



ISSUED CAPITAL

Shares 371.8M
Options 7.0M

KPS CONTRACT

CAPACITY
272MW

HYDRO CONTRACT

CAPACITY
6MW

25 August 2017

PACIFIC ENERGY DELIVERS ON EARNINGS GUIDANCE

Highlights

- Reported EBITDA up 7% to \$40.8 million
- Underlying EBITDA¹ up 9% to \$40.0 million
- NPAT up 6% to \$16.6 million; EPS up 5%
- Final Dividend of 1.5 cents fully franked declared (2.5 cents fully franked for full year)
- Record level of contracted capacity underwrites further growth
- FY18 EBITDA guidance \$43m - \$44m based on contracts in hand

Power generation specialist Pacific Energy Limited (“Pacific Energy” or “the Company”) today announced Earnings before Interest, Tax and Depreciation (“EBITDA”) for the year ended 30 June 2017 of \$40.8 million following an 11% increase in revenues. Underlying EBITDA¹ was up by 9%, to \$40.0 million.

The increased revenue and profit results represent record levels for the Company, with growth generated primarily from completing construction on a number of new projects, as well as benefiting from a full year’s contributions from investments in new capacity commissioned part way through last year.

Dividends have remained unchanged at 2.5 cents per share fully franked.

The Company is positioned strongly to capitalise on future opportunities with its balance sheet conservatively geared at 23% net debt to net tangible assets, down from 32% last year.

¹Underlying EBITDA is calculated by deducting a \$0.8 million (2016: \$1.2 million) gain on a listed equity investment.

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Managing Director's Comment

Pacific Energy's Managing Director, Mr Jamie Cullen commented that 2017 had been another excellent year operationally in the field, in both equipment and safety performance, and also in achieving contract success with several new contracts and contract extensions secured.

"In the last year we have been awarded 39MW of new contracts and contract expansions, demonstrating continuing confidence from our existing customers as well as from new customers. Through ongoing investment in equipment, innovation and people, we look forward to continuing to reward the dependence they place in us by delivering 24/7 remote electricity with benchmark fuel efficiency and reliability." he said

"Whilst it is pleasing to have recorded EBITDA of over \$40 million, we have also invested close to \$50 million in assets over the past two years, reflecting our long term commitment to the industry".

Mr Cullen said that recent tendering activity on greenfields projects had been buoyant but that there had been a noticeable trend of delays in contract awards. Nevertheless, he noted that the majority of the Company's growth in recent years had been generated from repeat business through growth in existing contracts and at existing customers' new mining projects.

Cash Flow & Dividends

The Company generated record cash flow from operating activities of \$35.0 million, up 13% from the prior year.

These operating cash flows as well as existing cash reserves were used to fund capital expenditure and dividends, as well as to pay down debt during the year.

In the absence of any unbudgeted new capital expenditure requirements that may arise in the 2018 financial year, net debt is forecast to progressively reduce as a result of continuing solid cash flow from operating activities.

The dividend rate of 2.5 cents per share (fully franked) is expected to be maintained.

Outlook

Further growth in the new financial year and in FY19 is expected to come from bringing remaining contracted capacity on line in the coming months, as well as from several expansion opportunities that the Company is working on with existing clients and from projects that the Company secures with new customers.

The Company notes that the resource industry outlook is very positive, with some newer commodities and products in demand, which will benefit the market.

Based solely on contracts in hand, underlying EBITDA is forecast to be in the range of \$43 - \$44 million for FY18.

Management continues to review acquisition and investment opportunities to build the Company's scale and profitability, both within its existing markets and also in the broader energy markets.

The Company remains in very good financial health with conservative gearing, solid operating cash flows, reliable long-term annuity type income streams and a healthy balance sheet.

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 272MW of contracted capacity at 21 mine site locations across Australia.

Pacific Energy Victorian 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.