

Renewable energy. Sustainable investments.

New Energy Solar¹ (**NEW**, the **Business**) is an award-winning sustainable investment business focused on investing in large-scale solar power plants that generate emissions-free power.

As Australia's first ASX-listed solar infrastructure business, NEW has invested more than A\$1 billion in solar plants across the United States (**US**) and Australia, helping investors generate positive social impact alongside attractive financial returns.

To learn more about New Energy Solar, please visit www.newenergysolar.com.au.

Summary

NEW's primary focus during the quarter was integrating the 489 megawatts (**MW_{DC}**) of solar power plants acquired during the first half of 2018, and the continued performance of our existing operational assets.

Good progress was made on the two assets acquired in Australia. Commissioning activities at the Manildra Solar Power Plant (**Manildra**) progressed well, with final network and site testing underway. Once full Commercial Operation⁹ is achieved, Manildra will sell electricity and renewable energy certificates to EnergyAustralia. Construction began in the quarter at the Beryl Solar Power Plant (**Beryl**) with completion expected in mid 2019.

Construction also commenced at the 200 MW_{DC} Mount Signal 2 Solar Power Plant (**MS2**) in California with completion expected during H2 2019.

Five of the Business's plants in North Carolina and Oregon achieved Commercial Operation during the quarter.


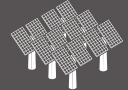






NEW's 12 operational plants produced more than 178,000 megawatt hours¹⁰ (**MWh**) of electricity during the quarter. The California and Nevada plants performed in line with management expectations, with the Business's North Carolina plants experiencing lower than expected generation because of Hurricane Florence.

The North Carolina plants experienced no material damage from the hurricane and all were returned to full operations by 10 October 2018.

FINANCIAL SUMMARY (30 SEPTEMBER 2018)

Market Capitalisation	\$505 million ²
Stapled Security Price	\$1.45
Target 2018 Distribution per Stapled Security	7.75 cents
Target 2018 Distribution Yield	5.3% ³

PORTFOLIO HIGHLIGHTS

 <p>Reaching global scale - now a leading global renewable investor in solar PV power</p>	 <p>More than two million solar panels generating emissions-free electricity⁴</p>
 <p>22 plants across two continents</p>	 <p>Total portfolio capacity of 844 MW_{DC}⁵</p>
 <p>Displacing an estimated 1,174,000 tonnes⁶ of CO₂⁵</p>	 <p>Powering 233,000 US and Australian-equivalent homes^{5,7}</p>
 <p>Removing 304,000 US and Australian-equivalent cars from the road^{5,8}</p>	 <p>Will distribute more than \$25 million to investors in 2018</p>

Environmental Impact Calculator

Find out what your New Energy Solar Investment could mean for the environment.



newenergysolar.com.au/calculator

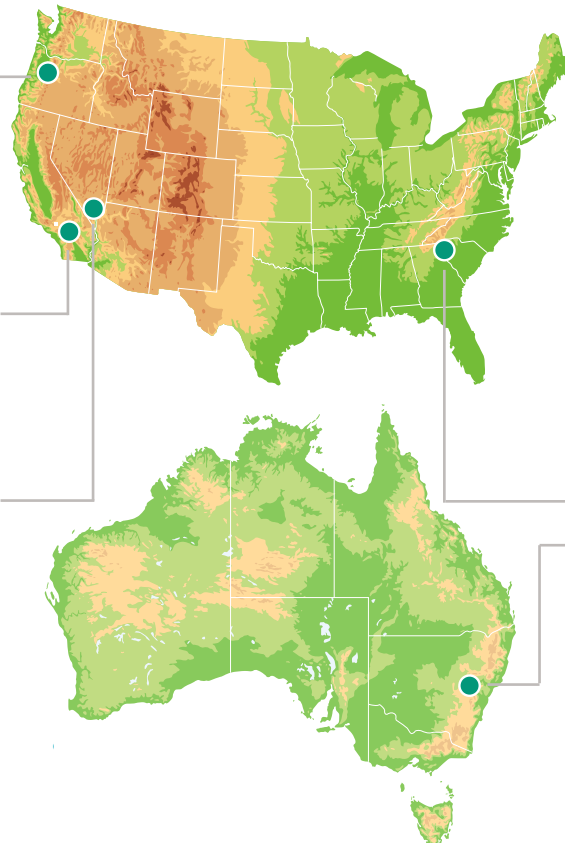
PORTFOLIO SUMMARY¹¹

OREGON PLANTS		
Name	Capacity (MW _{DC})	Offtaker
● Bonanza	6.8	PacifiCorp
● Pendleton	8.4	PacifiCorp
Total	15.2	

