

ASX Announcement

24 March 2017

Despatch of Entitlement Offer Booklet

ReNu Energy Limited will today despatch the attached Entitlement Offer Booklet and an accompanying personalised Entitlement and Acceptance Form to eligible shareholders. The Entitlement Offer Booklet relates to the non-renounceable entitlement offer announced on 16 March 2017.

For further information on the Entitlement Offer please contact the ReNu Energy Limited Offer Information Line on 1300 420 094 (within Australia) or +61 1300 420 094 (from outside Australia) between 8:30am and 5:30pm (AEDT) Monday to Friday.

- End -

About ReNu Energy

ReNu Energy is a clean energy products and services company with strong commercial and technical capability in the clean energy and associated utility and infrastructure sectors. ReNu Energy is a supplier of biogas and anaerobic digestion systems, solar PV, battery storage and hybrid energy solutions for the agribusiness, food processing and commercial industrial sectors. The Company is actively engaged in the analysis of a number of transformational opportunities that will deliver shareholder value.



ReNu Energy Limited

ACN 095 006 090

Entitlement Offer Booklet

In relation to

A pro-rata non-renounceable entitlement offer of 1 New Share for every 5 Shares held at an issue price of 0.9 cents per New Share to raise up to approximately \$1.17 million.

The Entitlement Offer closes at 5pm (Sydney time) Tuesday 18 April 2017.

An investment in the Company should be considered speculative.

This Entitlement Offer Booklet is important and should be read in its entirety. If you do not understand any part of this document or are in doubt as to what you should do, you should contact your professional adviser immediately. This document is provided for information purposes and is not a prospectus or other disclosure document under the Corporations Act.

TABLE OF CONTENTS

Important Information	2
Message from the Managing Director	3
Key Features of the Entitlement Offer	5
1 Details of the Entitlement Offer	6
2 How to participate	9
3 Risk factors	12
4 Additional information	17
5 Definitions	20
Corporate Directory	22

Important Information

This Entitlement Offer is being made without a prospectus in accordance with section 708AA of the Corporations Act 2001 (Cth) to shareholders with a registered address in Australia and New Zealand, recorded in the register of members on 7pm (Sydney time) **Tuesday 21 March 2017 (Record Date)**.

This document is not a prospectus under Australian law or under any other law. Accordingly, this document does not contain all of the information which a prospective investor may require to make an investment decision and it does not contain all of the information which would otherwise be required by Australian law or any other law to be disclosed in a prospectus.

This booklet may contain forward-looking statements, opinions and estimates. Forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this letter and the attached materials. You should not place undue reliance on these forward-looking statements. These forward-looking statements are based on information available to the Company as of the date of this letter. Except as required by law or regulation (including the ASX Listing Rules) the Company undertakes no obligation to update these forward-looking statements.

Before making any decision to invest, Eligible Shareholders must make their own investigations and analyses regarding the Company, its business, financial performance, assets, liabilities and prospects, rely on their own inquiries and judgements in the light of their own personal circumstances (including financial and taxation issues) and seek appropriate professional advice.

This booklet does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any 'US person' (as defined in Regulation S under the US Securities Act of 1933, as amended (US Person)). Shares may not be offered or sold in the United States or to, or for the account or benefit of, any US Person absent registration or an exemption from registration. This booklet has been prepared for publication only in Australia and New Zealand and may not be released elsewhere.

Capitalised terms have the meaning given to them in section 5.

Message from the Managing Director

24 March 2017

Dear Eligible Shareholder

The Company announced on 16 March 2017 that it was conducting a 1 for 5 pro-rata non-renounceable entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) at an issue price of 0.9 cents per New Share (**Entitlement Offer**) to raise approximately \$1.17 million before costs.

The Entitlement Offer is part of a wider equity capital raising being undertaken by the Company (**Capital Raising**) comprising:

- a placement of approximately 84.5 million Shares at 0.95 cents per Share to sophisticated, professional and other investors to whom no disclosure is required under the Corporations Act, to raise up to approximately \$802,800 before costs (**Share Placement**). Details of the Share Placement were announced by the Company on 14 March 2017; and
- the Entitlement Offer, to raise approximately \$1.17 million (before offer costs).

Purpose of the Entitlement Offer

The net proceeds of the Entitlement Offer will be used to strengthen the Company's balance sheet and to provide added financial flexibility to pursue the growth opportunities aligned with the strategic direction of the company.

Entitlement Offer

On behalf of your Directors, I am pleased to invite you as a valued Shareholder of ReNu Energy Limited to participate in the Entitlement Offer, further details of which are set out in **section 1.1**.

Eligible Shareholders are entitled to acquire 1 New Share for every 5 existing Shares held on the record date, being 7:00pm (Sydney time) on Tuesday 21 March 2017 (**Record Date**).

