

12 February 2018

ASX Announcement

KIDSTON RENEWABLE ENERGY HUB PROJECT UPDATES

Genex Power Limited (**ASX: GNX**) (**Genex** or **Company**) is pleased to provide an update in relation to the development of the Kidston Renewable Energy Hub in North Queensland.

50MW Kidston Solar Project (**KS1**)

Following the successful on-time energisation of KS1 in November 2017 (*refer ASX announcement 24 November 2017*) and the subsequent achievement of first revenues in December 2017 (*refer ASX announcement 4 December 2017*), Genex is pleased to inform stakeholders that the commissioning works for the project are progressing well.

Commissioning is scheduled to continue over the coming months as the project ramps up to full capacity. During this period, Genex will continue to receive revenues for the electricity sold into the National Electricity Market (**NEM**) in addition to the revenues received for the sale of Large-Scale Generation Certificates, which the project is entitled to receive for every MWh of electricity produced.

Following the achievement of full capacity and the finalisation of all commissioning works (known as Practical Completion), the 20-year Revenue Support Deed with the Queensland State Government will commence.



Figure 1. Sunrise over KS1 (image taken October 2017).

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Kidston Stage 2 Project (K2)

Following the appointment of UGL as preferred Engineering, Procurement and Construction (**EPC**) Contractor for the 270MW Kidston Stage 2 Solar Project (**K2-Solar**) in December 2017 (*refer ASX Announcement 12 December 2017*), Genex has been working with UGL to advance the detailed design works, which are progressing as scheduled.



Figure 2. UGL technician inspecting solar modules at the Kidston Renewable Energy Hub.

Following the favourable design optimisation for the 250MW Kidston Stage 2 Pumped Storage Hydro Project (**K2-Hydro**) (*refer ASX announcement 20 October 2017*), and the appointment of a preferred EPC Contractor through the McConnell Dowell-led Joint Venture (*refer ASX announcement 23 October 2017*), the Early Contractor Involvement (**ECI**) process is continuing to advance as scheduled.

As part of this ECI process, Genex and McConnell Dowell have revised the joint venture arrangement, with John Holland Pty Ltd (**JHG**) replacing Downer EDI Ltd as joint venture partner. JHG is at the forefront of Australia's property and infrastructure markets. Their contracting and services capabilities cover the full spectrum of the traditional building and civil engineering markets as well as specialist engineering in the resources, energy, marine, water and waste water and

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tunnelling sectors. JHG is owned by China Communication and Construction Company Limited, which is listed on the Hong Kong and Shanghai Stock Exchanges.

The ECI processes for K2 remain on track toward agreeing full fixed price EPC wrap contracts with UGL for K2-Solar and with McConnell Dowell and JHG for K2-Hydro well in advance of financial close, which is scheduled to occur during calendar 2018.



Figure 3. Inside the Eldridge Pit – Kidston Pumped Storage Hydro Project.

The Federal Government, through the Australian Renewable Energy Agency (**ARENA**), has provided \$8.9 million in funding to support the construction of Genex's KS1 Project, and up to \$9 million in funding to support the development of K2-Solar and K2-Hydro.

The Queensland State Government has continued to support the development of the Kidston Renewable Energy Hub, providing a 20-year revenue support deed for KS1 through the Solar 150 Program, and designating the Hub as '*Critical Infrastructure*' to the State.

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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 the Kidston Stage 1 Solar Project, the Company's focus is on the development of its 250MW Kidston Pumped Storage Hydro Project and the integrated 270MW Kidston Solar Two Project located at the Kidston Renewable Energy Hub, in Northern Queensland.

About ARENA:

ARENA was established by the Australian Government to make renewable energy technologies more competitive and increase the supply of renewable energy in Australia. Through the provision of funding coupled with deep commercial and technical expertise, ARENA provides the support needed to accelerate the development of promising new solutions towards commercialisation. ARENA invests in renewable energy projects across the innovation chain and is committed to sharing knowledge and lessons learned from its portfolio of projects and information about renewable energy. ARENA has committed \$1.1 billion in funding to more than 270 projects. For more information, visit www.arena.gov.au.