

15 March 2017

## **ASX Announcement**

### **KIDSTON SOLAR PROJECT (PHASE ONE 50MW) UPDATE POTENTIAL FOR UP TO \$16.8M REVENUE AND \$15.2M EBITDA**

#### **Construction progress**

Following Financial Close of the Phase One 50MW Kidston Solar Project (**KSP1** or **Project**), Genex Power Limited (**ASX: GNX**) (**Genex** or **Company**) is pleased to advise that the construction program is well underway and remains on track. Key activities include:

- Site clearing commenced
- Detailed design 30% complete
- Construction camp operational with accommodation available for 84 personnel
- Kidston substation civil works 50% complete and on track for completion and handover to Ergon in April 2017
- Orders placed for major components including solar panel modules, tracking system frames and inverters



*Figure 1: Construction works at the Kidston Substation*



Figure 2: Site clearing commenced

The Project remains on budget and on track for First Generation in Q4 2017 and Practical Completion in Q1 2018.

### **Project revenue and EBITDA outlook**

The Australian wholesale electricity market continues to be impacted by escalating domestic gas prices and a changing generation mix, including intermittent renewable generation. Many industry participants anticipate more volatility and higher energy prices going forward.

Against this background, Genex recently conducted an extensive “back-test” modelling exercise to determine potential Project revenues and EBITDA.

The “back-test” model was based on actual historical half-hourly wholesale electricity prices in the National Electricity Market (NEM) over the course of the past 3 years and on the assumption that the Project had operated at its design capacity of approximately 145,000MWh over the course of the modelling timeframe.

Based on historical NEM pricing data, and on the assumption that the Project had been in operation over the full 36 month period to 28 February 2017, the following annual Project revenues and Project EBITDA figures would have been achieved:

	<b>12 months ended 28 Feb 2017</b>	<b>12 months ended 29 Feb 2016</b>	<b>12 months ended 28 Feb 2015</b>
Revenue	\$16.8m	\$13.8m	\$14.1m
EBITDA	\$15.2m	\$12.2m	\$12.5m

*Results are theoretical and based on anticipated generation and actual historical half-hour pricing data over the modelling period. These results are in no way an indication of future performance of the Project. EBITDA is at the Project level, and therefore before corporate overheads.*

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The development of low cost, efficient energy storage, using mature technology, remains the key focus for Genex. Genex remains focused on developing its Kidston Renewable Energy Hub, comprising a 250MW Pumped Storage Hydro Project and a co-located 270MW Solar Project (Phase Two). Genex is engaging with a number of key stakeholders in relation to the funding of its Energy Hub.

Commenting, Managing Director of Genex Power Michael Addison said, *“The theoretical financial performance of the 50MW Kidston Solar Project (assuming it had been in operation historically) has the potential to provide a solid revenue and earnings platform for Genex, going forward. Genex remains focused on continuing the development of its Kidston Renewable Energy Hub initiative in the soonest possible time”.*

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### About Genex Power Limited:

Genex Power is a power generation development company listed on the ASX. The Company is focused on innovative clean energy generation and electricity storage solutions which deliver attractive commercial returns for shareholders. Following Financial Close of Kidston Solar Stage 1 (50MW) Project, the Company’s focus will now move onto the development of its 250MW Kidston Pumped Storage Hydro Project and the Kidston Solar Project Phase Two 270MW located at the Kidston Renewable Energy Hub, in Northern Queensland.