

PACIFIC ENERGY LIMITED

POWER GENERATION

INVESTOR PRESENTATION



August 2014
ASX: PEA



Power Station Developer & Owner – approx 216MW

Pacific Energy Limited (ASX: PEA)

Kalgoorlie Power Systems (KPS)
210MW

Hydro
6MW



Power station developer, owner and electricity supplier

FY14 Highlights

Financial

- FY14 Record Result – \$35.0M Adjusted EBITDA, up 22% on prior corresponding period
- Outlook: FY15 EBITDA Guidance \$33 - 35M
- FY14 Final Dividend Declared – 1.5 cents fully franked
- Record Total Dividend FY14 – 2.5 cents fully franked (expect to recur)

Operational

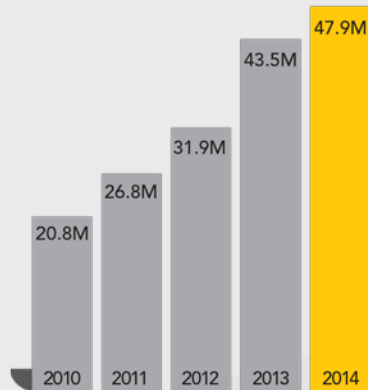
- Increased Adjusted EBITDA Earnings – Reduced Employee/Personnel Costs
- Perth Workshop and Office Complex completed – on-time & budget \$12.6M

Outlook

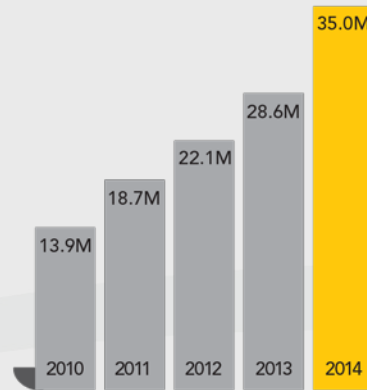
- Competitive Advantage innovations continue
- New Contract negotiations in progress

