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ASX Announcement

Company Announcements Platform

Granting of ASX Waiver

Genex Power Limited (ASX: **GNX** or **Company**) wishes to advise that the Company has been granted a waiver from ASX Listing Rule 7.3.2. The waiver is in respect of resolution 7 of the Company's Notice of Annual General Meeting (**AGM**) lodged with the ASX on 5 October 2018 which seeks shareholder approval for the issue of future convertible notes to ARENA under the \$5m Funding Agreement for the Company's Stage 2 projects announced to the ASX on 17 November 2017.

Pursuant to the terms of the Funding Agreement the Company has the potential to draw down a further \$4,153,944 which would amount to a total of 14,498,932 shares being issued in respect of the future convertible notes assuming the balance of all funds are drawn down by the Company and converted into shares by ARENA.

The effect of resolution 7, if approved by shareholders at the Company's AGM, is that if any future convertible notes are converted by ARENA then the consequent issue of shares to ARENA will not come out of the Company's placement capacity pursuant to either of Listing Rule 7.1 or 7.1A. The effect of the waiver granted by the ASX is that the Company has 12 months from the date of shareholder approval to issue the shares to ARENA (in the event that ARENA elect to convert the future convertible notes) as opposed to the usual 3-month period pursuant to Listing Rule 7.3.2.

The material terms of the ASX's decision are as follows:

1. *"Based solely on the information provided, ASX Limited ("ASX") grants Genex Power Limited (the "Company") a waiver from listing rule 7.3.2 to the extent necessary to permit the notice of meeting (the "Notice") seeking shareholder approval for the issue of convertible notes ("Future Convertible Notes") to the Australian Renewable Energy Agency (or its nominee) ("ARENA") which are convertible into a maximum of 14,498,932 ordinary shares, in accordance with the 2nd ARENA Funding Agreement dated 16 November 2017 between the Company and ARENA (the "2nd ARENA Funding Agreement"), not to state the Future Convertible Notes will be issued no later than 3 months after the date of the meeting on the following conditions.*
 - 1.1. *The Notice sets out in detail the milestones (including specific parameters for each milestone) which must be satisfied prior to the issue of Future Convertible Notes.*

- 1.2. *The Notice sets out the material terms of the Future Convertible Notes and the maximum number of shares that will be issued on conversion of the Future Convertible Notes.*
- 1.3. *The milestones which must be satisfied for the Future Convertible Notes to be issued are not varied.*
- 1.4. *The Future Convertible Notes will be issued during the term of the 2nd ARENA Funding Agreement, and in any event no later than 12 months after the date of the shareholders' meeting.*
- 1.5. *Any annual report released during a period in which the Future Convertible Notes are issued or remain to be issued, the annual report discloses details of the Future Convertible Notes which have been issued or remain to be issued, and details of the conditions which are satisfied prior to their issue.*
- 1.6. *In any half year or quarterly report for a period during which any of the Future Convertible Notes have been issued or remain to be issued, the Company must include a summary statement of the number of Future Convertible Notes issued during the reporting period, the number of Future Convertible Notes that remain to be issued, and the basis.*
- 1.7. *The Company discloses the terms of the waiver in the Notice.*
2. *ASX has considered listing rule 7.3.2 only and makes no statement as to the Company's compliance with other listing rules."*

Yours faithfully,

JUSTIN CLYNE

Company Secretary

Genex Power Limited