

Chairman's Report 2020

Last year I reported our efforts have been focussed on the development of a test turbine which was developed in association with Latrobe Valley Electrical Services (LVES) and Millers Plumbing Pty Ltd. During 2019 LVES was successful in obtaining \$48,400 funding from the Latrobe Valley Authority to further develop the SWP test turbine; a proof of concept project. This grant was obtained with grant application input from SWP.

That SWP turbine project with LVES did produce good results but a prolonged power output was not able to be recorded due the turbine failure.

Based on this project both SWP and LVES expressed the belief that the turbine concept is good and there is confidence that the turbine will produce good power output, provided the turbine is machined to high standard in the next development phase.

Consequently, SWP investigated both Victorian and Australian I Government Project Funding options with a view to undertake a further trial.

I am pleased to report that that a grant of \$28,125 (exclusive of GST) was obtained from the Victorian Department of Jobs, Precincts & Regions. This grant required a local contribution from the SWP of \$9,375. This local contribution, including any project cost overrun, will funded by Fiona and Fred Sundermann.

On receipt of Project Funding approval SWP conducted a competitive tender process for the construction of a new protype turbine.

This process resulted in Firmins Lane Engineering (FLE), Firmins Lane, Morwell being awarded the project to manufacture the turbine, with some important design improvements. FLE also assisted SWP to identify and procure a suitable generator.

FLE provides engineering technology, workshop capability, service, experience and skills to the power, mining and hydro industry sectors. www.fleengineering.com.au

FLE is well advanced with the manufacture of the new turbine. With FLE assistance we have also purchased a 5kw vertical permanent magnet generator (60 rpm) from Nanjing Willgain Power Equipment Co, Nanjing, Jiangsu Province, China. The cost of the generator delivered to Morwell was AUD \$ 7,016

The total estimated cost of the turbine and generator project is now estimated at \$42,000 or thereabouts which includes a sum for independent output testing.

The new turbine will be of high quality, and with key design improvements, we are confident that this protype will achieve improved efficiency and reliability.

Positive test results would then provide an opportunity to establish a pilot project with an industry or business.

Our Board remains committed to the development and commercialisation of the turbine project.

Importantly Sundermann Water Power Ltd continues to operate on a tight financial basis but remains solvent and additional injection of funds have been made by me as Chairman to ensure that this situation remains.

I wish to thank my fellow Directors Ulrich Hartig and John Mitchell for their hard work during the past year, and my wife Fiona Sundermann for her ongoing support and valued assistance during the past year.

I would also like to thank Anne Hallam for her dedication to the company and support to the Board on all the accounting, taxation and audit matters.

Fred Sundermann, Chairman Sundermann Water Power Ltd

6 November, 2020