

Media Release

BGC CONTRACTING SELECTED AS EPC CONTRACTOR FOR KWINANA WASTE TO ENERGY PLANT IN WESTERN AUSTRALIA

Perth, Western Australia – 30 June 2016 – Phoenix Energy Australia has nominated local company BGC Contracting as the preferred Engineering, Procurement and Construction (EPC) contractor for its \$400 million Kwinana Waste to Energy project.

The Kwinana Waste to Energy project will be the first of its kind in Australia, integrating the disposal of waste with the generation of energy to provide a practical solution to two community challenges: waste disposal and renewable energy supply.

Detailed engineering design for the waste to energy plant, which will have the capacity to produce 32 MW of electricity per annum, is nearing completion. The proven technology is supplied by leading international companies Mitsubishi Heavy Industries Environment and Chemical Co and Martin GmbH.

An estimated 800 jobs will be created during the project's three year construction phase, with a range of subcontracting and supply opportunities available to local and national businesses. There will be approximately 60 operational jobs at the plant once it is complete.

Phoenix Energy MD Peter Dyson said that BGC Contracting had been selected for the EPC contract due to its expertise, strong track record of delivering projects and local presence.

"BGC Contracting has assembled a strong team to complete the Kwinana Waste to Energy project and they have demonstrated their willingness to work with our international technology providers to successfully complete this landmark development," Mr Dyson said.

BGC Contracting CEO Greg Heylen said the appointment as preferred EPC contractor recognised the company's ongoing transition into new markets and sectors.

"Given the recent decline in the mining sector, our selection stands testament to our expanded service offering which is a key platform for our diversification strategy. We look forward to delivering this important renewable energy project of the future, whilst building a strong, ongoing relationship with Phoenix Energy," said Mr Heylen.

Phoenix Energy intends to commence work at its Leath Road site within the next few months.

Phoenix Energy has already signed 20-year waste supply agreements with both the Rivers Regional Council, representing six Local Government Authorities, and the City of Kwinana. Under these agreements the LGAs will supply residential (post-recycling) waste to the plant, which is designed to receive and process up to 400,000 tonnes of residual waste per annum. This will significantly reduce reliance on landfill disposal of household waste and deliver a step change toward the State Government's diversion target.

Unlike solar and wind generation, waste to energy plants are a unique source of continuous renewable energy, reflecting the fact that every week households are producing material for both recycling and combustion. On average a wheelie bin placed on a verge for collection contains enough waste to produce up to 14% of a household's weekly power needs.

The Kwinana Waste to Energy project has received development approval and all final environmental approvals required from Western Australian Government agencies to construct the plant.

Macquarie Capital is acting as financial adviser to the Kwinana Waste to Energy project and its equity sponsors.

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About Phoenix Energy

Phoenix Energy is a project development company that for the Kwinana project has selected a Best in Class technology solution supplied by two of the world's leading thermal Waste to Energy (WTE) technology providers, Mitsubishi Heavy Industries Environment and Chemical Co and Martin GmbH. Phoenix Energy seeks to profitably deploy these established WTE technologies in Australia and New Zealand. Phoenix Energy's experience covers areas such as large scale energy projects and integrated waste management solutions

About BGC Contracting

BGC Contracting, part of privately owned diversified industrial group BGC (Australia) Pty Ltd, is Australia's largest privately owned mining and civil construction contractor. The company has extensive experience in major mining, energy and infrastructure projects across the country, with offices in Perth, Brisbane, Sydney, Whyalla and branches in key regional areas.