ASX Announcement **1 December 2015**

CONSTRUCTION OF DEGRUSSA SOLAR PROJECT ON TRACK

Installation of solar panels underway with site construction activities well advanced

Highlights

- **Construction of the $40M DeGrussa Solar Power Project** has now been underway for more than four months, with site activities well advanced.
- **Installation of the steel posts** is complete, with site electrical work also well progressed to allow connection of the 10MW facility to the existing diesel-fired power station at DeGrussa.
- **Installation** of the **first solar photovoltaic (PV) panels** has commenced, with the overall project on track to **be completed in Q1 of calendar year (CY) 2016**.

Sandfire Resources NL (ASX: SFR; "Sandfire") is pleased to advise that construction of the new 10.6MW solar power station at its 100%-owned DeGrussa Copper Mine in Western Australia has reached a key milestone with installation of the first solar photovoltaic (PV) panels now underway.

The innovative $40 million project – which is the largest integrated off-grid solar and battery storage facility in Australia – will consist of 34,080 solar PV panels covering a total area of over 20 hectares at a site located immediately adjacent to the DeGrussa underground mine and processing plant.

Construction commenced in mid-July (*see ASX Announcement – 15 July 2015*) with clearing and levelling of the site and subsequent installation of 4,700 steel posts to mount the single axis tracking system and solar PV panels. This system allows the panels to track the sun during the day, improving its overall performance.

Site electrical work is also well advanced with the installation of underground electrical infrastructure including conduits ready for low-voltage and communication cabling to allow the interconnection of the panels, and to connect the facility to the 6MW lithium-ion battery storage facility and the existing 19MW diesel-fired power station at DeGrussa.

Installation of the solar PV modules is anticipated to be completed early in the New Year with other items to be installed in the coming months including the solar inverter to change the electric current from DC to AC, transformers and other electrical accessories and control systems.

Bench-scale test-work is also well underway as part of an ongoing work program to seamlessly integrate the new solar power facility, the battery storage facility and the diesel-fired power station.

The system has been designed with the diesel-fired power station continuing to provide base-load power to the DeGrussa mine with sufficient minimum load to ensure it can respond quickly to meet the power requirements of the process plant and underground mine.

The overall construction schedule for the DeGrussa Solar Power Project is on track for delivery of first electricity from the facility during Q1 of CY 2016.

Key representatives of the DeGrussa Solar Power Project consortium – leading French renewable energy firm Neoen, who will own the facility; project developer and operator juwi Renewable Energy, who are also responsible for engineering, procurement, construction and O&M; national surveying and infrastructure construction company OTOC Limited (ASX: OTC); and project financiers the Clean Energy Finance Corporation (CEFC) and Australian Renewable Energy Agency (ARENA) – recently toured the plant to inspect progress.

The innovative project is expected to set a new benchmark for the use of renewable energy at remote mine sites in the resource sector, reducing diesel consumption and cutting carbon emissions at DeGrussa by more than 12,000 tonnes of CO_2 annually.

Sandfire's Managing Director, Mr Karl Simich, said the construction program for the DeGrussa Solar Power Project had reached a pivotal phase with most major preparatory site works now complete and the first batch of solar PV modules having arrived on site ready for installation.

"Having visited the site recently with all of the key consortium members, I am delighted to see the rapid progress which has been made since the project was approved and final agreements signed in July," Mr Simich said.

"The sheer scale of the project is as impressive as the level of expertise and technological capability which the various consortium members – each leaders in their respective fields – have brought to the venture. A project like this is only viable because of the interaction of the various stakeholders and their strong belief in hybrid systems.

"I have no doubt that the DeGrussa Solar Power Project will attract growing interest both internationally and within the industry as this impressive project commences operations.

"This is the first time that a major off-grid solar power facility with an integrated battery storage unit has been installed on a remote site in conjunction with an existing diesel-fired power station to service a highly critical operation such as an underground mine and processing plant, where safety and continuity of operations are paramount.

"We always said at the outset that the overriding consideration for this venture would be that, once installed and operating, it would not compromise copper production. I am delighted to see the entire team working cooperatively and effectively to manage the seamless integration of the solar facility with our existing power station, to ensure that this is the case.

"This is a first for the mining industry, a first for the power generation industry and a first in the rapidly growing field of renewable energy. We are all looking forward to its completion and successful commissioning of this state-of-the-art project early next year, and to the positive impact that we believe it will have for all of our key stakeholders."

Editor's note: *To access copies of media releases which were also issued today by the other consortium members listed below as well as new high-resolution images of the solar panels being installed (from last week) and a new animation sequence showing the DeGrussa Solar Power Project, please click on the following Dropbox link:*
https://www.dropbox.com/sh/yb46q33v2myq45c/AAApTT9IMgCjFZTYut0125zia?dl=0

About juwi
The juwi Group is one of the world's leading renewable energy companies specialising in the Engineering, Procurement and Construction ("EPC") of utility-scale projects. With approximately 1,000 employees worldwide, juwi has been involved in the development, design, construction and operation of more than 1,500 solar PV projects and the installation of more than 700 wind turbines with a cumulated capacity of over 3,300MW.

About Neoen
Neoen, an independent energy company, was founded in 2008 on the initiative of French business leader Mr Jacques Veyrat. The company is a subsidiary of Impala SAS (www.impala-sas.com), a diversified investment

group with over 6000 employees and a global presence. Capenergie II fund (managed by Omnes Capital, www.omnescapital.com) and Bpifrance (www.bpifrance.fr), the French public investment bank, are the minority shareholders of Neoen. Neoen develops, finances, builds and operates power plants based on renewable energies (solar, wind and biomass). Neoen is active in France, Portugal, Australia, Mexico, Egypt and El Salvador and seeks to achieve installed power of over 1000MW by 2017.

About OTOC

OTOC Limited offers surveying, planning and infrastructure services throughout Australasia. A leading provider of professional consulting and innovative spatial solutions, OTOC delivers quality service to clients across a range of industry sectors. OTOC offers surveying services across land development, infrastructure and engineering surveying, aerial mapping, laser scanning, town planning and urban design. OTOC provides non process infrastructure construction and maintenance services to clients covering government, resources, utilities, remote area and renewable energy.

About ARENA

ARENA was established by the Australian Government to make renewable energy technologies more affordable and increase the amount of renewable energy used in Australia. ARENA invests in renewable energy projects, supports research and development activities, boosts job creation and industry development, and increases knowledge about renewable energy. ARENA is currently supporting more than 200 projects and is actively seeking new projects to support.

About the CEFC

The Clean Energy Finance Corporation (CEFC) invests using a commercial approach to overcome market barriers and mobilise investment in renewable energy, energy efficiency and low emissions technologies. Since its inception, the CEFC has committed over $1.4 billion in finance to investments in clean energy projects valued at over $3.5 billion. The CEFC invests for a positive financial return, with more than 55 direct investments and 34 projects co-financed under aggregation programs. These projects help to improve energy productivity for businesses across Australia, develop local industries and generate new employment opportunities. The CEFC operates under the Clean Energy Finance Corporation Act 2012. More information is available on our website www.cleanenergyfinancecorp.com.au

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