



Company Update

22 May 2017

We Generate Change

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All references to \$ are references to Australian dollars unless otherwise specifically marked.

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***

Investor value proposition

1

Transformation and increased focus on solar PV

- Transformation from geothermal to renewable independent power provider
- Increased focus on solar PV build, own, operate and maintain projects in Australia

2

VivoPower Alliance Agreement

- Five year Alliance Agreement with global solar power company, VivoPower International PLC to acquire qualified construction ready solar PV projects in Australia

3

Amaroo Solar Project Acquisition

- Conditional acquisition of 600 kW solar project in ACT, underpinned by a twenty year ACT Government Feed in Tariff

4

Building a platform of renewable energy assets

- Strong pipeline of projects in VivoPower alliance
- Development of internal Solar PV pipeline and assets
- Delivery and execution of PPA bioenergy projects

5

Overhead cost reduction

- Identified reduction of overheads and improvement in efficiency to deliver 10% reduction (c. \$400,000) in overheads from FY17 to FY18

6

Strategy & Outlook

- Growth of PPA business and expansion into solar embedded networks
- Achieve positive operating cash flow run rate in calendar year 2018
- Company positioned for growth in highly attractive sector

Overview of ReNu Energy Limited

ReNu Energy Limited 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

ReNu Energy is well positioned for growth in the renewable energy sector

- An independent power provider delivering sustainable cash flows underpinned by long term agreements
- Well credentialed Board and Management Team
- Delivered against strategic objectives outlined in 2016
- Strong balance sheet with \$13 million cash and no debt
- Supportive investor base bolstered by recent placement
- Corporate structure and systems right sized
- Alliance Agreement with VivoPower with an advanced development pipeline
- \$250 million in carry forward tax losses

Our Vision is to *Generate change*

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|-------------------------|------------------------------|
| ASX code: | RNE |
| Market capitalisation: | ~\$8.6M at 19 May 2017 |
| Cash position: | ~\$13.0M at 31 March 2017 |
| Number of shareholders: | ~12,400 |
| Issued shares: | ~717.1M |
| Top 20 holding: | ~44.3% |

Experienced board and management

ReNu Energy's Board and Management has a track record in developing renewable energy projects, managing profitable operating businesses and capital raising

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|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr Steve McLean Non-Executive Chairman | Over twenty years' experience in investment banking and equity capital markets, commenced his career with Ernst & Young Corporate Finance, before working with J.P. Morgan in Australia and Europe. He has led equity transactions raising over \$50 billion. A Non-Executive Director of ASX listed Litigation Capital Management Ltd |
| Mr Christopher Murray Managing Director and CEO | Thirty years' experience in project development, both renewable and resource sector, expertise in strategy, business development, research, finance and operations. Most recently CEO of Solar Systems Pty Ltd, prior eleven years as a senior executive with Energy Developments Limited including Executive GM Australia, Executive GM Remote Energy, Project Director West Kimberley Power Project and Group GM Technical Services |
| Mr Anton Rohner Non-Executive Director | Currently CEO for UPC Renewables, over twenty years' experience in management, development and finance in the renewable energy and resources sectors. Former MD for Renewable Energy and Utilities at Macquarie Bank in Hong Kong responsible for advising and securing developments in renewable energy and utilities across Asia and Africa |
| Mr Richard Brimblecombe Non-Executive Director | Experienced executive in the agri-business and finance sectors, with a deep industry knowledge of agribusiness and agricultural finance. Former senior leadership roles at Namoi Cotton, and as General Manager for Qld / NT for Landmark Services. Chief Executive Officer of StockCo (Australia) Pty Ltd, Australia's and New Zealand's largest specialist livestock financier |
| Mr Tim Pritchard CFO and Company Secretary | Over twenty years' management experience in finance, accounting, consulting, project management and information technology. Extensive experience in accounting and business transformation and system implementation assignments that have resulted in significantly improved financial processes and business systems |