Actions required to take up your Entitlement

Your entitlement to subscribe for New Shares under the Entitlement Offer is set out in your personalised Entitlement and Acceptance Form accompanying this Offer Booklet. Instructions on how to participate in the Entitlement Offer are set out in **section 2**.

The Entitlement Offer closes at 5:00pm (Sydney time) on Tuesday 18 April 2017, unless extended. To participate, you need to ensure that either your completed Entitlement and Acceptance Form and Application Money or your Application Money submitted by BPAY[®] are received before this time in accordance with the instructions set out on the form and in **section 2**.

If you take no action or your application is not supported by cleared funds, you will be deemed to have renounced your Entitlement. You should note that if you renounce all or part of your Entitlement, then your percentage shareholding in the Company will be diluted by your non-participation in the Entitlement Offer.

Further information

It is important that you carefully read this Entitlement Offer Booklet and the other publicly available information about the Company, including information on our website (www.renuenergy.com.au) and consider, in particular, the risk factors referred to in **section 3** before making any investment decision.



If you require further information on how to complete the Entitlement and Acceptance Form, please contact the ReNu Energy Limited Offer Information Line on 1300 420 094 (within Australia) or +61 1300 420 094 (from outside Australia) between 8:30am and 5:30pm (AEDT) Monday to Friday.

On behalf of the Directors, I invite you to consider this opportunity and thank you for your continued support.

Yours sincerely

A handwritten signature in black ink, appearing to read "C Murray", written in a cursive style.

Chris Murray
Managing Director

Key Features of the Entitlement Offer

Summary of Offer

Issue Price	0.9 cents per New Share
Discount	20.7% to the 30 day VWAP of Shares traded on ASX up to, and including, 15 March 2017 18.2% to the last price of 1.1 cents at which shares traded on 15 March 2017 5.3% discount to the Share Placement price of 0.95 cents announced on 14 March 2017
Entitlement	1 New Share for every 5 Shares held on the Record Date of Tuesday, 21 March 2017
Maximum number of New Shares that can be issued under the Entitlement Offer	129,574,868 New Shares
Amount to be raised if the Entitlement Offer is fully subscribed	Approximately \$1.17 million

Key dates

Record Date to determine Entitlements	7pm (Sydney time) on Tuesday 21 March 2017
This booklet and Entitlement and Acceptance Forms despatched	Friday 24 March 2017
Opening date of the Entitlement Offer	Friday 24 March 2017
Closing Date — last date for lodgement of Entitlement and Acceptance Forms and payment of Application Money	5pm (Sydney time) on Tuesday 18 April 2017
Trading of New Shares expected to commence on a deferred settlement basis	Wednesday 19 April 2017
Issue of New Shares	Wednesday 26 April 2017
Holding statements for New Shares expected to be despatched	Thursday 27 April 2017
Normal trading of New Shares expected to commence on ASX	

Eligible Shareholders that wish to participate in the Entitlement Offer are encouraged to subscribe for New Shares as soon as possible after the Entitlement Offer opens. The Company reserves the right, subject to the Corporations Act, the Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer (including extending the Entitlement Offer or accepting late applications) without notice.

1 Details of the Entitlement Offer

1.1 The Entitlement Offer

Eligible Shareholders are invited to participate in a pro-rata non-renounceable Entitlement Offer to raise up to approximately \$1.17 million (before costs). The Entitlement Offer will be conducted on the basis of 1 New Share for every 5 Shares held on the Record Date, at an Issue Price of 0.9 cents per New Share, which is payable in full on application. Fractional entitlements will be rounded up.

The Issue Price represents a discount of approximately:

- 20.7% to the 30 day VWAP of Shares traded on ASX up to and including 15 March 2017; and
- 18.2% to the last price of 1.1 cents at which Shares traded on 15 March 2017.
- 5.3% to the Share Placement price of 0.95 cents announced on 14 March 2017.

1.2 Eligible Shareholders

This booklet contains an offer of New Shares to Eligible Shareholders. Eligible Shareholders are those holders of Shares who:

- a) are registered as a holder of Shares on the Record Date;
- b) have a registered address in Australia and New Zealand;
- c) are not in the United States, are not a US Person and are not acting for the account or benefit of a person in the United States or a US Person; and
- d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The Entitlements of Eligible Shareholders who also hold share appreciation rights to subscribe for Shares will be calculated on the basis of the number of Shares they hold on the Record Date, disregarding any share appreciation rights which have not been exercised before that time.

Shareholders that are not Eligible Shareholders are Ineligible Shareholders.

1.3 Ranking of New Shares

New Shares and Additional New Shares issued under the Entitlement Offer will rank equally with existing Shares.

1.4 Withdrawal of Entitlement Offer

The Board reserves the right to withdraw all or part of the Entitlement Offer at any time before the issue of New Shares, in which case the Company will refund Application Money without payment of interest.