Record Earnings Result

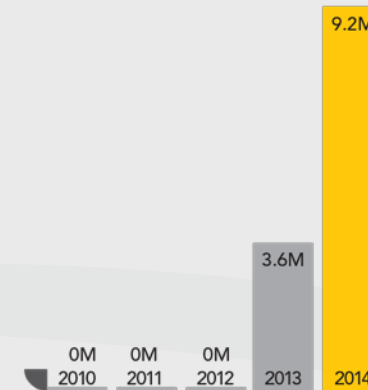
REVENUE



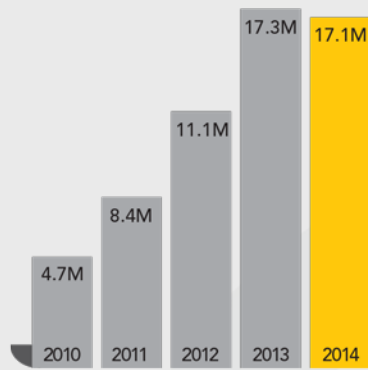
ADJUSTED EBITDA



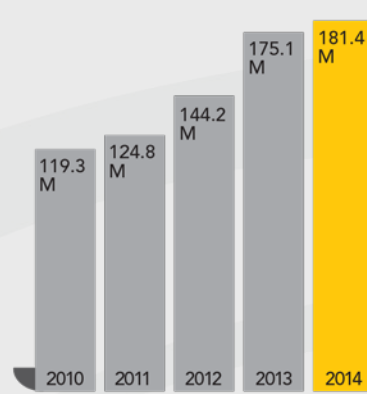
DIVIDENDS



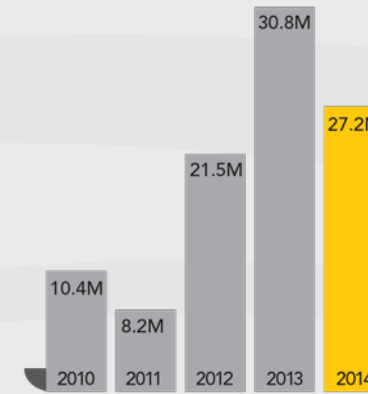
