



25 September 2014

## **ASX & MEDIA RELEASE**

### **SARACEN SIGNS LNG SUPPLY AGREEMENT WITH EVOL LNG**

The Directors of Saracen Mineral Holdings Limited (ASX: SAR) ("Saracen" or the "Company") are pleased to announce that it has secured an agreement with Kleenheat Gas' EVOL LNG division for the supply of 7,000 tonnes per annum of liquefied natural gas (LNG) to Saracen's Carosue Dam Operations (CDO). The supply is due to commence from January 2015.

LNG will be transported from Wesfarmers' Kleenheat Gas Kwinana LNG Plant by EVOL LNG's road tanker fleet to Carosue Dam, which is located 120 km North East of Kalgoorlie in the Goldfields region of Western Australia.

EVOL LNG will build, own and operate the onsite LNG storage & vaporisation facility that will supply natural gas to the site's existing power station which will be converted to dual fuel operation to utilise both diesel and LNG in an approximate 30:70 ratio respectively. Due to the dual nature of the generator conversion, Saracen will be able to utilise all diesel power generation if there is any interruption to gas supplies for whatever reason.

Saracen's decision to utilise LNG as the primary fuel for the site's power generation is part of its ongoing cost reduction drive, with LNG being a lower cost fuel than diesel. The price of LNG is also very stable and not linked oil prices, which provides Saracen with a higher degree of cost certainty.

With natural gas emitting 25% lower CO<sub>2</sub> emissions compared to diesel, there is also an environmental benefit. Saracen will reduce its CO<sub>2</sub> emissions by approximately 5,000 tonnes per annum – equivalent to removing more than 1,700 motor vehicles from the roads.

EVOL LNG has commenced the engineering and construction process that is scheduled to have natural gas supply to CDO commence within 4 months.

**Saracen's Managing Director, Raleigh Finlayson, said:** *"The change from diesel to gas is just part of Saracen's ongoing review of all aspects of its business inputs to reduce costs and create shareholder value. The change will save approx. \$2.5 million on power generation costs in a full year and will also significantly decrease the Company's carbon emissions."*

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**Nick Rea, EVOL LNG's Business Manager said** *"We are extremely pleased with the agreement and the value we are able to create for Saracen. It really is a win-win." This is an accelerated campaign that reflects EVOL LNG's experience and expertise in delivering LNG virtual pipeline solutions to remote locations and demonstrates the vast opportunities for LNG as a primary fuel for remote power generation, particularly in the Goldfields and Mid West regions. This represents EVOL LNG's fourth major LNG customer in the Goldfields, and we are confident that other off-grid miners will follow."*

**For further information please contact:**

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Managing Director

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**About Saracen**

Saracen Mineral Holdings Limited (ASX:SAR) owns 100% of the Carosue Dam operations, 120 km NE east of Kalgoorlie, in the South Laverton region of WA, home to many other gold mines and deposits including Sunrise Dam, Granny Smith, and Wallaby.

Carosue Dam's 2.4 million tonne per annum processing plant produced 136,168 ounces of gold in FY2013 and is forecast to produce approximately 145-155,000oz in FY2014.

As at 30 June 2013, the Carosue Dam Operations Mineral Resources was 3.9 million ounces of gold, while Ore Reserves were 0.9 million ounces of gold.

Gold production is from the Whirling Dervish open pit mine, supplemented by high grade underground operations at the Red October underground mine.