1.5 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application or payment once it has been accepted, except as allowed by law.

1.6 No Entitlements trading

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlement in full will not receive any value in respect of those Entitlements that they do not take up.

1.7 Minimum subscription

There is no minimum subscription for the Entitlement Offer.

1.8 Purpose of the Entitlement Offer

Assuming the Entitlement Offer is fully subscribed, the Company expects to apply the proceeds of this Entitlement Offer and the Share Placement towards the following activities.

Use of funds	Amount (\$)
Business development of behind the meter solar projects	\$160,000
Preliminary engineering and approvals for solar PV and/or embedded network systems	\$200,000
Installation of solar PV and/or embedded network systems	\$800,000
Working capital requirements	\$810,000
Approximate total	\$1,970,000

This table is illustrative only of the Company's present intention regarding use of funds. The precise activities that will be undertaken and the allocation of total funds raised may change without notice depending on market conditions and circumstances generally from time to time. There is no guarantee that funds raised will be applied precisely in the manner set out above or in the amounts described.

1.9 Company's capital structure pro-forma

The table below provides a pro-forma capital structure of the Company after completion of the Entitlement Offer (assuming no other shares are issued by the Company and no share appreciation rights are exercised). The actual outcome of the Entitlement Offer may differ.

Share Capital	Shares
Shares on issue before announcement of the Capital Raising	563,368,990
Shares to be issued under the placement announced 14 March 2017	84,505,348
Shares on issue post Share Placement	647,874,338
New Shares to be issued under the Entitlement Offer	129,574,868
Potential shares on issue after the Share Placement and Entitlement Offer (assuming the entitlement offer is fully subscribed)	777,449,206

1.10 No underwriting

The Entitlement Offer will not be underwritten.

1.11 Participation by Directors

The Directors have advised the Company that they intend to take up their full Entitlements.

1.12 Opening and Closing Date for applications

The Entitlement Offer opens for acceptances on **Friday 24 March 2017** and all Entitlement and Acceptance Forms and payments of Application Money must be received by no later than 5pm (Sydney time) on **Tuesday 18 April 2017**, subject to the Directors being able to vary the Closing Date in accordance with the Listing Rules.

1.13 Allotment of New Shares and ASX quotation

It is expected that allotment of the New Shares will take place as soon as practicable after the Closing Date. It is expected that the New Shares will be allotted no later than Wednesday 26 April 2017. However, if the Closing Date is extended, the date for allotment may also be extended.

No allotment of New Shares will be made until permission is granted for their quotation by ASX.

2 How to participate

2.1 What you may do — choices available

Before taking any action you should carefully read this Entitlement Offer Booklet and the other publicly available information about the Company on our website (www.renuenergy.com.au) and consider the risk factors set out in section 3.

The number of New Shares to which Eligible Shareholders are entitled is shown on the Entitlement and Acceptance Form. If you are an Eligible Shareholder you may:

Alternatives	See section
Take up your Entitlement in full or in part	2.2
Allow your Entitlement to lapse	2.6

2.2 If you wish to accept your Entitlement in full or in part

Either:

Payment by cheque or bank draft

If you are paying for your New Shares by cheque, bank cheque or bank draft, complete and return the Entitlement and Acceptance Form with your payment. The Share Registry must receive your completed Entitlement and Acceptance Form together with full payment for the number of New Shares for which you are applying by no later than **5pm (Sydney time) on Tuesday 18 April 2017**.

Your cheque, bank cheque or bank draft must be paid in Australian currency and be drawn on an Australian branch of an Australian financial institution. Your payment must be for the full amount required to pay for the New Shares applied for. Payments in cash will not be accepted.

Cheques must be made payable to **'ReNu Energy Limited'** and crossed **'Not Negotiable'**.

You must ensure that your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. We will not re-present any dishonoured cheques.

or:

Payment by BPAY®

If you are paying for your New Shares by BPAY®, please refer to your personalised instructions on your Entitlement and Acceptance Form. Please note that should you choose to pay by BPAY®:

- you do not need to complete or return the Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your Application Money.

When completing your BPAY® payment, please make sure to use the specific Biller Code and unique reference number provided on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form (i.e. where you have multiple holdings), please only use the reference number specific to the Entitlement on that form. If you inadvertently use the same

reference number for more than one of your Entitlements, you will be deemed to have applied only for New Shares on the Entitlement to which the reference number applies.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY[®] are received by **5pm (Sydney time) on Tuesday 18 April 2017**.

Excess Application Money that is not sufficient to subscribe for a number of New Shares or Additional New Shares multiplied by the Issue Price will be refunded to you except where that amount is less than \$2.00, in which case it will be retained by the Company. The method by which you receive the refund will be at the discretion of the Company. No interest will be paid to Eligible Shareholders on any Application Money received or refunded.

