



27 DECEMBER 2017

**NEW ENERGY SOLAR (ASX:NEW) - CYPRESS CREEK TRANSACTION UPDATE**

**INITIAL PROJECTS COMMENCE CONSTRUCTION**

On 6 October 2017, New Energy Solar (**NES**, or the **Business**) announced a binding agreement to acquire a majority interest in a portfolio of 14 solar power plant projects from Cypress Creek Renewables (**CCR**) in Oregon and North Carolina, USA (the **CCR Portfolio**). Under the transaction agreements, a subsidiary of CCR is responsible for the construction of each project.

NES is pleased to announce that on 22 December 2017 (US time) the first 5 solar power plants in the CCR Portfolio representing a total of 34.7 MW<sub>DC</sub> satisfied conditions precedent, reached financial close and commenced construction. These Initial Projects are summarised in the table below:

PROJECT NAME	MW <sub>DC</sub>	LOCATION	OFFTAKER
Arthur	7.5	Columbus, NC	Duke Energy Progress
Hanover	7.5	Onslow, NC	Duke Energy Progress
Heedeh	5.4	Columbus, NC	Duke Energy Progress
Organ Church	7.5	Rowan, NC	Duke Energy Carolinas
Bonanza	6.8	Klamath, OR	PacifiCorp
Total	34.7		

Four of the Initial Projects are in North Carolina and will sell electricity under fixed price Power Purchase Agreements (**PPAs**) to Duke Energy Corporation (NYSE:DUK) subsidiaries. Duke is one of the largest electric power holding companies in the US, which supplies and delivers electricity to approximately 7.5 million customers. The fifth project is in Oregon and will sell electricity under a fixed price PPA to PacifiCorp, a wholly owned subsidiary of Berkshire Hathaway Energy Company. The terms of the PPAs on the Initial Projects range between 13 to 15 years from the commencement of operations. These projects are expected to be completed and start selling power progressively during 2018, with the first of them expected to be completed in the first quarter of 2018.

This is an important transaction milestone, encompassing NES taking ownership of the projects, entering into Engineering, Procurement and Construction (**EPC**) contracts with a subsidiary of CCR, issuing Notice to Proceed (**NTP**) under the EPC contracts and making its first funding payments. As outlined in the recent Offer Document, part of the mitigation of construction risk is achieved by transferring the remaining funding progressively as specified development and construction milestones are reached.

John Martin, CEO of New Energy Solar said “we are delighted to see the initial projects in the CCR Portfolio commencing construction. Once operational, these projects will produce



sustainable emissions-free energy for local communities whilst also delivering long-term stable cash flows to investors. We look forward to continuing our relationship with CCR, one of the leading developers in the US, and continuing to deliver high quality projects to our investors.”

#### REMAINING CCR PORTFOLIO PROJECTS

The remaining 9 projects in the CCR Portfolio, subject to meeting conditions precedent, will commence construction progressively through 2018: 3 projects representing 20.8 MW<sub>DC</sub> of capacity are expected to reach NTP by the end of Q1 2018 and the remaining 6 projects are expected to reach NTP in the second and third quarters of 2018. Once all of the projects in the CCR Portfolio are operational, NES will have a total portfolio of approximately 350MW of solar power projects which will generate enough power for approximately 82,000 households and displacing an estimated 424,000 tonnes of CO<sub>2</sub> emissions.

Hannah Chan  
Company Secretary

#### Important Information

This information may contain general advice. Any general advice provided has been prepared without taking into account your objectives, financial situation or needs. Before acting on the advice, you should consider the appropriateness of the advice with regard to your objectives, financial situation and needs.

#### About New Energy Solar

New Energy Solar was established in November 2015 to invest in a diversified portfolio of solar assets across the globe and help investors benefit from the global shift to renewable energy. The Business acquires large scale solar power plants and associated renewable energy assets, with contracted cash flows from creditworthy offtakers, that generate positive social impacts and financial returns for investors.

Since establishment, New Energy Solar has raised over \$500 million from retail and institutional investors, acquired a portfolio of world-class solar power plants, and has a deep pipeline of opportunities across Australia and the United States. New Energy Solar's securities trade on the Australian Securities Exchange under the ticker, NEW.

[www.newenergysolar.com.au](http://www.newenergysolar.com.au)

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