ADJUSTED NET PROFIT
AFTER TAX



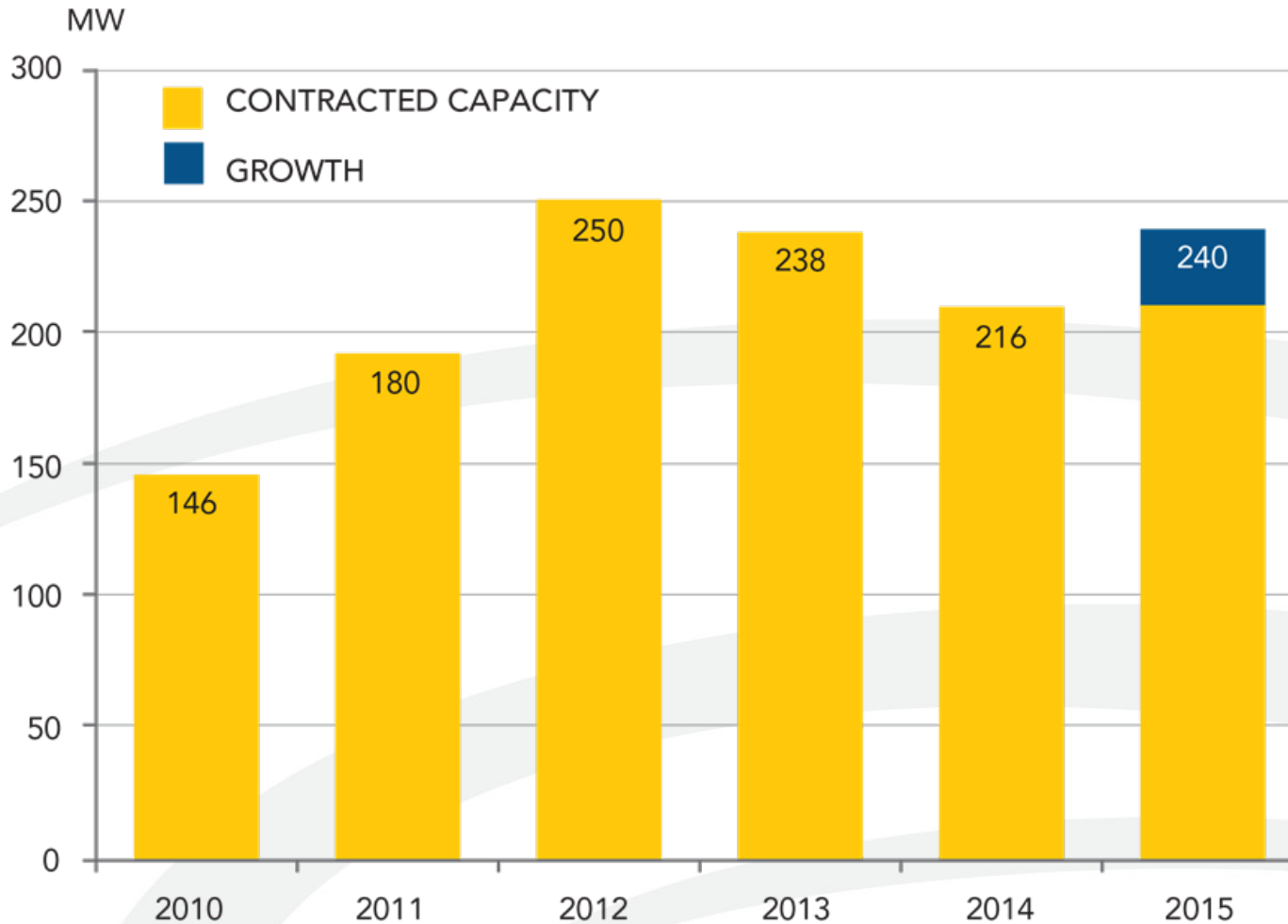
TOTAL ASSETS



NET DEBT



Growth Momentum



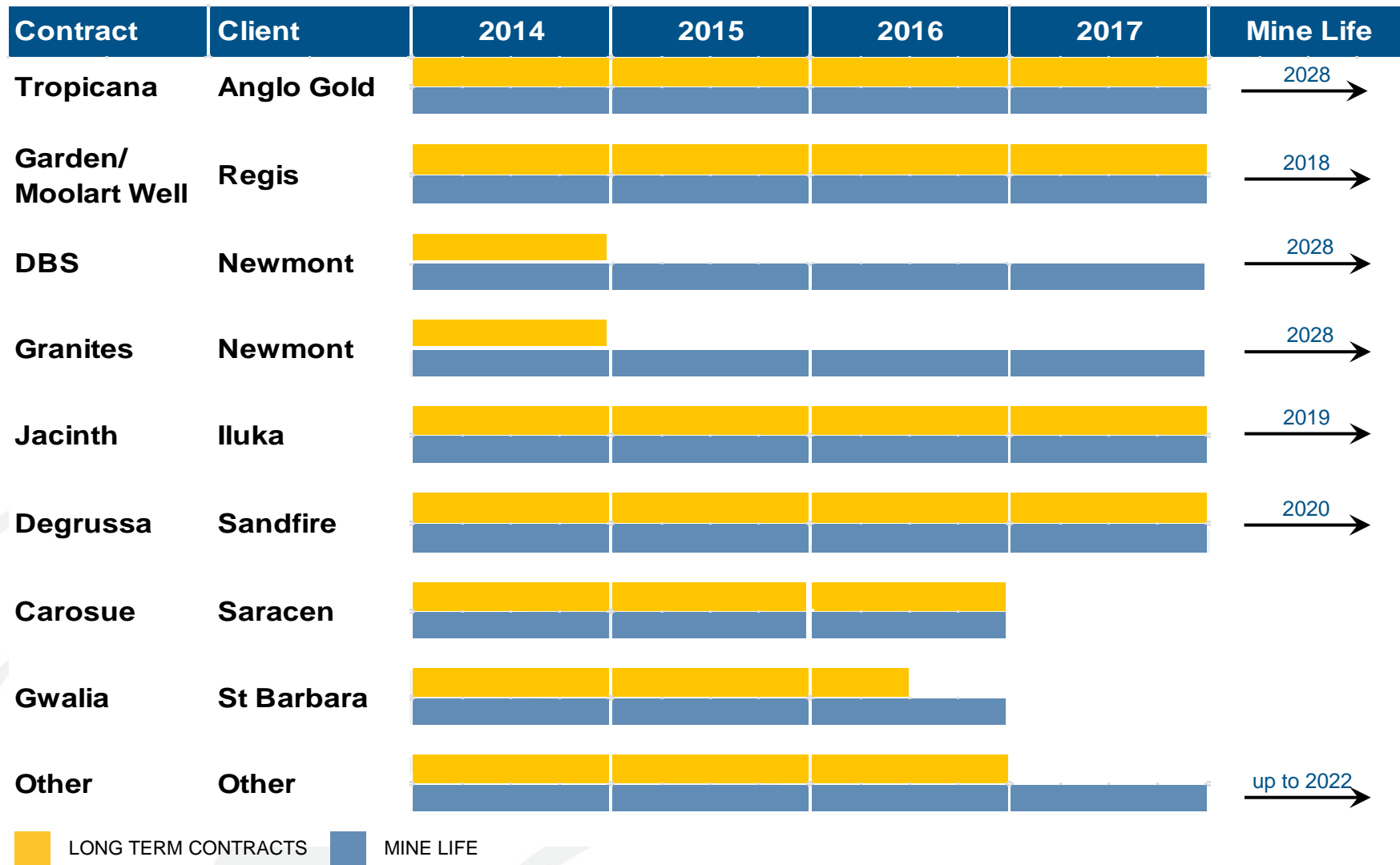
Group contracted capacity approximately 216MW (includes 6MW hydro in Victoria)

