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ASX Announcement

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Synertec's "Powerhouse" Wins Santos' Procurement Tender

Melbourne, Australia: Technology development and engineering growth company, Synertec Corporation Limited (ASX: SOP, "Synertec" or "the Company") is pleased to announce Santos Limited's intent to proceed with further commercial orders of Synertec's world-leading Powerhouse technology. This follows Santos' extensive procurement process, with selected global players invited, which Synertec has won.

Powerhouse is a unique and field-proven proprietary smart renewable technology developed by Synertec, which enables the utilisation of 100% renewable energy through Predictive Intelligence to reliably and continuously power critical industrial-scale applications in remote locations.

Highlights

- Santos Limited (ASX:STO, "Santos") confirms their intent to issue Synertec with purchase orders for a further two (2) Powerhouse systems to be delivered to the GLNG JV¹ in FY24, with manufacture to commence immediately
- The award was received following Santos and the GLNG JV conducting an extensive procurement process over the past six months to attempt to identify renewable microgrid technologies from around the world
- Santos have determined that Powerhouse is exceptional in terms of both field-proven performance and commercial terms
- Santos have declared Powerhouse as their preferred remote power system technology to provide 100% renewable and continuous 24/7 power to multi-well remote sites and for other industrial, high induction continuous load applications
- It is intended that Powerhouse replace fossil-fuelled generators (including diesel/gas/hybrid systems) on brownfield and greenfield sites across Santos' operations
- The procurement process, coupled with the previously announced Goods and Services Contract ("GSC") with Santos, allows for streamlined deployment of Powerhouse units under pre-approved commercial terms
- These Powerhouse units are to be delivered by Synertec under a Build Own Operate Maintain ('BOOM') commercial model with a flat monthly rent over a minimum term of three years, with an accepted asset life of 15 years
- The units are anticipated to be on site and contributing to Synertec's revenue by the end of FY24
- Synertec continues to identify and progress further opportunities for the application of the Powerhouse system across the energy, mining and other sectors

Synertec Managing Director, Michael Carroll, said:

"Today's award, coupled with Santos' and the GLNG JV's designation of Powerhouse as their technology of choice for zero emission energy power systems, provides further global industry validation as to the exceptional technical and commercial merits of Powerhouse providing reliable, sustainable and affordable continuous power as an intelligent microgrid for remote locations."

¹ Gladstone Liquefied Natural Gas Joint Venture (GLNG JV) is an unincorporated joint venture established in 2011 between Santos, TotalEnergies, Petronas and Kogas, which primarily operates in the Surat and Bowen basins in Queensland, Australia. Santos is GLNG's Upstream Operator. It is responsible for the development and operation of GLNG's gas fields and processing hubs. Santos is one of Australia's biggest domestic gas suppliers and aims to be a leading LNG supplier in the Asia-Pacific region LNG supplier.



This follows its outstanding performance in the field over the past year and confirms the feedback we received from the likes of the US Department of Energy, global banks and industry when we toured the United States to better understand the market positioning of Powerhouse.

“The system continues to demonstrate exceptional operational performance when compared to diesel, gas and hybrid generation systems. Powerhouse’s Predictive Intelligence control system has ensured that the remote site has received reliable continuous renewable base load power at substantially lower operating cost when compared to the performance of traditional electrical power generation.

“Our success in this procurement process with Santos and the GLNG JV now paves the way for a broader deployment of Powerhouse to Santos and other operators. The large target market we see for Powerhouse across both domestic and international markets requiring reliable, continuous and commercial base load power, which is 100% renewable, provides a significant growth opportunity for Synertec and one that has the potential to substantially elevate Synertec’s financial profile in the coming years.”

Award to Synertec for multiple Powerhouse systems

Synertec has received formal notification from Santos, as part of the GLNG JV, that it was the winner of a procurement process for zero emission solar energy power systems. The two (2) Powerhouse units are to be sized and delivered under commercial terms similar to the successful prototype commercialised in March 2023 (refer ASX announcement 15 March 2023). Synertec will commence manufacture of the units immediately, with key long lead time components already in hand.

The units are expected to be deployed to greenfield well sites in Queensland, nearby the existing Powerhouse unit at Myalla. The units are anticipated to be on site and contributing to Synertec’s revenue by the end of FY24.

Key commercial terms were already defined in the GSC between the two parties, and include a BOOM delivery model with flat monthly rental over a minimum term of three years, with an accepted asset life of 15 years. Synertec will fund the development of these initial units from its inventory and cash reserves. In anticipation, Synertec placed orders for long lead time items during FY23 and either has on hand, or has secured, all key components such as batteries, solar panels, computers and other key control system componentry.

The assembly of these Powerhouse units will again be undertaken in Brisbane, by the same team that developed and delivered the Powerhouse prototype unit.

Powerhouse operational performance

Following extensive testing, the Powerhouse prototype unit officially transitioned to commercial operations on 1 April 2023 and has operated exceptionally through a number of extreme weather events including lightning strikes and cyclonic conditions, delivering strong operational performance. The availability result of the unit is exceptional and world-leading, especially for a fully renewable system with no fossil fuel backup, when benchmarked against other industry trials utilising off-grid solar hybrid power systems for similar applications.

Powerhouse technology

Powerhouse is a Predictive Intelligence solar & battery microgrid system providing world-leading extremely high availability of electrical power supply to remote sites – and it has the additional major benefit of being 100% renewable and emission free (i.e. no requirement for fossil-fuelled backup). The Powerhouse system, which is rapidly portable and flexible, has proven to operate in the field at a substantial discount to traditional fossil-fuelled generators in its current scenario, saving on major operating costs such as fuel and maintenance, and provides for safe operation with minimal site visits.

Powerhouse’s design includes redundant control philosophies (one of Synertec’s areas of expertise), advanced componentry, remote control functionality and Predictive intelligence resulting in a proven reduction in site attendance from a typical frequency of 3 weeks to 26 weeks, while providing vastly greater “uptime” when compared to other similar technologies. When extrapolated across a large install base, this equates to significant financial, operational and safety benefits to the operator.

Some of the many key benefits of Powerhouse include:

- Reduced carbon emissions through 100% renewable energy
- Reliable microgrid providing high availability continuous power for critical applications
- Flexible, scalable and easily portable infrastructure
- Increased safety and operational efficiency with reduced maintenance and remote operability
- Potential for removal of, and/or reliance upon, mains power connections in remote areas
- Highly cost-effective solution
- Fully integrated with customer’s control (SCADA) system
- Recyclable batteries

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This ASX announcement is authorised by the Directors of Synertec Corporation Limited (ASX: SOP).

About Synertec:

Synertec Corporation Ltd (ASX: SOP) is a technology design and development growth company enabling a low carbon future through innovative technology solutions. Commercialising scalable, environmentally friendly and energy efficient technology for global markets in energy, critical infrastructure and advanced manufacturing through innovative partnerships with a portfolio of blue-chip customers, Synertec is proactively participating in the world's transition to a low carbon economy in a practical way for the benefit of future generations.

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