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Media Release

**MERREDIN ENERGY SIGNS \$20 MILLION OPERATION & MAINTENANCE
CONTRACT WITH PERTH ENERGY**

Perth-based Merredin Energy Pty Ltd is pleased to announce that it has signed a \$20 million contract with Perth Energy Pty Ltd, to manage the operation and maintenance of its Merredin Power Station.

The Honourable Brendon Grylls MLA, Minister for Regional Development, officially opened the 82MW power station last month.

Under the terms of the contract, Perth Energy will also act as Merredin Energy's representative in the Wholesale Electricity Market (WEM), selling the generated electricity to a range of customers.

Merredin Energy Project Manager, Shane Jones said Perth Energy had the capability and expertise to provide a high quality operating and maintenance solution for the power station.

"We will leverage Perth Energy's experience, to assist us in reaching our commitment of maintaining very high availability factors, in an area where reserve capacity is important," he said.

The completion of the contract coincides with the appointment of Mr Lindsay Ward as General Manager of the power station.

Mr Ward who was instrumental in working with Perth Energy to finalise the agreement, previously worked as General Manager of the 1,450MW Yallourn Power Station in Victoria's Latrobe Valley and has held several other senior roles with infrastructure companies, including CEO of the Port of Geelong and General Manager of Pacific National Bulk Rail.

Perth Energy Managing Director, Ky Cao said the long-term agreement provided certainty to both parties and allowed the Company to expand its team.

"We are delighted to be able to recruit additional resources to service both the Merredin Plant and our existing generation asset, following this contract win," he said.

Perth Energy owns a 120 MW fast-response dual fuel (gas and diesel) power station in Kwinana. The operation and maintenance contract will enable Perth Energy to make use of operational synergies between the two plants, to deliver a quality and cost effective arrangement.

Merredin Energy also acknowledged the financial commitment from its institutional shareholder, Palisade Investment Partners, who manages infrastructure investments for its superannuation clients.

Palisade Investment Partners Investment Manager, Julian Widdup said the Company was focused on investing superannuation capital in regional Australia.

"The \$20 million allocation for Merredin Energy's operating costs demonstrates our continued commitment to support Western Australia's Wholesale Electricity Market," he said.

ENDS

About Merredin Energy

Merredin Energy owns an 82MW peaking power station located near the town of Merredin, 250km east of Perth. The power station was completed in September 2012 at a capital cost of \$93m.

The Merredin Power Station is part of the South West Interconnected System (SWIS), connected to the long and thin 220kV transmission line between Perth and Kalgoorlie. The plant is strategically located near the Collgar Windfarm to balance the intermittent wind generation and to assist Western Power to manage line stability.

The Merredin Power Station was designed to reduce the energy losses associated with the transmission of power from Muja, where most of the SWIS power generation capacity is located, to the Goldfields. Reducing these losses reduces end-user costs in the Central Wheatbelt and Goldfields and eliminates unnecessary emissions in the South West.

About Perth Energy

Perth Energy is an established electricity and gas retailer in the South West Interconnected System (SWIS) servicing commercial and industrial customers. In addition to owning and operating the 120MW Kwinana Swift Power Station, Perth Energy provides Wholesale Electricity Market (WEM) management services to major clients with their own power generation capacity, who outsource their day-to-day interface with the WEM to Perth Energy's experienced wholesale trading team.

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