

NSW'S LARGEST GRID SUPPORT BATTERY TO BE INSTALLED IN THE ILLAWARRA REGION

- **MPower to design, build and integrate a Battery Energy Storage System in the Illawarra region of NSW**
- **Principal purpose is grid augmentation**
- **System to also feature microgrid functionality**

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Sydney – 12 October 2017 – Tag Pacific Limited (ASX: TAG)

MPower has been awarded a contract to design, build and implement a battery storage network augmentation system for a new residential estate in the Illawarra region of New South Wales. The project will be fully operational by the summer of 2018.

The main objective of the project is to augment the grid in times of peak demand, potentially delaying the need for major capital expenditure associated with growing power demand in this residential area. Of equal importance is the integration of large scale energy storage into the grid. The adoption of this technology is expected to experience exponential growth, with the cost of battery storage continually reducing at the same time as technology improves.

MPower will manage all aspects of the project, from design through to ongoing support and maintenance of NSW's largest grid support battery system.

The sophisticated system will also be capable of forming its own grid and function as an islanded power system, thereby creating a microgrid. The benefit of the dual mode is its ability to continue to provide power during times of power outages on the main grid.

MPower is an industry leader providing innovative, reliable power solutions on a national and international level. MPower has worked with power utilities for many years, designing and implementing innovative solutions for networks to resolve network constraints and develop new technologies for the future.

Nathan Wise, CEO of Tag Pacific, MPower's ASX-listed parent commented: "We are proud to be an integral part of this new and exciting initiative. MPower has a long-standing reputation and an enviable track record in distributed power systems, from large scale solar installations to utility, hybrid and microgrid power systems. The benefits of energy storage are beginning to shine and MPower has unparalleled credentials in this growth area."

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ASX ANNOUNCEMENT (continued)

Anthony Csillag, Managing Director of MPower Projects commented: “There is widespread publicity about energy storage utilising batteries. This project is a shining example of how energy storage can be used for a critical application. It adds a new era technology into the grid that performs like other generators on the network, particularly in relation to network control and protection. The system will also resynchronise to the grid seamlessly to transition from islanded operation to grid connected operation. MPower has enjoyed several recent successes in this area and thrives on the engineering challenges.”

MPower expects other utility providers to expand their horizons into renewables in this way.

ATTACHMENT

Endeavour Energy media release ‘NSW’s largest grid support battery to be installed at West Dapto’

ABOUT

Tag Pacific Limited is a Sydney-based investment house listed on the Australian Securities Exchange with a focus on niche areas of the power industry. Tag has invested in a diverse range of companies and activities that have been brought together primarily to operate under the banner of MPower. The company’s mission is to invest in the power industry in a manner that creates and enhances value over time.

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MEDIA RELEASE

12 October 2017



NSW's largest grid support battery to be installed at West Dapto

Endeavour Energy today announced it had awarded the contract to supply and install NSW's largest grid support battery energy storage system at West Dapto.

"This is an important milestone in adapting our network to meet the future energy needs of our customers," said Endeavour Energy's General Manager Asset Management Ty Christopher.

"We are pleased to announce MPower has been awarded the contract to design, build and install a one megawatt hour battery energy storage system at the site of our future West Dapto Zone Substation.

"MPower was selected based on its demonstrated capabilities in delivering large scale solar installations and micro-grid power systems in Australia and New Zealand."

Mr Christopher said the trial was set against a backdrop of dramatic changes for network businesses in the way they connect customers and communities to the grid.

"These changes are being driven by customers embracing new technologies such as solar and battery storage and taking greater control through access to real time data about their energy use.

"As part of this transition, our customers have told us they want us to be working to secure their future electricity supply and help them reduce their electricity bills.

"The experience gained from this trial will help us build and operate a secure, reliable and affordable network in the future."

Mr Christopher said the cost of battery storage is expected to continually decline in line with improvements in the technology.

"Battery storage systems have significant potential to reduce network capital costs, help manage load growth, peak demand, power quality and supply interruptions.

"This trial will allow Endeavour Energy to quantify the benefits of battery storage in a real, grid-scale setting and provide us the expertise to utilise this technology as future needs arise.

"We believe battery energy storage at West Dapto could reduce network investment by up to \$1 million per year to keep downward pressure on our network charges."

Mr Christopher said similar battery systems could be deployed in other growth areas of Endeavour Energy's network to defer the construction of up to four new zone substations by 2024.

Endeavour Energy's grid support battery energy trial is expected to be fully operational by the summer of 2018.

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