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ASX:14D

AURORA PROJECT UPDATE

- Internal modelling is identifying the lowest risk plant configurations with the highest returns
- BESS size could double to 140MWh in Stage 1
- Offers of vendor finance received
- Potential for Federal Government funding of \$110m
- Final BESS business case will be reported in the near term

1414 Degrees Limited (ASX:14D) (Company) is pleased to provide an update of its Aurora Energy Project (Aurora) in the National Electricity Market (NEM).

The Company has restructured its Aurora project team to ensure optimal delivery of the project. Additional energy market expertise has been brought into the team, particularly to refine the business case modelling of spot energy prices and Frequency Control Ancillary Service (FCAS) revenues. The revised modelling to identify the highest return-lowest risk outcome for 14D shareholders has been promising and the key outcomes to date are:

- Postponing solar PV generation from the first stage of Aurora development would substantially reduce the capex from the previously announced \$199m and remove the requirement to sell Power Purchase Agreements (PPA's) which are currently at historic lows
- BESS size could be increased to 140MWh (subject to transmission connections), for higher revenue streams from:
 - Merchant generation: Current low wholesale energy prices support charging the BESS from the NEM
 - FCAS: The BESS will be positioned for further revenue upside from merchant and FCAS as thermal power stations continue to exit the market due to renewable penetration and low wholesale electricity prices

Further Aurora project financing updates:

- Engineering, procurement, and construction (EPC) vendor financing has been offered, management is reviewing the economic and practical benefits of these offers
- The Federal Government budget reaffirmed \$110m in contingent financing for a thermal storage project in Port Augusta
- A BESS with merchant earnings is attractive to potential project financiers in the current wholesale electricity market conditions

Continued....

Several options are under evaluation for connection to 132kV or 275kV high voltage transmission lines to the Davenport substation in Port Augusta. While having these options adds some complexity to the business planning, they add flexibility to manage cost, constraints and connection efficiency.

The BESS business case with investment options is approaching completion and will be reported in the near term. Modelling and development of a hybrid power plant with Thermal Energy Storage System (TESS) is continuing.

In Stage 2 of the Aurora project 1414 Degrees intends to commission and test a TESS pilot of 75MWh/2MW capacity using its new SiBox™ technology.

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ABOUT 1414 DEGREES LIMITED

1414 Degrees believes in a sustainable energy future, where energy is available to all, at all times. Its clean energy storage is designed for a low-cost solution for reliable renewable generation. The 1414 Degrees thermal energy storage system (TESS) is unlike any other energy storage system in the world.

1414 Degrees' technology can store energy generated from electricity or gas and supply both heat and electricity in the proportions required by consumers. It is unique in its combination of low cost, flexibility of location, scalability, and sustainability.

For more information, please visit www.1414degrees.com.au

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