

Vales Point Power Station Technical Life Assessment

13 July 2023, Sydney, Australia - Delta Electricity has advised the Australian Energy Market Operator (AEMO) of a 2033 technical life assessment for the Vales Point Power Station. The purpose of this assessment is to provide the Electricity Statement of Opportunities (ESOO) with a condition assessment of the existing generation equipment, ash dam capacity and general condition of the facility. The previous ESOO closure date was 2029, which was based on a nominal 50-year asset life. As the 2029 date draws closer, Delta has been able to estimate plant technical capabilities with a greater level of accuracy.

The Vales Point Power Station continues to be a key asset in the transitioning energy market by providing essential firming capacity to support the growing integration of renewable energy and ensuring a reliable and secure source of electricity. Currently the Vales Point Power Station generates approximately 10% of New South Wales electricity needs.

Delta notes the delays being experienced by new generation and transmission projects, along with earlier closure dates being announced by owners of other coal fired generators. Given the uncertainties surrounding the capacity of electricity resources over the next 10 years and the urgent need to maintain system security throughout this period, Delta considers it a responsible step to advise AEMO of the availability of Vales Point Power Station's capacity.

The Interim Chief Executive of Delta Electricity, David Morris stated, "Vales Point has benefited from a detailed and rigorous maintenance regime throughout its life. This has included major outages every four years on each unit to replace critical plant elements, implementing capital upgrades and conducting extensive maintenance. The plant continues to provide high levels of availability to the system and is expected to continue to do so through to 2033."

Delta acknowledges the skill and commitment its workforce has towards the operation, maintenance and asset management of the Vales Point Power Station. This dedication has provided the optionality whereby Delta has the potential to contribute to the longer-term stability of the National Energy Market.

The ESOO announcement is specific to a technical assessment of the Vales Point Power Station and does not denote a commercial commitment to operate the facility, noting that a 42-month closure notification period applies for commercial obligations. "The energy system is in transformation, and this brings higher levels of uncertainty when forecasting market conditions for the longer term," Mr Morris said. "Broader engagement with major stakeholders regarding system and market requirements will be required before firm commercial commitments can be made".

Delta is a major employer on the Central Coast, with approximately 550 people employed at Vales Point Power Station and Chain Valley Coal Mine.

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About Delta Group

The Delta Group of Companies, which includes Delta Electricity and Delta Coal, owns and operates the Vales Point Power Station and Chain Valley Colliery located on the Central Coast of New South Wales. Delta is committed to supporting the energy transition by providing a safe and reliable power supply and currently provides approximately 10% of the electricity demand of New South Wales.

About Sev.en Global Investments

Sev.en Global Investments is a Czech based family office investment group that holds long-term investments across a range of sectors, particularly in the power generation and mining. The Group operates in 3 continents, including Europe, Australia and North America. In Australia, the investment portfolio includes Delta Electricity, Australia Salt Lake Potash, mineral royalties and minority interests in the Millmerran and Callide power stations. In the United States, it is the majority owner of Blackhawk Mining and Golden Eagle Land Company. Sev.en Global Investments is part of the Sev.en group whose beneficiary is Mr. Pavel Tykač, a prominent Czech entrepreneur and investor. For further information visit www.7qi.com.