

12 October 2018

NEW ENERGY SOLAR (ASX: NEW)

MOUNT SIGNAL 2 CONSTRUCTION GROUNDBREAKING EVENT

On Wednesday 10 October 2018, New Energy Solar¹ (**NEW**) held a construction groundbreaking ceremony at Mount Signal 2 (**MS2**), NEW's 200 megawatt (**MW**) solar project in Imperial County, California.

With fifty people attending, the ceremony was hosted in conjunction with the project's previous owner, D.E. Shaw Renewable Investments (**DESRI**), who now provide development and asset management services to the project. NEW acquired MS2 from DESRI in March 2018. Swinerton Builders, who have built over 3 GW of renewable energy projects, began preliminary site works in August and are expected to complete construction of the plant in the second half of 2019.

Along with representatives from NEW, DESRI and Swinerton Builders, also attending were representatives from Imperial County, the power purchaser Southern California Edison (**SCE**), KeyBank and HSBC, who provided debt financing for the project's construction, and Wells Fargo, who will provide tax equity financing.

Once completed, MS2 will cover approximately 1,300 acres and is expected to generate enough electricity to power 69,400 homes, abating approximately 247,000 tonnes of carbon, the equivalent of removing 53,700 cars off the road. It will create an estimated 200 local jobs in Imperial County during construction.

MS2 is expected to begin generating electricity in the second half of 2019 and will consist of more than 464,000 solar panels mounted on a single-axis tracking system, allowing the panels to generate more electricity as they follow the sun's movement throughout the day. The plant will sell its output to SCE under a 20-year power purchase agreement beginning in June 2020. MS2 represents another step towards California's recent mandate to produce 100% electricity from renewable sources by 2045.

NEW CEO John Martin said at the ceremony, "On behalf of our investors, I want to thank everyone who has supported this project over the years and enabled us to be here today. We are proud to be working with high quality partners with such extensive experience in the solar industry.

¹ New Energy Solar Limited (**Company**), and Walsh & Company Investments Limited as responsible entity of New Energy Solar Fund (**Trust**), together **New Energy Solar**, the **Business** or **NEW**.

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MS2 is an example of solar energy becoming part of mainstream infrastructure investments – meeting not just the goals of investors to earn a return, but offsetting carbon emissions, helping utilities to reach their environmental targets, and creating new jobs in rural areas.”

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JOHN MARTIN, NEW CEO



REPRESENTATIVES FROM DESRI, IMPERIAL COUNTY & NEW



MS2 SITE, IMPERIAL COUNTY, CALIFORNIA