Quality Client Portfolio



Major resource companies and revenue diversity brings opportunity

Existing KPS Contracts

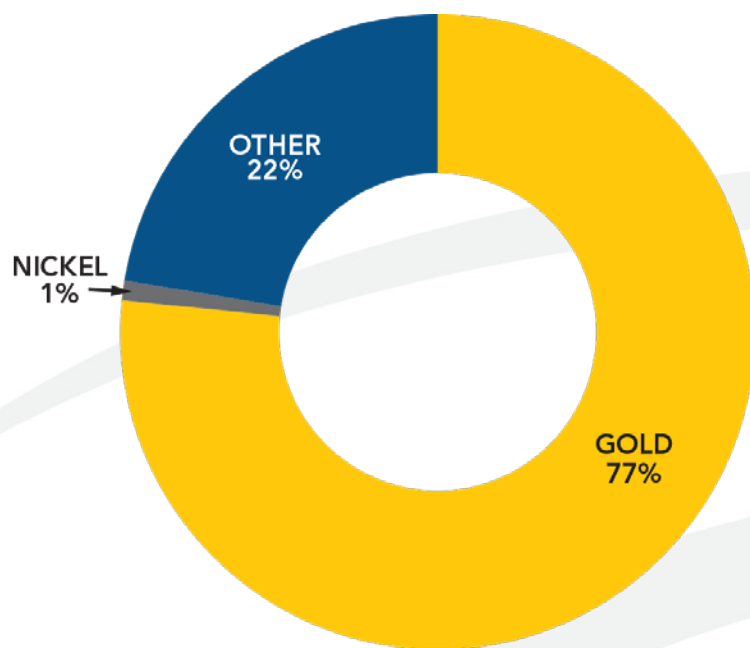


KPS – National Footprint

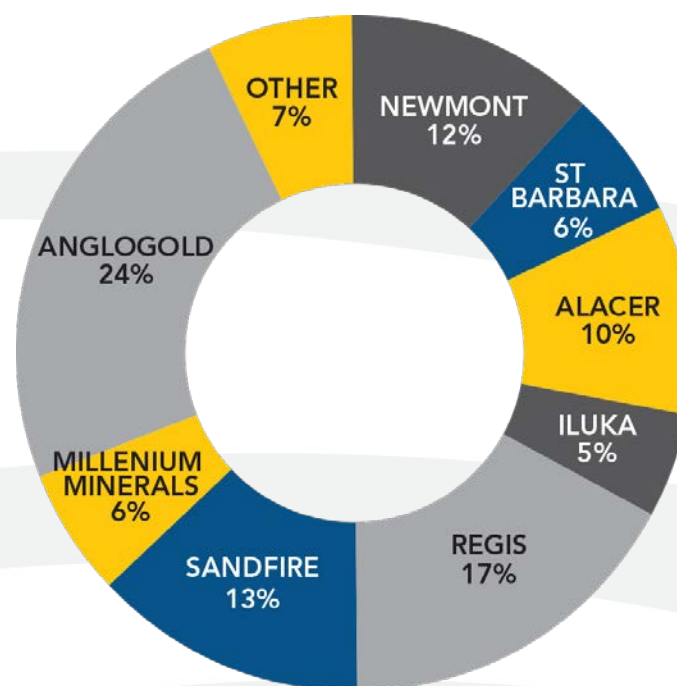


Diversified & Contracted Revenues

Revenue (2014 to 2018)



Client revenue (2014 to 2018)

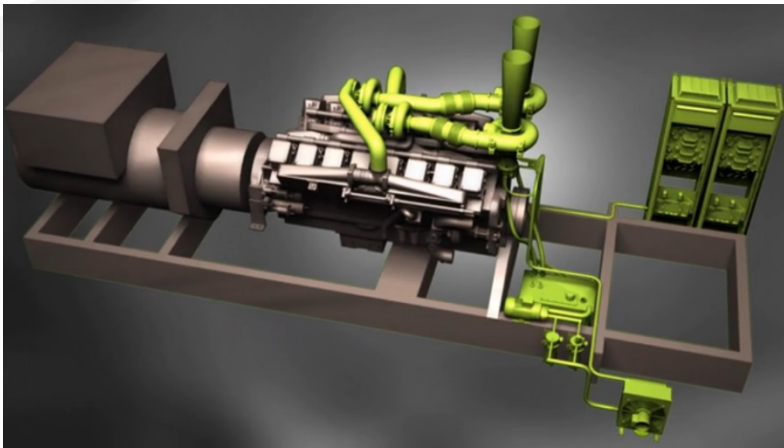


Portfolio gold commodity exposure focussed

Competitive Advantage – Technology

Focus on resource sector cost reduction is driving market focus towards reduced fuel consumption and cheaper fuel substitutes

- Access to lower cost fuels (natural gas)
- Dual Fuel – gas and diesel fuel flexibility providing clients with lowest cost fuel option available
- Waste Heat Recovery – proven fuel consumption savings technology
- Proven low cost delivery – fit for purpose design and innovation
- Automated control - < 40 employees for 216MW of generation capacity