Renewable energy sector

Market conditions are conducive for strong growth in renewable energy projects

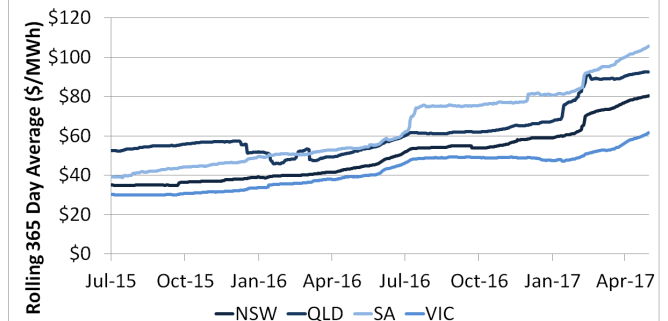
Growth in renewables, particular solar PV continues to accelerate

- Wholesale and retail prices continue to rise at significant rates
- Large-scale Generation Certificates (LGC) prices are high
- Material increase in electricity tariffs - 20-30% price increases across the eastern states

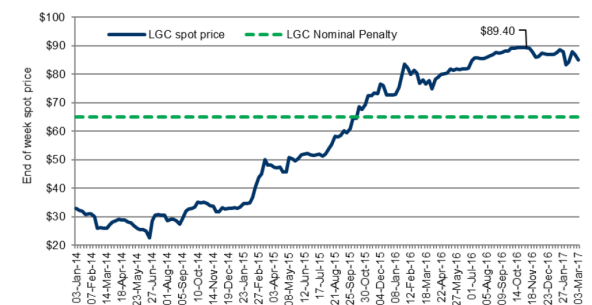
ReNu Energy well placed

- Solar PV performance and output is proven
- Market has evolved to facilitate attractive project returns
- ReNu Energy accumulated tax losses enable it to further enhance these attractive project returns
- Large investor appetite for yield from sustainable project returns housed in investment grade vehicles
- Opportunity to invest pre-growth stage

**National Electricity Market Spot Prices
Rolling 365 Day Average**



Spot LGC price over \$85



1. Transformation and increased focus on solar PV

The Company has transformed from a geothermal developer to a provider of independent power solutions, delivering the strategic objectives outlined at the 2016 AGM

- ✓ **Strengthen the Company's position as a diversified clean energy company**
 - Re-launched the Company as ReNu Energy
 - Expanded into solar PV, battery storage and hybrid energy solutions
 - Conditional acquisition of 600kW Amaroo Solar PV Project
- ✓ **Secure a transformational opportunity**
 - Alliance Agreement with VivoPower and term sheet for acquisition of Amaroo Solar PV Project
 - Further solar PV and embedded network opportunities in advanced stage of discussions
- ✓ **Secure and strengthen the balance sheet**
 - Surface remediation of Cooper Basin geothermal facilities materially complete and final well remediation scheduled for completion this year, current estimate net \$0.3 million
 - Completed \$1.42 million capital raise
 - Identified reduction in overheads and improvement in efficiency to deliver 10% reduction
- ✓ **Establish ReNu Energy as the brand of choice for energy generation in the agricultural sector**
 - Upgraded AJ Bush Bioenergy generation asset, progressing active opportunities for additional projects
 - Secured \$2.1 million ARENA Grant Funding for 1.6MW Southern Meats Bioenergy Project

2. VivoPower Alliance Agreement

ReNu Energy has first rights of refusal to acquire projects originated by VivoPower in Australia

- On 18 May ReNu Energy announced a five year Alliance Agreement with VivoPower Pty Ltd to acquire solar PV projects in Australia
- VivoPower Pty Ltd is a wholly owned subsidiary of VivoPower International PLC (“VivoPower”, NASDAQ: VVPR)
- VivoPower has a strong pipeline of solar PV projects in Australia
- VivoPower has a strong international track record of developing solar PV projects
 - Recently purchased 37 utility scale farms totalling 1.8GW in North America
 - Build and transfer of 91MW in North Carolina, USA
 - Aggregation of 67 commercial, industrial and government rooftop assets in Australia
 - 600kW Amaroo Solar PV Project, ACT Australia
- VivoPower will originate behind the meter and utility scale (up to 5MW) solar projects in Australia and provide ReNu Energy with a first right to acquire the projects
 - 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
- VivoPower may arrange, but is not obligated to arrange for an offer for finance for projects it originates

