

**ASX CODE:** VPR

**BOARD**

**Simon Higgins**  
Non-Executive Chairman

**Adam Boyd**  
CEO & Managing Director

**Peter Torre**  
Non-Executive Director

**ISSUED CAPITAL**

8,245M Ordinary Shares  
390M Unlisted Options

**PRINCIPAL OFFICE**

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Spearwood WA 6163

**REGISTERED OFFICE**

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CEO & Managing Director

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## ASX ANNOUNCEMENT

23 August 2018

### VOLT 2018 HALF YEAR RESULT

#### MORE SIGNIFICANT MILESTONES ACHIEVED

##### Highlights

- **1.5MW ATEN Project Front End Engineering Design (FEED) Study completed for installation at a mine site power station in the WA Goldfields (Goldfields ATEN Project). Positive technical and commercial viability results confirmed**
- **Negotiations for the installation and ongoing electricity supply from the Goldfields ATEN Project with the mine site owner and incumbent IPP power station owner commenced**
- **FEED Study Update near complete to address IPP power station integration detail and future power station capacity expansion**
- **ATEN technology ‘Patent Pending’ status confirmed**
- **Secured first Wescone W300-3 crusher rental agreements with two separate laboratory assay / test-work customers verifying transition to rental business model**
- **Negotiations with BHPIO and RTIO for the ongoing supply of the Wescone W300-3 crusher under a Purchase Service Exchange contract are continuing**
- **Completed prototype manufacture and assembly of new EcoQuip ‘Generation 4’ Mobile Solar Lighting & Communications Towers (MSLT)**
- **Advanced EcoQuip USA manufacturing supply chain arrangements for initial USA MSLT assembly in H2 FY19**
- **Initiated manufacture of 16 new Generation 4 MSLTs to expand EcoQuip rental fleet from 27 to 43**
- **Achieved 65% EcoQuip fleet utilization during H1 FY19 primarily to the resources and construction sectors – forecast 80% for H2 FY19**
- **Commenced EcoQuip distribution partner discussions with significant national and international equipment rental businesses**

Contract supplier of innovative equipment solutions, Volt Power Group Limited (Volt or Company) today released the Company’s half year results for the 6-month period ended 30 June 2018.

Volt’s CEO & Managing Director, Mr Adam Boyd said;

“We are delighted to report the Company’s achievements during the 6-month period ended 30 June 2018 capping off a successful first 12-months of activity since the Company exited administration in June 2017.

## **ATEN Technology (100% owned) – 1.5MW Goldfields ATEN Project FEED Study Completed**

“Our strategy to develop a competitively advantaged, zero emission and low-cost waste heat to electricity solution has achieved significant steps forward.

“We have completed a comprehensive Front-End Engineering Design (FEED) Study for the installation of our first ATEN at a power station located at a mine site in the WA Goldfields (WA Goldfields ATEN Project). Completion of the FEED Study required extensive interaction with all associated stakeholders including the relevant mine site and IPP power station owners. Importantly, all key stakeholders have provided timely and valuable assistance to complete the FEED Study despite the significant demands of their own successful businesses. The Volt Board wishes to express the Company’s appreciation for the resources provided by these stakeholders to complete the FEED Study.

“The Goldfields ATEN Project FEED Study has confirmed the site-specific ATEN technical and practical performance forecasts, operational resource requirements, capital and operating cost estimates to a confidence level of +/-10% (subject to confirmation of OEM equipment component quotes received). The Company’s largest shareholder, ECM Pty Limited (ECM) has provided civil, electrical and mechanical design and estimation services to establish the Goldfields ATEN Project capital cost and construction schedule requirements. This FEED Study will form the basis of a fixed price construction contract between Volt and ECM should the Goldfields ATEN Project proceed.

“We are now engaged in detailed technical discussions relating to power station control, waste heat and site services interfaces and operational availability matters with the relevant stakeholders. We have also commenced more detailed discussions relating to key commercial terms of a potential power purchase agreement. These negotiations are ongoing and the Volt Board looks forward to informing shareholders of further positive information when it becomes available.

