

AU MARKET NEWS

# Dug Technology (ASX:DUG) share price gains on carbon-free project

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Dug Technology (ASX: DUG) plans to build a high-performance computing data campus powered entirely by renewable energy.

The post Dug Technology (ASX:DUG) share price gains on carbon-free project appeared first on The Motley Fool Australia. –



Shares in **Dug Technology Ltd** (ASX: DUG) have lifted following news the company plans to build a high-performance computing (HPC) data campus powered entirely by renewable energy.

The Dug Technology share price lifted after this afternoon's announcement and was swapping hands for \$1.08, 1.4% higher at the close of trade.

Let's take a closer look at the news driving the Dug Technology share price.



# HPC data centre powered by renewable energy

Dug Technology announced that its carbon-free HPC data campus – to be located in Geraldton, Western Australia – will be a world-first and one of the largest HPC data centres globally.

The campus will use Dug Technology's immersion-cooling technology. The company said this could see its HPC data centre become one of the most energy-efficient on earth, utilised by clients working towards carbon-reduction and environmental, social, and governance (ESG) goals.

Renewable power for the campus will come from solar and wind. Dug Technology is also looking into whether it can place a hydrogen battery system on site.

The company plans to lease plans 45 hectares of land near Geraldton to build the project.

Dug Technology said it chose Geraldton as it's one of the world's best up and coming renewable energy regions.

High-speed fibre internet is available at the proposed site which means connection speeds from the mid-west township will be as good as those of a CBD location.

The company stated its project has the full support of the Yamatji Nation Board and the project includes opportunities and training for the Yamatji people.

The land Dug Technology plans to lease will soon be passed to the Yamatji Nation Trust as part of the Yamatji Nation Indigenous Land Use Agreement.

The company's board has approved a \$5 million budget to build the HPC's data hall. The funds will be taken from the company's existing cash reserves.

Construction of the HPC data campus is set to begin in the third quarter of this year, subject to approvals.

## Commentary from management

Dug Technology's CEO and founder Matt Lamont commented on the proposal, saying:

“ As demand for HPC continues to grow exponentially around the world, we must invest in world-leading, carbon-free, cost-effective HPC solutions for our clients.



We developed our award-winning DUG Cool immersion system to reduce the energy footprint of our data centres. Having the ability to utilise this technology at scale would solidify the Geraldton campus as the world standard in environmentally-friendly HPC.

## Dug Technology share price snapshot

The Dug Technology share price has been floundering on the ASX lately.

Currently, the company's share price is down 10.7% year to date and has fallen 25.5% since this time last year.

The company has a market capitalisation of around \$106 million, with approximately 99 million shares outstanding.

## Where to invest \$1,000 right now

When investing expert Scott Phillips has a stock tip, it can pay to listen. After all, the flagship Motley Fool Share Advisor newsletter he has run for more than eight years has provided thousands of paying members with stock picks that have doubled, tripled or even more.\*

Scott just revealed what he believes are the **five best ASX stocks** for investors to buy right now. These stocks are trading at dirt-cheap prices and Scott thinks they are great buys right now.

See The 5 Stocks

\*Returns as of February 15th 2021

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