2.3 Acceptance of the Entitlement Offer

By completing, and the Company receiving, your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY[®], you:

- a) agree to be bound by the terms of this Entitlement Offer Booklet and the provisions of the Company's constitution;
- b) authorise the Company to register you as the holder(s) of the New Shares allotted to you;
- c) declare that all details and statements made in the Entitlement and Acceptance Form are complete and accurate;
- d) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement Offer;
- e) acknowledge that once the Company receives the Entitlement and Acceptance Form or your payment by BPAY[®], you may not withdraw it except as allowed by law;
- f) agree to apply for, and be issued with up to, the number of New Shares that your payment will pay for at the Issue Price;
- g) authorise the Company and its officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- h) declare that you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date;
- i) acknowledge that the information contained in this Entitlement Offer Booklet is not investment advice or a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
- j) represent and warrant that the law of any place (other than Australia and New Zealand) does not prohibit you from being given this Entitlement Offer Booklet or making an application for New Shares; and
- k) represent and warrant that you are an Eligible Shareholder and have read and understood this Entitlement Offer Booklet and the Entitlement and Acceptance Form and that you acknowledge the matters, and make the warranties and representations and agreements contained in this booklet and the Entitlement and Acceptance Form.

By completing, and the Company receiving, your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY[®], you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- a) you are not in the United States and are not a US Person (see section 4.1(b) below), and are not acting for the account or benefit of, a US Person and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;
- b) you acknowledge that the Entitlements and the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia, New Zealand, United Kingdom, Hong Kong and Singapore, and accordingly, the Entitlements may not be taken up, and the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws; and
- c) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or that is a US Person, or is acting for the account or benefit of a US Person.

2.4 Payment for New Shares

The Issue Price of 0.9 cents per New Share is payable in full on application.

The Application Money payable for your Entitlement is set out on the Entitlement and Acceptance Form.

Application Money will be held in trust in a subscription account until allotment. Any interest earned on Application Money will be for the benefit of the Company and will be retained by the Company whether or not the allotment of New Shares takes place.

2.5 Address details and enquiries

Completed Entitlement and Acceptance Forms should be forwarded in the enclosed reply paid envelope to the Company's Share Registry by mail to the following address:

ReNu Energy Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney, NSW 2001

Please note that payment of Application Money by BPAY[®] does not require the return of the Acceptance Forms. If you would like further information you can contact your stockbroker, accountant or other professional adviser.

2.6 If you do not wish to accept all or any part of your Entitlement

To the extent you do not accept all or any part of your Entitlement, it will lapse.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any value in respect of the Entitlements they do not take up, and their percentage shareholding in the Company will be reduced following the issue of New Shares.

2.7 Further information

If you require further information on how to complete the Entitlement and Acceptance Form, please contact the ReNu Energy Limited Offer Information Line on 1300 420 094 (within Australia) or +61 1300 420 094 (from outside Australia) between 8:30am and 5:30pm (AEDT) Monday to Friday.

3 Risk factors

3.1 General

There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company, its products, the industry in which it operates and the outcome of an investment in the Company. There can be no guarantee that the Company will achieve its stated objectives or that forward-looking statements will be realised.

This section describes certain, but not all, risks associated with an investment in the Company. Each of the risks set out below could, if it eventuates, have a material adverse impact on the Company's operating performance, profits and the value of its Shares.

Before deciding to invest in the Company, potential investors should read the entire Entitlement Offer Booklet and the risk factors that could affect the financial performance of the Company.

You should carefully consider these factors in light of your personal circumstances and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

3.2 Specific risk factors

In addition to the general risks set out in section 3.3, the Directors believe that there are a number of specific factors that should be taken into account before investors decide whether or not to apply for Shares. Each of these factors could have a materially adverse impact on the Company, its expansion plans, operating and product strategies and its financial performance and position.

These include:

a) Geothermal asset remediation risk

- i. **Financial** – There are financial risks associated with the completion of remediation and plug and abandonment activities in the Cooper Basin. The risks are associated with potential changes in scope of work and time overruns which could result in additional costs.
- ii. **Environmental** – Geothermal exploration activities are strictly regulated by environmental legislation and government authorities. It is possible that the regulators may require the Company to complete further remediation activities or retain its licences and permits for longer than anticipated, delaying the closing out and exiting of the projects, which could result in additional costs.

b) Project development risk

The Company's business model includes involvement in power generation projects in various capacities, including as an EPC contractor, in a builder, owner and operator capacity and in a BOOM capacity (build, own, operate and maintain). Accordingly, the following project risks apply to the Company:

- i. **Business development risk** – There is a risk that the Company may not be able to establish and maintain its brand which is critical to attracting and growing a user base and creating technology acceptance. There is also a risk that the Company may not be able to convert opportunities into sales. Establishing and maintaining the Company's brand and converting opportunities into sales is vital in order for the Company to achieve its stated objectives in owning a portfolio of power generation projects and assets which produce long term revenue streams and achieve profits consistent with targeted returns on equity.