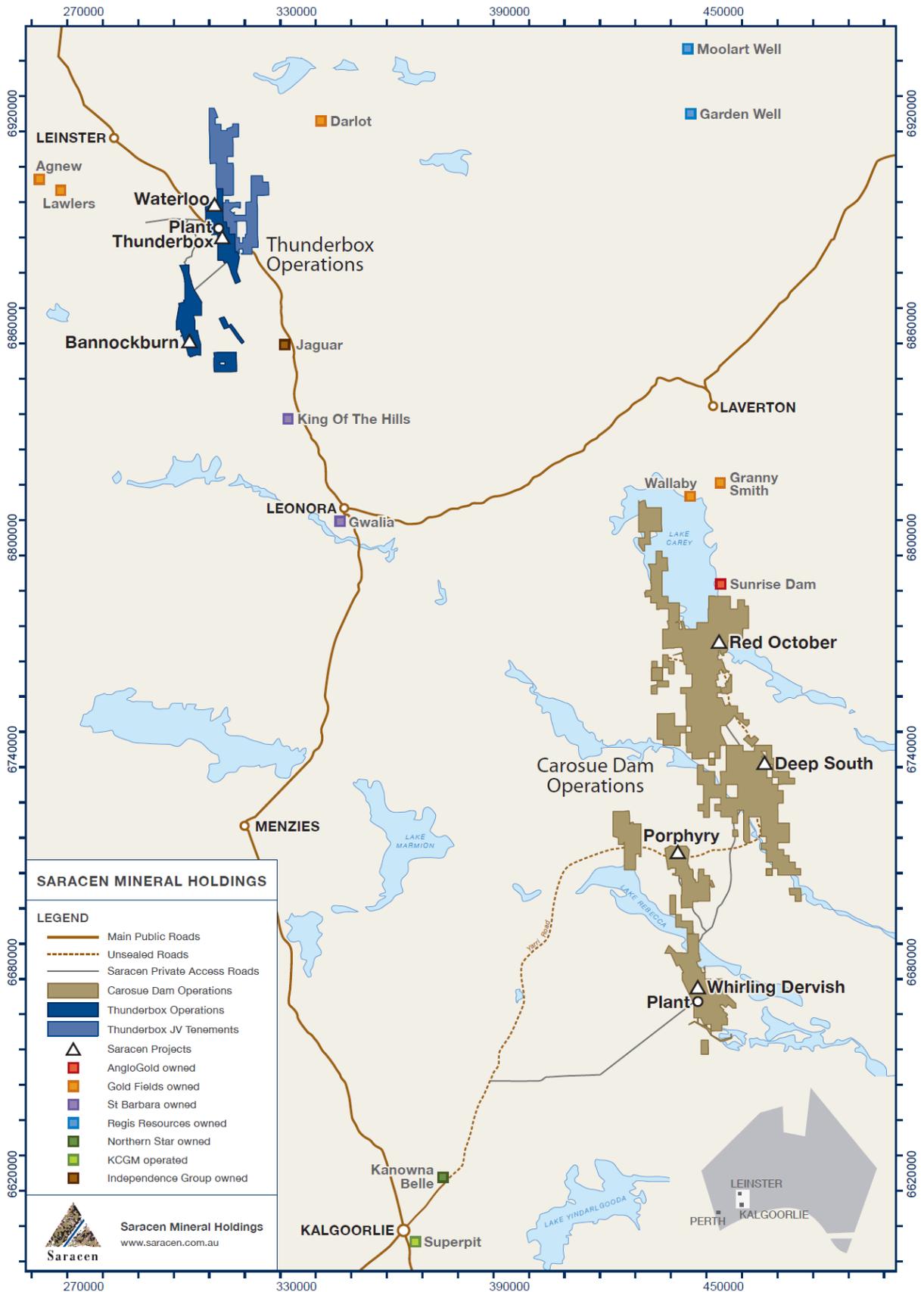
In May 2014, Saracen completed the acquisition of the Thunderbox Operations, located approx 45 kms south of Leinster in WA. The Thunderbox Operations are on care and maintenance and include the Thunderbox and Bannockburn gold mines as well as the Waterloo nickel mine. There is also a 2.5 million tonne per annum CIL processing plant and associated infrastructure.

The Thunderbox Deposit was discovered in 1999. Gold production totalled 805,000 ounces when processing operations ended in September 2007. Thunderbox produced at an average cash cost of US\$290/oz with a cash cost in the final year of operation of US\$481/oz.

At January 2014, the Thunderbox Operations Mineral Resources stands at 2.0 million ounces of gold, while Ore Reserves stand at 0.7 million ounces of gold.

Total Mineral Resources for Saracen stands at 6.0 million ounces of gold and 1.6 million ounces of Ore Reserves.

For the location of Saracen's projects, refer to the map below.



Saracen's Thunderbox & Carosue Dam Operations