ADDITIONAL COMMITTED US PLANTS			
Name	Capacity (MW _{DC})	Location	Expected Offtaker
● Rigel Portfolio ¹²	73.8	North Carolina and Oregon	Duke Energy Progress and PacifiCorp

NORTH CAROLINA PLANTS		
Name	Capacity (MW _{DC})	Offtaker
● NC-31	43.2	Duke Energy Progress
● NC-47	47.6	Duke Energy Progress
● Hanover	7.5	Duke Energy Progress
● Arthur	7.5	Duke Energy Progress
● Church Road	5.2	Duke Energy Progress
● Heedeh	5.4	Duke Energy Progress
● Organ Church	7.5	Duke Energy Carolinas
● County Home	7.2	Duke Energy Progress
Total	131.1	

CALIFORNIA PLANTS		
Name	Capacity (MW _{DC})	Offtaker
● Stanford	67.4	Stanford University
● TID	67.4	Turlock Irrigation District
● Mount Signal 2	199.6	Southern California Edison
Total	334.4	



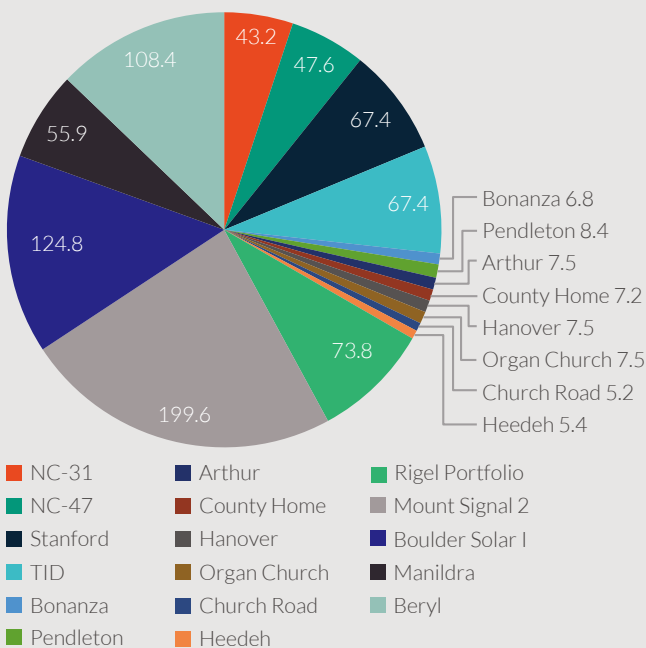
NEVADA PLANTS		
Name	Capacity (MW _{DC})	Offtaker
● Boulder Solar 1	124.8	NV Energy

NEW SOUTH WALES PLANTS		
Name	Capacity (MW _{DC})	Offtaker
● Manildra	55.9	EnergyAustralia
● Beryl	108.4	Transport for New South Wales
Total	164.3	

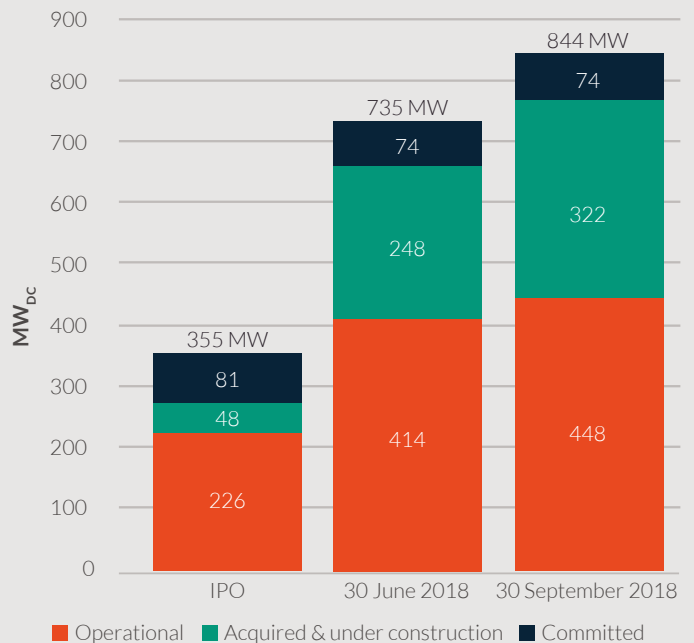
- KEY**
- Operational
 - Acquired/under construction
 - Committed

NEW PORTFOLIO COMPOSITION (BY PLANT) AS AT 30 SEPTEMBER 2018

NEW Portfolio Composition (MW_{DC}¹¹)