- ii. **Design and Engineering** – the Company outsources the majority of its design and engineering services. If a design is ultimately defective, this may have a material adverse effect on the Company's reputation, operations and financial performance. It may also make it difficult for the Company to meet its obligations under its respective Power Purchase Agreements.
- iii. **Procurement risk** – the Company may procure the construction and installation of its various projects. The quality of these supplied products may not comply with specified requirements or be acceptable or suitable for its intended use. The Company is exposed to a risk of liability arising from any defects of the equipment including loss of revenue.
- iv. **Project construction risk** – the projects have levels of project construction risk comparable to projects of similar size and type, these risks include the project not being completed on time and within budget or to the agreed specifications. Accordingly, delays in completion of a project and the resultant increase in funding costs and delays in commencement of cash flows, increases in capital required to complete construction and the insolvency of the head contractor, a major sub-contractor and/or a key equipment supplier, can all potentially have an adverse impact on the Company.
- v. **Warranty and defects liability** – the Company is required to rectify defects during the defects liability period on projects it has constructed on an EPC basis and provide a warranty period. These rectifications may result in cost to the Company.
- vi. **Counterparty risk** – the Company enters into long term contracts with customers and is exposed to loss of revenue and stranded assets if a counterparty has financial difficulties or becomes insolvent.

c) Behind the meter electricity generation (BTMG) project risks

In addition to the project development risks set out in section 3.2(b), the following specific risks apply to BTMG projects:

- i. **Electricity Revenue risk** - typically BTMG projects will replace/reduce grid supplied electricity consumption. If grid supplied electricity prices go up, the BTMG projects become more attractive. If grid supplied electricity goes down, the BTMG projects become less attractive. There is currently significant uncertainty in the electricity market resulting from demand efficiency measures, deployment of solar photovoltaics and battery storage, privatisations, mergers and acquisitions, changes in tariff structure (eg the mix between per unit charges, demand charges and fixed connection charges) and the tight gas market. There are also differences in end user prices depending on where a customer is connected on the network. The combination of the above factors, and normal market factors, produces a significant degree of uncertainty with respect to future electricity prices and revenue.
- ii. **Renewable Energy Certificate Revenue** - certain BTMG projects qualify for Renewable Energy Certificates (RECs). Under current legislation there is a rising renewable energy target through to 2020 with the 2020 target being 33,000 GWh. The target is then steady at 33,000 GWh through to 2030 at which point the scheme is currently legislated to end. Over the history of the Renewable Energy Target there has been significant changes, both increasing and decreasing the targets and separation into large scale and small scale certificates amongst other changes. The combination of the above factors, and normal market factors, produces a significant degree of uncertainty with respect to the future prices for RECs.
- iii. **Competition** – like all businesses the BTMG market is subject to competition and market forces.

d) Biogas specific project risks

In addition to the project development risks set out in section 3.2(b), the following specific risks apply to Biogas projects:

- i. **Supply Risk** – the Company has entered into supply agreements whereby the counterparty is required to supply feedstock for the production of biogas which is in turn used as the fuel to generate electricity. Events such as operational changes or force majeure may interrupt, reduce, prevent or make it uneconomic to supply the required feedstock, in which event the Company will not be able to supply or export electricity.
- ii. **Operating cost risk** – the anaerobic digestion and biogas systems are robust, mature technologies. However, there are inherent operating risks which will be managed with normal industry practice.
- iii. **Carbon revenue** - certain biogas projects may be eligible for Australian Carbon Credit Units (ACCU) under the Emissions Reduction Fund (ERF). There is uncertainty regarding ACCU prices for future projects. There is also a risk that current ERF contracted projects may not be able to meet contracted obligations resulting in decreased revenue and potential buyers' market damages.
- iv. **Closing sales** – a risk for the Company is closing sales from its pipeline of opportunities. Closing sales is vital in order for the Company to build, own and operate a portfolio of biogas assets and produce long term revenue streams, as well as to achieve profits on the turnkey projects consistent with targeted returns on equity.

e) Solar PV project risks

In addition to the project development risks set out in section 3.2(b), the following specific risks apply to Solar PV projects:

- i. **Business Development** – a risk for the Company is that it may not be able to establish a pipeline of projects for which it can execute Power Purchase Agreements which is vital to developing long term revenue streams.
- ii. **Solar supply risk** – Due to the nature of solar powered electricity, there is a risk that weather conditions may disrupt the functionality of Solar PV projects which may reduce revenues or increase costs.

f) Other specific risks

- i. **Key person risk** – the successful operation of the Company's business relies on its ability to retain experienced and high-performing key management and operating personnel. The Company may not successfully retain existing, and/or attract new, key management personnel. The unexpected loss of any key members of management or operating personnel, or the inability on the part of the Company to attract experienced personnel, may adversely affect the Company's ability to develop and implement its business strategies.
- ii. **Intellectual property** – there is a risk that other individuals or companies may claim to have an interest in intellectual property used by the business. Intellectual property or trade secrets may be challenged by other parties and defending such actions may adversely impact the Company's earnings. In addition, if the Company is required to develop or support new technology and intellectual property, it may require significant capital expenditure by the Company.