“Whilst the Goldfields ATEN Project will only proceed in circumstances where agreement is reached between all relevant project stakeholders, the Volt Board remains excited about the ‘roll-out’ potential of the ATEN technology. We have identified a number of mine site power stations and industrial waste heat source opportunities in Australia that appear to be compatible as a waste heat source for our ATEN technology. For now, our development effort remains focused on our foundation installation to demonstrate ATEN’s performance and benefits.

## **Wescone (100% owned) – Initial Business Model Transition Milestones Achieved**

“The Company completed the Wescone Distribution Pty Limited (Wescone) acquisition in January 2018. Wescone is the owner of a proprietary and unique sample crusher installed extensively in the port loading and blending assay systems in the WA iron ore industry and global laboratory and test-work assay sector.

“During February 2018, Wescone commenced a strategic business model transition to a sustainable ongoing contract service exchange structure intended to deliver long-term supply and service certainty for its customers, employees and suppliers.

“We recently secured and confirmed the first Wescone rental service exchange contracts with two Wescone customers which the Board considers as a significant validation of the Wescone business model change initiative.

“We have continued to supply and provide maintenance services for the Wescone W300-3 sample crusher to Wescone’s key iron ore sector customers during this transition period. The BHP and Rio Tinto iron ore businesses are Wescone’s largest customers. Business model transition discussions with these parties are continuing. In this regard, Wescone supplied BHP with six new W300-3 sample crushers during the period on the basis that the parties continue to advance ‘good faith’ negotiations to conclude a service exchange contract. These negotiations are also ongoing.

“The Volt Board remains positive about reaching final service exchange contract agreements with both BHP and Rio Tinto and continuing its historical 25-year supply and service history relationship with these important customers.

## **EcoQuip (50% owned) – Fleet Growth Underway**

“EcoQuip achieved numerous milestones during the period. The business completed mechanical / electrical design upgrade initiatives for the next generation EcoQuip Mobile Solar Lighting (MSLT) & Communications (MSCT) Towers (Gen4). A prototype Gen4 was manufactured and extensively tested to verify durability and performance.

“EcoQuip also reached agreement with the Company’s USA based manufacturing and assembly partners to complete the initial US based manufacturing run of MSLT Gen4 units. Based on this and the successful prototype testing, EcoQuip has initiated the manufacture of another 16 MSLT Gen4 units to expand its existing rental fleet. These MSLT & MSCT units Gen4 are expected to be completed and ready for delivery in October 2018.

“EcoQuip’s business development activities also gathered positive momentum during the period. With the planned expansion of the EcoQuip MSLT fleet, we have commenced exploratory discussions with established national equipment hire businesses. The demonstrated durability and reliability performance of the EcoQuip MSLT is catching attention.

“The EcoQuip Australian market growth strategy is centred on the establishment of:

- MSLT cross-hire arrangements with equipment hire businesses that have national distribution capability. We have commenced a trial relationship with a national equipment hire business on this basis; and
- supply of MSLT and MSCT fleet solutions for mine site deployment in the resources sector.

“We remain excited about the opportunity to develop a Mobile Solar Communications Tower fleet with critical infrastructure reliability characteristics to support the resource sector transition to autonomous drilling and mining. We have now developed working relationships with ICT data network providers and mining companies to demonstrate the durability and reliability of our autonomous MSCT power supply solution and to optimize our MSCT communications support offering.

“The EcoQuip Board believes the most compelling medium-term opportunity for the growth and ‘roll-out’ for an EcoQuip MSLT fleet is in the USA. The size of the US construction lighting market and number of large equipment hire businesses seeking competitive ‘American made’ innovative equipment solutions is significant. We plan to retain 2 of the 16 MSLT units currently being manufactured in the USA for demonstration purposes.

## **HY Financial Report – Result Summary & Commentary**

The Table below provides a comparison of the consolidated key results of the Volt Power Group Limited (Volt Group) for the six months to 30 June 2018 compared with the corresponding previous six months to 30 June 2017:

<b>Comprehensive Income Statement</b>	<b>Change</b>	<b>6 months to 30 June 2018 (\$'000)</b>	<b>6 months to 30 June 2017 (\$'000)</b>
Revenue from Operations	n/a	1,039	-
Reported EBITDA	(120%)	(591)	2,973
Reported Profit / (Loss)	(118%)	(548)	2,971

Accompanying this release is the Volt Group Appendix 4D: Half Yearly Financial Report setting out the detailed financial metrics for the period.