Enhanced competitive advantage and opportunities to leverage KPS capabilities

Waste Heat Recovery – Fuel Saving Solution

Pacific Energy Benefits

PEA EBITDA enhancement*	20MW	100MW
	\$1.2M pa	\$6.0M pa

** Fuel savings only based on current diesel fuel prices @ \$1.00/litre*

- KPS competitive advantage enhanced – 7% fuel savings
- KPS and Mine Client share fuel saving and emission reduction benefits
- Earnings growth achieved from existing power station fleet
- 100MW waste heat recovery solution roll-out over 2 - 3 years (24MW contracted to date)

Investment Rationale

INDUSTRY FUNDAMENTALS

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

RESOURCE SECTOR COST FOCUS

- Demand for long term cost effective power solutions remains (all infrastructure constrained environments)

NEW MARKETS

- Clear strategy and significant market opportunities remain for new replacement and cost reduction technology (gas displacement of diesel)

STRONG RELATIONSHIPS

- Strong relationships with global and Australian based miners provides ongoing opportunities
- Business development /innovation partnership focus

NEW INNOVATION FOCUS

- Focus on competitive advantage/innovation/technology
- Leading industry reputation

SUSTAINABLE DIVIDEND POLICY

- KPS business generates significant surplus cash flows to fund future growth and dividends to shareholders

Strong outlook for continued demand and significant business opportunities for KPS

Conclusion

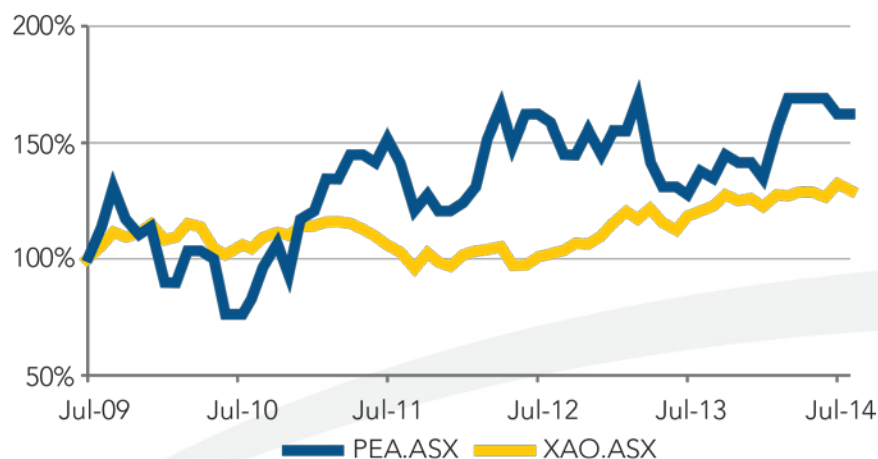
Thank You
Q&A



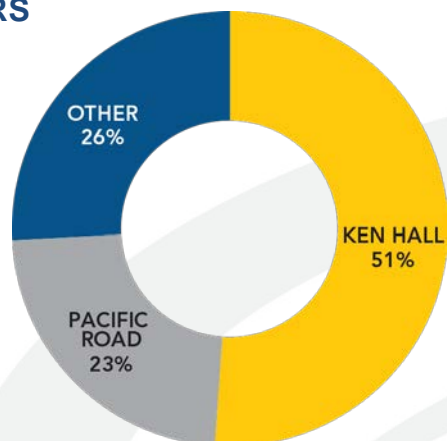
Gwalia Deeps Power Station - St Barbara

Corporate Snapshot

SHARE PRICE PERFORMANCE (LAST 5 YEARS)



KEY SHAREHOLDERS



TRADING SUMMARY & CAPITAL STRUCTURE

ASX Code	PEA
12 month high	\$ 0.52
12 month low	\$ 0.37
Current share price	\$ 0.48
Shares outstanding	m 366.2
Market capitalisation	\$m 176
Cash	\$m 16
Debt	\$m 43
Enterprise value	\$m 203

DIRECTORS AND MANAGEMENT

Director	Position
Cliff Lawrenson	Non Executive Chairman
Adam Boyd	Managing Director & CEO
Ken Hall	Executive Director
Louis Rozman	Non Executive Director
Stuart Foster	Non Executive Director