



29 JUNE 2017

VICTORIAN DESALINATION PROJECT PROVES ITS CAPABILITY

Statement by Matt Brassington, CEO, AquaSure

The strong performance of the Victorian Desalination Project has been validated.

Since water production started in March 2017 the plant has performed above expectations, producing an average of 467ML per day, about 105% of its "plated" capacity.

This performance is testament to the quality of both the design and construction of the plant, and the expertise of our operations team.

We are obviously disappointed that issues with the electricity supply meant that the plant was not able to start water production at an earlier date.

However after being in preservation mode since completion of construction and commissioning in December 2012, and despite being unable to undertake preparatory work in the absence of the electricity supply prior to 3 March 2017, the plant was up and running within two weeks of the power supply being reconnected, and at full production (running all three streams) after only three weeks.

Since then the plant has operated seamlessly, we believe, fully compliant with the stringent contractual water quality and environmental requirements.

Over the past three months the energy efficiency of the plant has also been verified: power usage has been well below expectations at the same time that our purchase of renewable energy certificates has fully offset our power use with an equal amount of renewable energy being put into the grid, largely generated from wind farms across Victoria.

AquaSure notes the Minister's comments on 3AW regarding the c. 4 GL shortfall in the delivery of the 2016/17 water order and the State's intention to enforce adjustments as set out in the contract.

Based on 467ML per day delivery, the shortfall of 4GL equates to around eight days of production.

The plant is fully operational and will continue to operate into winter to produce the 15GL water supply order for the 2017/18 delivery period.

Delivery is expected to be completed by the end of September 2017. It will then be returned to preservation mode.

Most importantly though we're satisfied that the issues with the power supply are extremely unlikely to recur, and we remain committed to working within the contractual framework through the remainder of the concession.

We look forward to providing a secure and safe water supply to Victorians.

-ENDS-

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