The Volt Group generated equipment sales, service and rental revenues from the Wescone and EcoQuip businesses during the period of \$1,039,812. All expenditure associated with the development of the ATEN technology and EcoQuip MSLT and MSCT products is expensed as incurred. Consequently, the Volt Group incurred more expenses than revenues for the 6-months ended 30 June 2018 and achieved a Reported Loss to members of \$547,769.

The Volt Group maintained a robust cash position exceeding \$2 million at 30 June 2018 period end.

The comparison Reported Profit for the 6-month period to 30 June 2017 of \$2,971,344 was predominantly the result of the Volt Group exit from administration and a gain on effectuation of the relevant deeds of company arrangement of \$3,551,951.

## Next Steps & Company Outlook

“With the acquisition and integration of Wescone and EcoQuip (50%) complete and the ATEN “waste heat to electricity” technology now reaching “commercialisation ready” status, the Company is now highly focused on converting the significant growth opportunity characteristics of our businesses into earnings. The next 12-months represents an important period for the achievement of commercial milestones that will liberate value from the Company’s significant technical achievements to date.

Specifically, the Company will continue to pursue the achievement of the following milestones:

- Secure all necessary contractual arrangements, install the first ATEN waste heat to electricity generation foundation project at a mine site power station;
- Complete the strategic transition of the Wescone business to a purchase or rental “service exchange” contract business model from its historical equipment sale and service model; and
- Expand and enhance the EcoQuip MSLT (Gen4) LED lighting and MSCT (Gen4) Wi-Fi/LTE repeater/CCTV fleet, expand the deployment footprint through distribution partner relationships and optimise all associated manufacture supply chain arrangements.

**End**

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## About Volt

**Volt Power Group Limited (ASX: VPR)** is a power generation technology and infrastructure asset / equipment developer and owner. The Company’s businesses build and commercialise proprietary equipment / infrastructure pursuant to an annuity revenue-based contract business model.

## Business Activity Summary

The activities of our businesses include:

- **ATEN (100%)** – ATEN is a zero emission waste heat to electricity generation equipment solution. The ATEN is at an advanced stage of initial commercialization;
- **Wescone Crushing Equipment (100%)** – the proprietary owner of the Wescone W300 sample crusher predominantly deployed throughout the global iron ore sector. Wescone has a successful 25+year operating track record;
- **EcoQuip (50%)** – a developer and owner a ‘best in class’ Mobile Solar Lighting & Communications Tower solution incorporating robust design features including a military spec build quality and solar / lithium (LFP) battery and advance management / control system capable of LED lighting, Wi-fi repeater and CCTV retro-fit.; and

- **Acquisition / Development Strategy** – the expansion of its broader renewable / low emission power generation, infrastructure asset and equipment footprint and execution capability.

**About ATEN: ATEN Technology** comprises a modular, power generation equipment package capable of harvesting 'low' grade industrial waste heat to generate zero emission electricity. ATEN generated electricity is expected to significantly reduce 'energy intensive' industry operating costs via the displacement of grid sourced electricity or fossil fuel usage associated with electricity generation.

The global industrial complex generally vents 'low' grade waste heat to atmosphere. The quantity of unexploited waste heat created by global industry presents an outstanding opportunity for the commercial roll-out of the ATEN Technology.

The ATEN's simple, high efficiency design and modular configuration - developed to maximise its integration capability - provides a low capex, uniquely compatible and scalable solution for the exploitation of 'low grade' industrial waste heat. Volt's priority target markets for the commercialization of the ATEN Technology include the resources and industrial processing sectors.

**Volt's** largest shareholder is **ECM Pty Ltd (ECM)**. **ECM** is one of Australia's largest, privately owned construction and maintenance companies servicing clients in the mining, oil and gas, infrastructure and power generation sectors. The business has a national footprint with extensive project execution and delivery capability having completed the construction and commissioning of power stations and processing infrastructure across mainland Australia for 30+ years.

The Company's office is co-located at the ECM headquarters and fabrication facility - 20kms south of the Perth CBD in Henderson, Western Australia.