3. Amaroo solar project acquisition

Acquisition of 600kW Amaroo Solar PV Project underpinned by 20 year ACT Government FiT at \$0.30/kWh

- Binding term sheet to acquire from VivoPower subject to confirmatory due diligence
- Purchase price of \$2.38 million
- ACT Government FiT at \$0.30/kWh
- Plus LGCs (a proportion of value is shared with project developer)
- ReNu Energy and VivoPower will co-operate to secure project debt finance

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|-----------------------------------|-----------------------------------------------|
| Location | Amaroo School, ACT |
| Size of Plant | 600kW DC |
| Construction Commissioning | 24 December 2015 |
| Offtaker | ACT Government \$0.30/kWh |
| 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 |



4. Building a platform of renewable energy assets

ReNu Energy is building a portfolio of renewable energy assets, to deliver sustainable cash flows underpinned by long term agreements

| Solar PV pipeline | VivoPower Alliance | Bioenergy PPAs |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Areas of Focus</p> <ul style="list-style-type: none">• Behind the meter solar PV PPA• Solar PV embedded network systems• Small scale utility solar PV• Commercial , industrial , government and agriculture sectors <p>Revenue Streams</p> <ul style="list-style-type: none">• PPA tariff with behind the meter customer• Large-scale Generation Certificates (LGCs)• Embedded network revenue• Export at wholesale market prices for utility projects <p>Solar PV pipeline</p> <ul style="list-style-type: none">• More than 100MW | <ul style="list-style-type: none">• VivoPower is a wholly owned subsidiary of VivoPower International PLC (NASDAQ: VVPR)• VivoPower has a strong pipeline of solar PV projects in Australia• VivoPower has a strong international track record of developing solar PV projects• VivoPower will originate behind the meter and utility scale (up to 5MW) solar projects in Australia and provide ReNu Energy with a first right to acquire the projects• ReNu Energy to construct and commission new projects and to own all projects acquired under the agreement | <p>Interest continues to grow in the bioenergy sector</p> <ul style="list-style-type: none">• Retail prices increasing• Environmental pressure <p>Revenue Streams</p> <ul style="list-style-type: none">• Behind the meter electricity sales under long term PPAs• Large-scale Generation Certificates (LGCs)• Australian Carbon Credit Units (ACCUs) <p>ReNu Energy Bioenergy projects</p> <ul style="list-style-type: none">• AJ Bush generation facility upgrade completed and 1.2MW PPA in place until 2021• Goulburn Bioenergy Project (1.6MW) will commence construction in May• Secured \$2.1 million ARENA grant funding for Goulburn Bioenergy Project |

5. Overhead cost reduction

Overheads continue to be reduced as the Company right sizes post geothermal exploration

- Over the last 2 years, overheads have been reduced by ~25%
- Review of overheads and improvement in efficiency to deliver a further 10% reduction (c. \$400,000) in overheads on a run rate basis in FY18
 - Improvement in efficiency of corporate governance and compliance systems
 - Reduction in staff related expenses
 - Consolidation of information technology systems
 - Streamlining enterprise resource planning systems
 - Elimination of geothermal inventory storage
 - Reduction in geothermal compliance costs
 - Reduction in insurance costs commensurate with change in business
- Existing corporate structure will support significant growth

6. Strategy and outlook

Objective is to deliver positive operating cash flows during calendar year 2018 on a run rate basis

- ReNu Energy's strategy is to build an independent power provider business, delivering sustainable cash flows underpinned by long term agreements with high quality counterparties
 - Addition of Amaroo Solar PV Project
 - Project delivery through VivoPower alliance
 - Project delivery of ReNu Energy originated solar PV PPA and embedded network projects
 - Completion of bioenergy projects and development of pipeline
- The opportunity for renewable energy projects has never been greater
 - High retail electricity prices
 - Strong government support via Renewable Energy Target
 - Coal fired power stations ageing and retiring
 - Strong customer desire for renewable energy solutions
 - Cost of solar PV and technologies such as battery storage continue to fall
 - Investor appetite continues to grow
- ReNu Energy's pipeline combined with the VivoPower alliance has positioned the Company for exponential growth

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