The Company may acquire trade secrets and other intellectual property rights that are important assets. The Company may therefore rely on a combination of confidentiality and license agreements with its consultants and third parties with whom it has relationships, as well as domain name, trade secret, copyright and patent laws, to protect its brand and other intellectual property rights. However, various events outside of the Company's control could pose a threat to its intellectual property rights, as well as to its products and technologies.

- iii. **Government policy and regulation may change** – the Company operates in the energy industry which is subject to extensive laws and regulations relating to, among other things, the conduct of generation operations, participation in the National Electricity Market (NEM), use of distribution systems and supply of energy to customers. Future changes in such policies or laws are unpredictable and beyond the control of the Company. Changes in law or regulatory policy could adversely affect the Company's business.

The risk relating to changes in legislation include:

- A. changes in the incentives available to support the production of renewable energy;
 - B. changes to the licencing regime applicable to the production and supply of electricity;
 - C. changes to the laws and regulations applicable to the energy industry sector; and
 - D. changes to the regulation of electricity pricing in the markets in which the Company operates.
- iv. **Funding** – while the Company believes it will have sufficient funds after completion of the capital raising to meet all of its known growth and capital requirements for the near term, the Company may seek to exploit opportunities of a kind that will require it to raise additional capital from equity or debt sources. There can be no assurance that the Company will be able to raise such capital on favourable terms or at all. If the Company is unable to obtain such additional capital, it may be required to reduce the scope of its anticipated activities, which could adversely affect its business, financial condition and operating results.
 - v. **Disputes** – there is an inherent risk that customers, suppliers and other commercial parties may make claims against the Company for alleged non- performance of contractual obligations, rectification of alleged defective work or intellectual property infringement. Some claims may have no merit but will need to be defended and handled effectively. Such claims may lead to commercial and legal disputes which may have an adverse impact on the Company in terms of the cost and management time required to handle the claim and participate in any formal conflict resolution measures including mediation, arbitration or litigation.

3.3 General risk factors

a) Share market

On completion of the Entitlement Offer, the New Shares may trade on ASX at higher or lower prices than the Issue Price. Investors who decide to sell their New Shares after the Entitlement Offer may not receive the amount of their original investment. There can be no guarantee that the price of New Shares will increase after listing. The price at which the New Shares trade on ASX may be affected by the financial performance of the Company and by external factors over which the Directors and the Company have no control.

These factors include movements on international share and commodity markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.

b) Dependence on general economic conditions

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, access to debt and capital markets, government fiscal, monetary and regulatory policies.

A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on the Company's business or financial condition. Changes to laws and regulations or accounting standards which apply to the Company from time to time could adversely impact on the Company's earnings and financial performance.

c) Tax risk

Any change to the rate of company income tax in jurisdictions in which the Company operates will impact on shareholder returns, as will any change to the rates of income tax applying to individuals or trusts. Any change to the tax arrangements between Australia and other jurisdictions could have an adverse impact on future earnings and the level of dividend franking.

d) Legislative and regulatory changes

Legislative or regulatory changes, including property or environmental regulations or regulatory changes in relation to product sold by the Company, could have an adverse impact on the Company.

4 Additional information

4.1 Shareholders outside Australia and New Zealand

This Entitlement Offer Booklet and accompanying Entitlement and Acceptance Form do not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

No action has been taken to register or qualify the New Shares, or to otherwise permit an offering of New Shares, outside Australia and New Zealand. The New Shares may not be offered in a jurisdiction outside Australia and New Zealand where such an offer is not made in accordance with the laws of that place.

The distribution of this Entitlement Offer Booklet in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons who come into possession of this document outside Australia and New Zealand should seek advice on, and observe, any such restrictions. A failure to comply with these restrictions may constitute a violation of applicable securities laws.

It is the responsibility of any applicant to ensure compliance with any laws of the country relevant to their application. Return of a duly completed Entitlement and Acceptance Form and/or payment of Application Money will be taken by the Company to constitute a representation that there has been no breach of such laws and that the applicant is physically present in Australia and New Zealand.

a) New Zealand securities law requirements

The New Shares are not being offered or sold to the public in New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

This Entitlement Offer Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand).

b) United States

The New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, a US person, except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States state securities laws.

