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ASX Announcement

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Powerhouse Technology Advances to Remote Site Commissioning

Melbourne, Australia: Diversified technology design and development growth company, Synertec Corporation Limited (ASX: SOP, "Synertec" or "the Company") is pleased to provide an update on its Powerhouse technology, a unique proprietary technology that allows the utilisation of renewable energy to power industrial applications in remote locations.

Highlights

- Powerhouse has successfully passed extensive Factory Acceptance Testing (FAT)
- With the solar array deployed to site in April 2022, the two Powerhouse battery housings have been safely transported to Santos' site in remote Queensland to commence Site Acceptance Testing (SAT), followed by field trials
- Synertec is pleased to advise that, as planned, Synertec and Santos ("the parties") have now progressed from Memorandum of Understanding ("MOU") to commercial agreement in the form of an overarching Goods and Services Contract and a Work Order for the installation and field testing of the Powerhouse prototype
- The parties continue to work together towards commercial terms beyond the prototype
- Application of Powerhouse technology extends to industrial sites such as resource exploration and production and community batteries

Synertec Managing Director, Michael Carroll, commenting on the Powerhouse technology said:

"We were exceptionally pleased with the performance of the Powerhouse units during an extensive FAT and we remain confident that FAT performance will transition to exceptional results in the field. The Powerhouse units are continuing to shape as a reliable and commercial solution to substantially reduce the carbon footprint of remote industrial operations.

"We see a significant local and global addressable market for our Powerhouse technology where remote locations operating industrial equipment can benefit from reliable and stable base load renewable power supply. As the world transitions to a carbon-free future, technologies such as Powerhouse will allow our customers to achieve their decarbonisation goals.

"The positive FAT, as per the terms of the original MOU arrangement with Santos, has led to our companies to agreeing to commercial trading terms and executing on a detailed Santos Goods and Services Contract and Work Order for delivery of the Powerhouse prototype system.

"We are excited to see our Powerhouse technology safely in operation in the field in the coming weeks and we will continue to update the market on further opportunities for our unique technology in coming periods as we achieve key milestones."

Powerhouse Technology

The Powerhouse system involves a combination of an easily deployable industrial-scale solar panel array, battery storage, and sophisticated predictive algorithms to optimise the generation and consumption of renewable electricity without the need for a back-up power source. At present, the Santos gas wells rely on diesel, gas or hybrid powered generators, or mains grid power.



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Key benefits of Powerhouse include:

- Reduced carbon emissions
- Minimisation of landowner impacts
- Flexible and re-deployable infrastructure
- Reduced maintenance costs
- Potential for removal of, or reliance upon, mains power connections in remote areas

Next Steps

With the solar array deployed to site in April 2022 and the two Powerhouse battery housings (including the control systems, transformers and inverters) now on site in remote south-central Queensland, site commissioning has commenced. Following this, field trials will confirm theoretical modelling correlation to real life operational scenarios.



Figure 1: Completed solar array, deployed to site within a week



Figure 2: Completed battery housing (1 of 2)

Key Technical and Operational Milestones for the Powerhouse Project – on-track

Phase	Estimated Completion	Status
Concept design	Q4 FY21	Complete
Statement of requirements approved	Q1 FY22	Complete
Front End Engineering Design (FEED)	Q2 FY22	Complete
Procurement of key equipment inputs	Q3 FY22	Complete
Detailed design	Q3 FY22	Complete
Beta testing software & load management	Q3 FY22	Complete
Fabrication	Q4 FY22	Complete
Factory Acceptance Testing (FAT)	Q4 FY22	Complete
Commercial terms for prototype agreed	Q4 FY22	Complete
Site Acceptance Testing (SAT)	Q4 FY22	In-progress
Commercial terms beyond prototype agreed	1H FY23	In-progress
Field Trial Period commencement	1H FY23	
Completion/sign-off	FY23	



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Santos Agreement

Synertec entered into a Memorandum of Understanding ("MOU") with leading independent energy producer Santos Ltd (ASX: STO) ("Santos") (ref ASX release 4 August 2021). The MOU, which related to the utilisation of the Powerhouse system for coal seam gas (CSG) well de-watering, commenced on 31 July 2021 and was effective for 12 months unless terminated earlier by mutual agreement or replaced by a commercial agreement between the parties.

Synertec is pleased to advise that the parties have now progressed from MOU to commercial agreement, executing on a Santos Goods and Services Contract and Work Order for the Powerhouse prototype system. The parties continue to work together towards commercial terms beyond the prototype.

Under the MOU, Synertec successfully progressed the design, construction and testing of the prototype solar energy power system. Santos supported these activities by providing pilot field site access, inputs into the project design, technical information pertaining to the pilot field sites, and technical and other engineering resources.

The parties will ultimately determine success of the project based on the achievement of a range of key technical objectives and field practicalities, expected during 1H FY23, including safety, system availability, battery performance, remote control, support for high power loads, footprint size, transportability and recyclability.

-ENDS-

For more information and all media enquiries, please contact:

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This ASX announcement is authorised by the Directors of Synertec Corporation Limited (ASX: SOP).

About Synertec:

Synertec Corporation Ltd (ASX: SOP) is a diversified technology design and development growth company enabling a low carbon future through innovative technology solutions. Commercialising scalable, environmentally friendly and energy efficient technology for global markets in energy, critical infrastructure and advanced manufacturing through innovative partnerships with a portfolio of blue-chip customers, Synertec is proactively participating in the world's transition to a low carbon economy in a practical way for the benefit of future generations.