of existing KPS 10MW diesel fueled power station to 11MW dual fueled
 - Thunderbox – new 14MW gas fueled power station
 - Bluebird – restart of 8MW diesel fueled power station
 - Moolart Well – roll out of waste heat recovery units



- Except for Tropicana diesel to gas conversion, all should be completed by end of first half; Tropicana ramps up from February to June

Outlook and Growth Strategy cont.

- Currently engaged in discussions on various brownfield and greenfield projects – more brownfield than greenfield opportunities
- Focus on highlighting efficiencies, savings and technology to mining companies
- Can now offer solar hybrid solution through partnering with utility scale solar EPC provider – Sandfire's DeGrussa integrated diesel (KPS)/solar power station is one of the largest in the world at a mine site
- Looking to expand geographical reach to other countries with remote power requirements – currently addressing several opportunities / enquiries
- Also looking strategically at opportunities in the broader energy infrastructure market
- Continuing focus on balance sheet – note that capex likely to be around \$30m in FY16 largely to fund new gas units for Tropicana and Thunderbox projects

Summary

INDUSTRY FUNDAMENTALS

- Projects underpinned by resources production phase exposure
- Competitive, low cost solutions to support mine life extensions & viability

RESOURCE SECTOR COST FOCUS AND SUITE OF ALTERNATIVES

- Demand for cost effective power solutions suits KPS
- Market leading position in diesel driven power
- Gas displacement of diesel through dual fuel technology
- Waste heat recovery technology
- Solar/diesel hybrid power

STRONG RELATIONSHIPS

- Strong relationships with global and Australian based miners provides ongoing opportunities

OPPORTUNITIES FOR EXPANSION

- International markets for remote power supply
- Looking at broader energy infrastructure opportunities
- Possible acquisitions

FINANCIAL HEALTH

- Balance sheet in good health with gearing < 20% (net debt \$20m)
- Total debt facilities \$65m at 30 June 2015

Conclusion

Thank You
Q&A



Gwalia Deeps Power Station

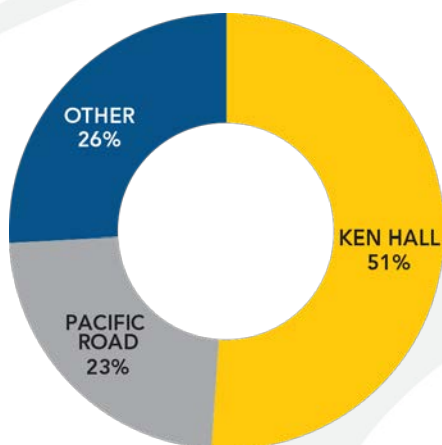
Pacific Energy Limited

Corporate Snapshot

DIRECTORS AND MANAGEMENT

Director	Position
▪Cliff Lawrenson	Non Executive Chairman
▪Jamie Cullen	Managing Director & CEO
▪Ken Hall	Executive Director
▪Louis Rozman	Non Executive Director
▪Stuart Foster	Non Executive Director

KEY SHAREHOLDERS



TRADING SUMMARY & CAPITAL STRUCTURE

▪ASX Code	PEA
▪12 month high	\$ 0.57
▪12 month low	\$ 0.38
▪Current share price	\$ 0.40
▪Shares outstanding	m 369.7
▪Market capitalisation	\$m 148
▪Cash	\$m 16
▪Debt	\$m 37
▪Enterprise value	\$m 169