



windlab  
LIMITED  
ABN 26 104 461 958

# ASX RELEASE

60 Marcus Clarke Street  
Canberra City 2601  
AUSTRALIA  
Ph: +61 2 6175 4600  
www.windlab.com

12 November 2019

## **WINDLAB LIMITED – KENNEDY ENERGY PARK EPC CONTRACT DISPUTE**

Windlab Limited (ASX:WND) ('Windlab' or the 'Company') provides an update on the status of the Kennedy Energy Park (KEP) Project. Against an original construction and commissioning program of 11 months, KEP is now running 13 months late and is not forecast by the EPC contractor (a joint venture between Vestas Wind Systems and Quanta Services) to reach full commercial operations for a further 4 to 5 months. As previously announced, the Project has been constructed and energised and began limited operation in August. However, the EPC Contractor has not been able to deliver a fully functioning, compliant generator performance standard (GPS) model as required by AEMO to allow registration of the Project as a generator, which is required before full commercial operation can commence. Under the terms of the EPC contract it is the responsibility of the EPC Contractor to deliver a fully functioning, compliant GPS model and electrical plant to meet specific network standards and generally accepted good industry practice.

As previously advised KEP invoiced the Contractor for Delay Liquidated Damages (DLD) as defined in the EPC Contract in August 2019. The EPC Contractor disputed these invoices and a dispute resolution process, as defined under the EPC Contract, has commenced.

In late September the EPC Contractor responded with a payment claim which included several milestone payments which KEP's Principal's Representative certified as not fully complete and hence not due to be paid. One claim was accepted and set-off against the outstanding DLD invoice under the terms of the EPC Contract. The EPC Contractor also made numerous claims for extensions of time and variations against the EPC Contract which are not accepted by KEP. The EPC Contractor has decided to seek an interim payment of its disputed claims by way of a Security of Payment Adjudication under the Queensland Building Industry Fairness (Security of Payment) Act 2017 (BIF Act). KEP has until 26 November 2019 (subject to any potential extensions of time) to provide a response to the EPC Contractor's submission to the Adjudicator and will do so comprehensively.

Windlab believes that Kennedy Energy Park has recourse under the terms of the EPC contract for these ongoing delays and costs if substantive legal proceedings become necessary.

Kennedy Energy Park is owned 50/50 by Windlab and Eurus Energy Holdings through a non-recourse, project financed special purpose company. All parties, including the EPC Contractor remain committed to resolving the remaining outstanding technical issues and the successful completion of the project at the earliest possible time. Windlab will continue to keep the market informed as matters progress.

For personal use only



### **About Windlab Limited:**

Windlab Limited (ASX:WND) is a publicly listed international wind energy development company initially established to commercialise world-leading atmospheric modelling and wind mapping technology (WindScape™) developed at Australia's CSIRO. Windlab uses this proprietary technology to identify and develop high quality wind farm sites reducing the risk and uncertainty associated with wind development. Windlab is headquartered in Canberra, Australia and has offices across Australia, Southern Africa and North America. More than 1,000MW of wind farm capacity, on three continents, developed by Windlab has reached financial close and is today either operating or under construction. It is developing more than 50 renewable energy projects, totalling over 7,500MW of potential capacity around the world.

For further information please contact:

Roger Price  
Executive Chairman  
+61 2 6175 4600

Rob Fisher  
Chief Financial and Operating Officer  
+61 2 6175 4600

For personal use only