

ASX Announcement

18 May 2017

ReNu signs Alliance Agreement with VivoPower and term sheet for 600kW solar PV project

Highlights

- Alliance Agreement for ReNu Energy Limited ("ReNu Energy", ASX: RNE) to acquire solar PV projects from VivoPower Pty Ltd, a wholly owned subsidiary of VivoPower International PLC (NASDAQ: VVPR), collectively "VivoPower".
- ReNu Energy to construct and commission new projects and to own all projects acquired under the agreement. The projects will be underpinned by long term power purchase agreements and generate renewable energy certificates.
- Binding term sheet for ReNu Energy to purchase the 600kW Amaroo Solar PV Project, subject to final confirmatory due diligence, for a purchase price of \$2.38 million. The project has been operating since 2015 and is underpinned by a twenty year ACT Government Feed in Tariff.

Renewable energy company, ReNu Energy, is pleased to announce that it has signed a five year Alliance Agreement with global solar power company VivoPower to acquire solar PV projects in Australia. ReNu Energy and VivoPower have also signed a binding term sheet for ReNu Energy to purchase the 600kW Amaroo Solar PV Project (the Amaroo Project) from VivoPower, subject to final confirmatory due diligence.

VivoPower has a track record of securing diversified, high quality and qualified solar projects, most recently announcing a joint venture for 1.8GW of projects in North America. In Australia, VivoPower currently owns the 600kW Amaroo Solar PV Project in ACT and a portfolio of small scale solar PV projects.

CEO & Managing Director of ReNu Energy, Mr Chris Murray commented, "We are delighted to be partnering with VivoPower, a successful originator of solar PV projects across the globe. The Alliance Agreement will allow us to accelerate the growth of our portfolio of behind the meter renewable energy assets as we continue to originate and develop projects in our own right.

"The Amaroo Solar PV asset marks ReNu Energy's first operational solar asset in what we aim to grow into a portfolio of solar PV projects. The Amaroo Project is operational and has a long term government offtake – an ideal project with which to launch our solar PV business and an example of future projects which we will seek to develop in conjunction with our partner, VivoPower.

Amaroo will deliver an average annual contracted 20 year cash yield of 12.7% per annum, delivering positive cashflow to ReNu Energy”

CEO of VivoPower, Dr Philip Comberg commented, “We are very pleased to partner with ReNu Energy and we hope that the sale of Amaroo is the first of many projects that we will transact pursuant to the Alliance Agreement. For VivoPower, the Alliance Agreement provides a unique strategic pathway to strengthen our build, transfer and operate (BTO) model for commercial, industrial and government (CIG) solar PV projects in Australia and to grow our base of long term recurring power services revenue.”

Alliance Agreement

Under the terms of the Alliance Agreement, VivoPower will originate new projects, complete design and costing, secure relevant project agreements and approvals, secure Power Purchase Agreements (PPAs), and may provide options for funding.

The projects will be offered to ReNu Energy on a first right of refusal basis and, if acquired, ReNu Energy will assume responsibility for the construction and commissioning of each project. ReNu Energy will pay an upfront origination fee for each new project. VivoPower may also offer existing projects on a first right of refusal basis and, if acquired, ReNu Energy will pay a purchase price for each existing project.

For each project acquired, ReNu Energy will pay an alliance fee for a period of five years and will enter into a long term power services agreement for the operation and maintenance of the project.

The Alliance Agreement has an initial term of five years with an option for VivoPower to extend for a further five years. ReNu Energy will pay VivoPower an establishment fee of \$190,000 in consideration of the costs of establishing the agreement. The parties will cooperate to develop appropriate terms and conditions for the relevant project and funding agreements.

The scope of the Alliance Agreement is behind the meter solar PV projects operating under PPAs and utility scale solar PV projects up to 5MW in Australia.

Purchase of Amaroo Solar PV Project

ReNu Energy and VivoPower have signed a binding term sheet for ReNu Energy to purchase the 600kW Amaroo Solar PV Project from VivoPower subject to confirmatory due diligence. The Amaroo Project, which has been operating since 2015, is underpinned by a twenty year Feed in Tariff (FiT) with the ACT Government with a tariff of \$0.30/kWh. With an annual energy output of approximately 940,000kWh the project is also eligible for Large Scale Generation Certificates (LGCs). The project is located on the rooftop of the Amaroo School in Canberra and is the largest rooftop solar PV system in the ACT.

ReNu Energy will pay \$2.38 million to VivoPower for Amaroo which will initially be funded from existing cash reserves. ReNu Energy and VivoPower will cooperate to retain the existing project finance or secure new project finance for the project. The operations and maintenance of the Amaroo Project will continue to be provided by VivoPower.



Amaroo Project Facts

Location	Amaroo School, ACT
Size of Plant	600kW DC
Construction Commissioning	24 December 2015
Offtaker	ACT Government
FiT Term	20 years
Equipment	Tier 1 Canadian Solar Panels SMA Inverters
EBITDA	\$270,000 yr 1 excluding alliance fee
Yield	12.7% over 20 years

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About ReNu Energy

ReNu Energy Limited (ASX: RNE) is a clean energy products and services Company, delivering independent power solutions through the development of build, own, operate and maintain renewable energy projects in Australia. The Company's solar PV and embedded network projects will operate behind the meter, providing electricity directly to its customers in the commercial, industrial and agricultural sectors. ReNu Energy has one behind the meter bioenergy project in operation and is developing a second project.

About VivoPower

VivoPower is a global next generation solar power company that operates a build, transfer and operate ("BTO") model to establish an installed solar power asset base in a capital efficient manner. VivoPower does this by aggregating small and medium sized PV solar projects underpinned by long term power purchasing agreements and then arranges corporate and project financing, engineering design and equipment procurement and manages the build out of such solar PV projects for asset owners. VivoPower intends to leverage this asset base to sell distributed generation power, manage power support services (encompassing operations, maintenance and optimisation) and data driven energy services for commercial, industrial and government customers, pursuant to long term contracts with the asset owners so as to maximize the performance and value of their solar assets.

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Our Vision is to
Generate change

Our Mission is to
***Deliver innovative clean energy
products and services to our
customers, creating sustainable
value for our shareholders***