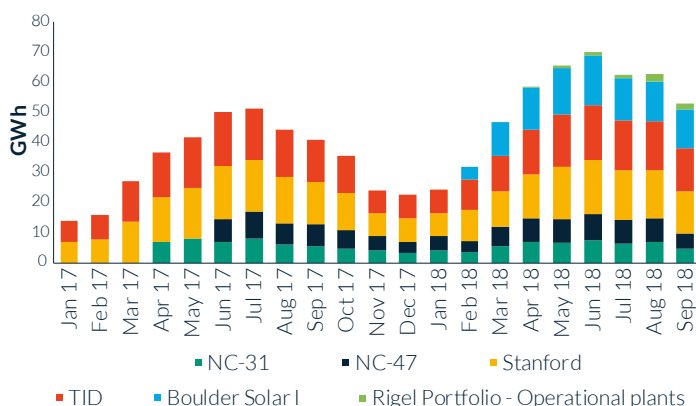
NEW Portfolio by Stage¹¹



PORTFOLIO UPDATE

OPERATING PLANTS^{13,14}

Interests in 12 solar power plants with 448 MW_{DC}¹⁵ of capacity as at 30 September 2018



Five plants were commissioned during the quarter. As at 30 September 2018, the Business had 12 operational plants in the United States and Australia.

Solar Plant	Capacity (MW _{DC})	Location	Achieved Commercial Operation
Heedeh	5.4	Delco, North Carolina	July 2018
Arthur	7.5	Tabor City, North Carolina	July 2018
Church Road	5.2	Willow Springs, North Carolina	August 2018
County Home	7.2	Rockingham, North Carolina	September 2018
Pendleton	8.4	Pendleton, Oregon	September 2018

During the quarter, NEW’s plants generated more than 178,000 MWh¹⁰ of electricity, which represents enough energy to power 21,000 equivalent US and Australian homes.⁷

Production from NEW’s operating plants displaced the equivalent of 114,000 tonnes of CO₂ emissions⁶ during the quarter, which is comparable to removing nearly 25,000 US and Australian-equivalent cars from the road for a year.⁸

US PLANTS

NEW’s California and Nevada plants continued their strong production performance in the third quarter, with all three solar power plants (Stanford, TID and Boulder Solar 1) producing above management expectations during the month of September. Production and availability for NEW’s North Carolina solar plants were impacted by Hurricane Florence during the quarter.

Prior to the hurricane making landfall on 14 September, NEW worked proactively with its operations and maintenance contractors to execute a comprehensive disaster mitigation plan to protect each site and assigned operations personnel.

No material damage was reported to NEW’s North Carolina plants, despite widespread flooding and other damage to the Carolinas region. While most North Carolina solar power plants experienced network connection outages due to the hurricane, the NC-31 Solar Power Plant remained online and delivering energy. Distribution grid connectivity was restored for all of NEW’s North Carolina plants (except Heedeh) by 26 September. Heedeh recommenced full operations on 10 October due to network issues.

No injuries were reported at NEW’s North Carolina plants, either due to the impact of Hurricane Florence or during the subsequent clean-up and restoration of operations.



AUSTRALIAN PLANTS

On 25 June 2018, NEW announced that it had entered into an agreement to acquire Manildra. The acquisition was completed in September 2018.

Commissioning activities and final testing at Manildra are well advanced, with the EPC¹⁶ contractor now demobilised from the site. Once full Commercial Operation is achieved, Manildra will sell electricity and renewable energy certificates to EnergyAustralia under a 10-year power purchase agreement (PPA) (which may be extended until 2030).

PLANTS ACQUIRED AND UNDER CONSTRUCTION

Interests in four solar power plants with 322 MW_{DC}¹⁵ of capacity as at 30 September 2018

US PLANTS

Substantial construction progress was made during the quarter at NEW's North Carolina and Oregon solar power plants, with five plants achieving Commercial Operation.

Construction of the Bonanza Solar Power Plant in Oregon is on schedule and it is expected to achieve Mechanical Completion¹⁷ and Commercial Operation during H2 2018.

The Organ Church Solar Power Plant in North Carolina achieved Mechanical Completion during the quarter and it is expected to achieve Commercial Operation during H2 2018.

MS2

Construction activities also commenced during the quarter at NEW's largest plant, the 200 MW_{DC} MS2, following delivery of a final notice to proceed to its construction contractor, Swinerton Renewable Energy on 24 July.

Activities to date at MS2 have included initial site preparation, such as the installation of roadways, completion of site surveys, and deliveries of racking components and steel posts. About 30 construction workers were on site during September to set up construction offices, temporary power and water sources, and to clear the site for component installation.