This Entitlement Offer Booklet is neither an offer to sell nor a solicitation of an offer to buy securities as those terms are defined under the US Securities Act. The Entitlement Offer is not being made to US persons or persons in the United States.

4.2 Ineligible Shareholders

The Company is not extending the Entitlement Offer to Ineligible Shareholders having regard to the cost of complying with legal and regulatory requirements outside Australia and New Zealand, the number of Ineligible Shareholders and the number and value of New Shares which could be offered to Ineligible Shareholders.

Where this Entitlement Offer Booklet has been dispatched to Ineligible Shareholders, it is provided for information purposes only.

In limited circumstances the Company may elect to treat as Eligible Shareholders certain Shareholders who would otherwise be Ineligible Shareholders, provided the Company is satisfied that it is not precluded from lawfully issuing New Shares to such Shareholders either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable and not unduly onerous.

4.3 Taxation consequences

The taxation consequences of any investment in New Shares will depend upon your particular circumstances. Potential investors must make their own enquiries concerning the taxation consequences of an investment in the Company. Applicants should consult their tax adviser for advice applicable to their individual needs and circumstances.

4.4 Privacy

The information about Eligible Shareholders included on an Entitlement and Acceptance Form is used for the purposes of processing the Entitlement and Acceptance Form and to administer the Eligible Shareholder's holding of New Shares. By submitting an Entitlement and Acceptance Form, each Eligible Shareholder agrees that the Company may use the information provided by an Eligible Shareholder on the form for the purposes set out in this privacy statement and may disclose it for those purposes to the Share Registry and the Company's related bodies corporate, agents and contractors and third party service providers, including mailing houses and professional advisers, and to ASX and other regulatory authorities.

The Corporations Act requires the Company to include information about each Shareholder (including name, address and details of the Shares held) in the Register. The information contained in the Register must remain there even if that person ceases to be a Shareholder. Information contained in the Register is also used to facilitate payments and corporate communications (including the Company's financial results, annual reports and other information that the Company wishes to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

Under the *Privacy Act 1988* (Cth), you may request access to your personal information held by, or on behalf of, the Company or the Share Registry. A fee may be charged for access. You can request access to your personal information by telephoning or writing to the Share Registry as follows:

Link Market Services Limited
Locked Bag A14
Sydney NSW 2001
Ph: 1300 554 474

4.5 Not investment advice

The Entitlement Offer complies with the requirements of section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

This Entitlement Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not investment advice and does not take into account your investment objectives, financial situation, tax position and particular needs. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your personal circumstances (including financial and taxation issues) and seek professional guidance before deciding whether to invest.

4.6 Future performance and forward looking statements

Except as required by law, and only to the extent so required, no person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Entitlement Offer.

Past Share price performance provides no guidance as to future Share price performance.

4.7 Governing law

This Entitlement Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of applications are governed by the laws applicable in Queensland, Australia.

4.8 Interpretation

Some capitalised words and expressions used in this Entitlement Offer Booklet have meanings which are explained in section 5.

A reference to time in this Entitlement Offer Booklet is to the local time in Sydney, Australia, unless otherwise stated. All financial amounts in this Entitlement Offer Booklet are expressed in Australian dollars, unless otherwise stated.

4.9 Disclaimer of representations

No person is authorised to provide any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Entitlement Offer Booklet.

Any information or representation that is not in this booklet may not be taken as having been authorised by the Company or its related bodies corporate in connection with the Entitlement Offer. Except as required by law, none of ReNu Energy Limited, or any other person, warrants or guarantees the future performance of ReNu Energy Limited or any return on any investment made in connection with this Entitlement Offer.

4.10 No handling fees

There will be no handling fees payable to brokers for Entitlement and Acceptance Forms lodged by them on behalf of Eligible Shareholders.

5 Definitions

Application Money	Money paid by you for New Shares
ASIC	The Australian Securities and Investments Commission
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as applicable
Board	The board of Directors
Capital Raising	The Entitlement Offer and Share Placement
Closing Date	Tuesday 18 April 2017
Company or ReNu	ReNu Energy Limited ABN 55 095 006 090
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Director	A director of the Company
Eligible Shareholder	A Shareholder on the Record Date and who is not an Ineligible Shareholder
Entitlement	The entitlement to 1 New Share for every 5 Shares held on the Record Date. The entitlement of each Eligible Shareholder is shown on the personalised Entitlement and Acceptance Form
Entitlement Offer	The offer of New Shares made in this Entitlement Offer Booklet
Entitlement Offer Booklet	This booklet
Entitlement and Acceptance Form	The entitlement and acceptance form accompanying this Entitlement Offer Booklet
Ineligible Shareholder	A Shareholder with an address in the Register outside Australia or New Zealand
Issue Price	0.9 cents per New Share
Listing Rules	The official listing rules of ASX, as amended or waived by ASX from time to time
New Shares	Shares to be allotted and issued under the Entitlement Offer.
Offer Amount	The aggregate number of New Shares for which Eligible Shareholders may accept their entitlement multiplied by the Issue Price
Record Date	7pm (Sydney time) on Tuesday 21 March 2017
Register	The register of Shareholders required to be kept under the

