



ASX/Media Release

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## CONSTRUCTION OF DEGRUSSA SOLAR POWER PROJECT TO COMMENCE

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- **Final agreements signed with juwi** as part of an extensive international consortium assembled to finance, construct, operate and own the **\$40M DeGrussa Solar Power Project**.
- DeGrussa Solar Power Project **gains significant financial support from the Australian Renewable Energy Agency (ARENA)** through **\$20.9M of funding**.
- Construction of a **state-of-the-art 10MW solar power plant with 6MW of battery storage** commences this month, with the facility expected to be **fully operational in 2016**.
- Innovative project expected to significantly **reduce diesel consumption and cut carbon emissions** by over 12,000 tonnes of CO<sub>2</sub> annually at DeGrussa and will be the **largest integrated off-grid solar power system** in Australia.

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Sandfire Resources NL (ASX: SFR – “Sandfire” or “the Company”) is pleased to advise that construction of the 10.6MW solar power station at its DeGrussa Copper Mine in Western Australia will commence this month following the signing of final agreements which clear the way for the \$40 million project to proceed.

Formal approval for this state-of-the-art project, which will be the largest integrated off-grid solar and battery storage facility in Australia, follows the establishment of an extensive international consortium to finance, develop, operate and own the facility. The DeGrussa Solar Power Project has also attracted significant funding support from the Australian Federal Government.

The DeGrussa Solar Photovoltaic (PV) System is expected to set new benchmarks for the use of renewable power for mining and processing operations, establishing DeGrussa as a potential world-leading reference site for the use of renewables to reduce operating costs and improve environmental performance.

Sandfire has executed a final Power Purchase Agreement (PPA) with **juwi Renewable Energy Pty Ltd** (“juwi”), which will develop and operate the project. Diversified infrastructure and survey solutions company **OTOC Limited** (ASX: OTC) has secured the procurement and installation contract for the project via a joint venture with **juwi**, while the leading French renewable energy firm **Neoen** will own the facility.

The **Clean Energy Finance Corporation** (CEFC) is committing up to \$15 million in finance towards the project, while the **Australian Renewable Energy Agency** (ARENA) is providing \$20.9 million of funding with **Neoen** contributing most of the balance. Sandfire’s cash contribution to the project will be less than \$1 million.

Construction activities at the DeGrussa mine site, which is located approximately 900km north-east of Perth in WA, will commence in July 2015 with the facility expected to be fully operational in 2016.

The \$40 million project comprises a 10.6MW solar array utilising 34,080 solar panels over 20 hectares. It uses single-axis tracking technology, combined with 6MW of short term battery storage and will be located near the site of the current DeGrussa underground mine and 1.5Mtpa Concentrator. Once completed, it will be one of the world’s largest integrated solar installations providing peak load power to a mining operation.

The solar power station will be fully integrated with the existing 19MW diesel-fired power station at DeGrussa, which is owned and operated by Kalgoorlie Power Systems (a subsidiary of Pacific Energy, ASX: PEA) under an agreement with KPS. This integrated system will be designed with the diesel 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. Agreements have been completed with KPS for the integration of the solar power facility.

Under the PPA, Sandfire will purchase the solar power generated at a fixed rate that is lower than the historical cost of diesel-generated power. The project is expected to achieve savings in the consumption of diesel fuel and will deliver a significant environmental benefit for DeGrussa, reducing its CO<sub>2</sub> emissions by an estimated 12,000 tonnes per year.

Sandfire Managing Director, Mr Karl Simich, said the signing of the final agreements with juwi and the other consortium members was a pleasing milestone which would clear the way for construction of one of the most exciting new renewable energy projects in Australia.

“Sandfire is pleased to be participating in this project as part of an extensive consortium which brings together the expertise of some of the world’s leading renewable energy companies, backed by significant funding provided by ARENA and the Clean Energy Finance Corporation,” Mr Simich said.

“We identified some time ago that solar power presented an exciting opportunity for us to participate in a low-risk renewable energy initiative at DeGrussa and we have no doubt that this project has the potential to be an Australian and possibly a world first – establishing DeGrussa as a reference site for the use of off-grid solar and battery storage technology in the mining industry.

“I would like to take this opportunity to acknowledge the hard work that has been put into this project over the past few months by all of the consortium members and, on our side, by our operations and commercial teams,” Mr Simich continued. “We are very much looking forward to this exciting new addition to our mine site as it is progressively constructed over the second half of this year.

“The project has the potential to reduce the mine’s diesel consumption and is consistent with our relentless focus on driving down costs,” Mr Simich said. “At the same time, it will reduce our carbon footprint, make an important contribution towards achieving improved environmental outcomes and potentially help promote the use of renewable energy in the Australian mining industry.”

**Editor’s note:** To access copies of media releases which were also issued today by the other consortium members listed below and high-resolution images of the DeGrussa Copper Mine which are approved for editorial use, please click on the following Dropbox link:

<https://www.dropbox.com/sh/yb46q33v2myq45c/AAApTT9IMqCjFZTYut0125zia?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](http://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](http://www.omnescapital.com)) and Bpifrance ([www.bpifrance.fr](http://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 is a diversified infrastructure and survey solutions company. OTOC’s Surveying Division are highly regarded surveying consultants with expertise in land and cadastral, infrastructure and engineering surveying, aerial mapping, town planning and urban design. OTOC has a clear strategy to create a premium multi-disciplinary national

surveying business. OTOC Australia is a leading provider of infrastructure construction and maintenance services for government, civil infrastructure and resources and projects.

#### **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 billion in finance to investments in clean energy projects valued at over \$3 billion. The CEFC invests for a positive financial return, with its more than 40 direct investment and 25 projects co-financed under aggregation programs expected to achieve a positive net benefit for the taxpayer. 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 CEFC's website, [www.cleanenergyfinancecorp.com.au](http://www.cleanenergyfinancecorp.com.au).

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