Representatives of the NEW management team attended a construction groundbreaking ceremony for MS2 in Southern California on 10 October. More than 30 people attended the ceremony, including delegates from Imperial County debt financiers, tax equity financier Wells Fargo, developer DE Shaw Renewables and the site's landowners.

MS2 is expected to reach Commercial Operation during H2 2019, with the plant's 20-year PPA with Southern California Edison to commence in mid-2020.



Mount Signal 2 groundbreaking ceremony – October 2018

AUSTRALIAN PLANTS

On 23 July 2018, NEW announced that it had entered into an agreement to acquire its second Australian solar power plant, Beryl. Beryl is underpinned by a 15-year PPA with the NSW Government statutory authority Transport for NSW.

Beryl's EPC contractor commenced on-site activities during the quarter, with the site's main office compound now complete and construction of fencing and internal access roads underway. Detailed design activities and the procurement and delivery of plant components are also substantially progressed.

Beryl is currently expected to reach Commercial Operation by mid-2019.



COMMITTED PLANTS

Six solar power plants with 74 MW_{DC}¹⁵ of capacity as at 30 September 2018

NEW has committed to acquire six solar power plants (four in North Carolina and two in Oregon), subject to meeting conditions precedent, as part of the Rigel Portfolio acquisition announced in October 2017.

Construction of these plants is expected to be delayed until 2019 due to design and development issues. NEW continues to work with the developer of these plants in addition to considering new opportunities.

Did you know?

Owning 10,000 NEW securities represents the generation of nearly 49,000kWh of emissions-free electricity annually.⁵ This is the equivalent of displacing nearly 34 tonnes of CO₂ emissions, removing 8.7 US and Australian-equivalent cars from the road for a year, and powering about 6.7 US and Australian-equivalent homes.

ENDNOTES

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**.

² Based on \$1.45 NEW stapled security price and 348.3 million stapled securities outstanding as at 30 September 2018.

³ Based on 2018 target distribution of 7.75 cents and NEW stapled security price of \$1.45.

⁴ Figure excludes Rigel Portfolio – Committed.

⁵ Estimates assume all plants under construction and committed plants are operational and all plants are owned on a 100% basis.

⁶ US CO₂ emissions displacement is calculated using data from the US Environmental Protection Agency's "Avoid Emissions and generation Tool" (AVERT). Australian CO₂ emissions displacement is calculated using data from the Australian Government Department of the Environment and Energy.

⁷ Calculated using data from the US Energy Information Administration (principal agency of the US Federal Statistical System) and the Australian Energy Regulator.

⁸ Calculated using data from the US Environmental Protection Agency and the Australian Bureau of Statistics.

⁹ Generally, when a PPA for the sale of electricity commences; the plant has achieved mechanical completion, and electrical infrastructure required to interconnect the plant with the electricity grid has been completed. At this time the plant has been energised, operationally tested, commissioned.

¹⁰ Based upon NEW's equity interest in each plant.

¹¹ Includes plants that are wholly or partly owned by NEW. Total portfolio of 844 MW_{DC} includes plants that are operational, acquired and under construction or committed.

¹² Rigel Portfolio – Committed refers to the portfolio of solar power plants NEW has committed to acquire from Cypress Creek Renewables if certain conditions are met. Refer to 'Committed Plants' section of this update for further information.

¹³ Production included for all solar power plants on a NEW equity interest basis.

¹⁴ Manildra electricity production has been excluded from the chart as it is yet to achieve full commercial operation.

¹⁵ Accounts for plants on a 100% basis.

¹⁶ Engineering, procurement and construction.

¹⁷ The stage of construction when all plant electrical and mechanical systems related to power generation have been installed, and the facility has been inspected and approved by the owner for initial energisation and testing.

Important Notice:

This Quarterly Update (Update) has been prepared by the Investment Manager (New Energy Solar Manager Pty Limited) of New Energy Solar. An investment in the Business is subject to various risks, many of which are beyond the control of the Investment Manager and the Responsible Entity of the Fund. The past performance of the Business is not a guarantee of the future performance of the Business. This Update contains statements, opinions, projections, forecasts and other material (forward-looking statements), based on various assumptions. Those assumptions may or may not prove to be correct. None of the Investment Manager and the Business, their officers, employees, agents, analysts nor any other person named in this Update makes any representation as to the accuracy or likelihood of fulfillment of the forward-looking statements or any of the assumptions upon which they are based. Unless otherwise specified, all references to currency are to Australian dollars.