	Corporations Act
Share	A fully paid ordinary share in the Company
Share Placement	The share placement announced to the ASX on 14 March 2017
Share Registry	Link Market Services Limited
Shareholder	A holder of Shares
US or United States	United States of America, its territories and possessions, any State of the United States of America and the District of Columbia
US Person	The meaning given in Regulation S under the US Securities Act
US Securities Act	The <i>United States Securities Act of 1933</i> , as amended
VWAP	Volume weighted average price

Corporate Directory

Directors

Dr Jack Hamilton – Non-Executive Chairman
Mr Anton Rohner – Non-Executive Director
Mr Steve McLean – Non-Executive Director
Mr Richard Brimblecombe – Non-Executive Director
Mr Christopher Murray – Managing Director and Chief Executive Officer

Senior management

Mr Tim Pritchard – Company Secretary and Chief Financial Officer

Website

www.renuenergy.com.au

Email

info@renuenergy.com.au

Registered office

Level 1, 9 Gardner Close
MILTON QLD 4064

Legal advisors

Thomson Geer Lawyers
Level 16, Waterfront Place
1 Eagle Street
Brisbane QLD 4000

Share Registry

Link Market Services Limited
Level 15, 324 Queen Street
Brisbane QLD 4000

This page is intentionally blank



ReNu Energy Limited | Level 1, 9 Gardner Close | PO Box 2046, Milton, QLD 4064
Phone: +61 7 3721 7500 | Fax: +61 7 3721 7599 | Email: info@renuenergy.com.au
ABN: 55 095 006 090



ABN 55 095 006 090

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 554 474
From outside Australia: +61 1300 554 474
ASX Code: RNE
Website: www.linkmarketservices.com.au

SRN/HIN:

Entitlement Number:

Number of Eligible Shares held as
at the Record Date, 7:00pm (AEDT)
on 21 March 2017:

Entitlement to New Shares
(on a 1 New Share for 5 basis):

Amount payable on full acceptance
at A\$0.009 per Share:

Offer Closes 5.00pm (Sydney time):	18 April 2017
---	----------------------

ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 5 Existing Shares that you hold on the Record Date, at an Offer Price of A\$0.009 per New Share. Fractional entitlements will be rounded up. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as to how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Entitlement Offer Booklet dated 24 March 2017. The Entitlement Offer Booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Entitlement Offer Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Entitlement Offer Booklet.

If you do not have a paper copy of the Entitlement Offer Booklet, you can obtain a paper copy at no charge, by calling the ReNu Energy Limited Offer Information Line on 1300 420 094 (within Australia) or +61 1300 420 094 (from outside Australia).

PAYMENT OPTIONS

If you wish to take up all or part of your entitlement, you have two payment options detailed below. Payments should be rounded to the nearest cent.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5.00pm (Sydney time) on 18 April 2017. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5.00pm (Sydney time) on 18 April 2017.



Biller Code: 242370
Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

® Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.



ABN 55 095 006 090

Please detach and enclose with payment

SRN/HIN:

Entitlement Number:



A Number of New Shares accepted (being not more than your Entitlement shown above)

--	--	--	--	--	--	--	--	--	--

B Payment amount
(Multiply the number in section A by A\$0.009)

A\$

--	--	--	--	--	--	--	--	--	--

C PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “ReNu Energy Limited” and crossed “Not Negotiable”.

Drawer

Cheque Number

BSB Number

Account Number

Amount of Cheque

--

--

--

--

A\$

D CONTACT DETAILS – Telephone number

Telephone number – after hours

Contact name

()

()

--

RENU ENERGY LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Entitlement Offer Booklet and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Entitlement Offer Booklet and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of ReNu Energy Limited.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.009.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Payment Amount

Enter into section B the total amount payable by you. To calculate the total amount multiply the number in Section A by A\$0.009.

C. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section C. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "ReNu Energy Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, ReNu Energy Limited may treat you as applying for as many New Shares as your cheque, bank draft or money order will pay for.

D. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

SAMPLE

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Entitlement Offer Booklet electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

ReNu Energy Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Hand Delivery

ReNu Energy Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5.00pm (Sydney time) on 18 April 2017. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. ReNu Energy Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the ReNu Energy Limited Offer Information Line on 1300 420 094 (within Australia) or +61 1300 420 094 (from outside Australia) between 8:30am and 5:30pm (AEDT) Monday to Friday.