

PRESS RELEASE

Perth WA: Monday 27 July 2020

PACIFIC ENERGY WINS ENERGY CONTRACT AT FORTESCUE'S PILBARA GENERATION PROJECT

Pacific Energy subsidiary **Contract Power Australia** (Contract Power) will build a substantial low-emissions gas-fuelled power station for Fortescue Metals Group (Fortescue) subsidiary **Pilbara Energy (Generation) Pty Ltd** (Generation) Pty Ltd at Fortescue's Solomon mine, in Western Australia's Pilbara region.

Pacific Energy Chief Executive Officer (CEO) Jamie Cullen said the deal underlined Pacific's status as Australia's leading supplier of remote power and consolidated a long-standing relationship with Fortescue reaching back to 2007.

Contract Power will be installing fifteen Rolls Royce Bergen (RRB) B36:45 gas generators supplied by Penske Australia.

"We believe that these large scale reciprocating generators will be the technology of choice for new projects like Fortescue's Pilbara Generation Project, as part of their Pilbara Energy Connect program," Mr Cullen said.

"The RRB B36:45 generators are low-emission, medium speed units with market-leading fuel efficiency, which will deliver low-cost clean energy to support Fortescue's growing penetration of renewable energy in the Pilbara Energy Connect program."

Mr Cullen said reciprocating generators suited Fortescue's needs because their reliability, low emissions and high fuel efficiency have been proven around the world in harsh operating environments such as Australia's Pilbara region.

The engineering procurement and construction (EPC) agreement was recently signed and, following completion of detailed design and engineering work, site works will commence in September.

It follows two other significant contract awards to Contract Power this year – a 20-year contract with Horizon Power for a high renewables-penetration power station for the Town of Esperance and an 8-year contract with Capricorn Metals Ltd for a gas fuelled power station at their Karlawinda Gold Mine. Mr Cullen confirmed both projects were progressing well and on track.

RRB is a wholly owned subsidiary of Rolls Royce Power Systems. The generators and ancillary equipment are being delivered through RRB's agent, **Penske Australia**.

Penske Australia's Managing Director Hamish Christie-Johnston said the company was excited to partner with Contract Power on this critical infrastructure project.

"We see this as an opportunity to set a new benchmark for medium-speed gas power stations in the Pilbara and this site being used as a reference for future projects. We are highly committed to the success of the project and look forward to providing ongoing service support for the units under contract with Fortescue," Mr Christie-Johnston said.

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Notes to Editors:

- **Pacific Energy Pty Ltd** is based in the Perth industrial suburb of Landsdale, Western Australia.
- Pacific Energy own and operate 40 power stations, with an installed capacity of more than 400MW, through the company's **KPS** and **Contract Power** brands. They provide electricity safely and reliably to remote mines and townships, as well as the National Electricity Market (NEM), using multiple fuel technologies including gas, diesel, dual fuel, hydro and renewables.
- Specialist hybrid solutions such as Stand-Alone Power Systems, microgrids and battery energy storage systems are provided for Government utilities and private industry by Pacific Energy subsidiary **Hybrid Systems Australia**.
- **QIC** acquired former ASX-listed Pacific Energy Ltd (ASX: PEA) in November 2019. Brisbane-based QIC, formerly known as Queensland Investment Corporation, is a global diversified alternatives investment manager with over A\$83 billion in assets under management and over 1,000 staff. Further details at www.QIC.com
- **Pilbara Energy (Generation) Pty Ltd**, is a wholly owned subsidiary of **Fortescue Metals Group** (Fortescue, ASX:FMG).

For media comment please call Pacific Energy CEO Jamie Cullen (Perth) on +61 8 9303-8888

For pictures of Rolls Royce Bergen's generators please call Vanessa Gould (Perth) on +400213016 or email communications@pacificenergy.com.au

Captions for three attached images:

1. CONTRACT POWER AND PACIFIC ENERGY SIGNING: From left to right: Leon Hodges, Managing Director of Contract Power and Michael Kenyon, Pacific Energy Group Chief Financial Officer (CFO) and Company Secretary, sign agreements to provide 15 Rolls Royce Bergen (RRB) low-emission reciprocating generators to Fortescue subsidiary Pilbara Energy (Generation) Pty Ltd for the Pilbara Generation Project.

2. FMG SOLOMON ORE PROCESSORS: Solomon Ore processors at sunset. Please credit image courtesy of Fortescue Metals Group Ltd.

3. PACIFIC ENERGY CEO: Pacific Energy CEO Jamie Cullen