



Wednesday, 17 April 2019

The Manager  
Company Announcements  
Australian Stock Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir / Madam

**Spark Infrastructure Acquires Bomen Solar Farm in NSW**

Please find attached an announcement and investor presentation regarding Spark Infrastructure's acquisition of Bomen Solar Farm in New South Wales.

An audio webcast and conference call will be held for investors and analysts at 10:30am this morning. A link to the webcast is available on our website at [www.sparkinfrastructure.com](http://www.sparkinfrastructure.com).

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Alex Finley".

**Alexandra Finley**  
Company Secretary

# ASX RELEASE

17 April 2019

## SPARK INFRASTRUCTURE ACQUIRES BOMEN SOLAR FARM IN NSW

### Highlights:

- **Acquisition of 100% of Bomen Solar Farm** – to be constructed near Wagga Wagga, NSW
- **Logical and prudent first step in delivering our Value Build strategy** – providing access to growth opportunities in renewables and creation of a renewable energy platform
- **High-quality, shovel-ready project** – 120MW<sub>DC</sub>/100MW<sub>AC</sub> solar farm in a strong grid location
- **Highly contracted revenue** – ~95% contracted for the first five years and ~82% contracted for the first 10 years; including 10-year Power Purchase Agreement (PPA) with Westpac and 5-year, 7-year and 10-year PPAs with Flow Power
- **Construction and Operation** – fixed price EPC contract with Beon Energy Solutions (Victoria Power Networks)
- **Grid Connection** – BOOM services for connection to the transmission network for a 30-year term provided by TransGrid
- **Secure and flexible financing** – construction funded through a combination of cash, existing corporate debt and equity. Prudent capital structure to be maintained post-construction, with investment grade credit rating expected to be maintained
- **Value and yield accretive** – attractive risk-adjusted returns delivering value creation to Securityholders

Spark Infrastructure announces that it has acquired a 100% interest in the 120MW<sub>DC</sub>/100MW<sub>AC</sub> Bomen Solar Farm (“Bomen”) from Renew Estate.

Bomen is strategically located in a strong grid location, 10 kilometres north-east of Wagga Wagga in NSW close to TransGrid’s Wagga North substation where it will connect into TransGrid’s transmission network. Construction is scheduled to commence in Q2 2019 with a total cost at completion expected of approximately \$188 million<sup>1</sup>. Commercial operations are expected to commence in Q2 2020.

**Strong alignment with investment strategy consistent with Spark Infrastructure’s existing risk and return profile producing attractive and accretive returns<sup>2</sup>**

Managing Director and Chief Executive Officer, Rick Francis, said: “This is an exciting first step in delivering our Value Build strategy. It is evidence of our commitment to invest in Australia’s renewable energy future through 100% ownership of contracted renewable generation, and adds to our commitment to renewables through our existing electricity transmission and distribution businesses. Bomen has highly contracted cash flows and attractive risk-adjusted returns which will exceed current regulatory returns. Whilst modest, it is a logical and prudent first step in diversifying our exposure to regulated assets and accesses growth in adjacent essential service infrastructure in line with our investment strategy.”

<sup>1</sup> Includes purchase of land, construction costs, construction of dedicated transmission line and capitalised interest during construction.

<sup>2</sup> Based on target debt funding on completion/commencement of commercial operations.

### **Highly contracted revenue profile providing stable and predictable cash flows**

Bomen has long-term power purchase agreements (PPAs) in place with high-quality counterparties providing stable and predictable cash flows for up to 10 years. On commencement of commercial operations, the plant will sell power and Large-Scale Renewable Generation Certificates (LGCs) under PPAs with Westpac for 10 years and with Flow Power for a range of contract tenures of 5, 7 and 10 years. This provides a strong and stable revenue stream which is ~95% contracted for the first five years and ~82% contracted for the first 10 years. When operating, Bomen is expected to generate average annual revenue of approximately \$13.5 million for the first five years<sup>3</sup>.

### **Partnering with Beon for construction**

Beon Energy Solutions (Beon), owned by Victoria Power Networks (in which Spark Infrastructure has an ownership interest of 49%), has been appointed as engineering, procurement and construction (EPC) contractor. Bomen will connect into TransGrid's high-voltage transmission network providing access to the National Electricity Market, with build, own, operate and maintain (BOOM) services for the grid connection provided by TransGrid (in which Spark Infrastructure has an ownership interest of 15%) for a 30-year term.

### **Secure and flexible financing; prudent capital structure to be maintained post-construction**

Acquisition and construction costs are expected to be initially funded from cash and existing debt facilities, with a view to maintaining a prudent capital structure post-construction, with target bank debt funding for Bomen of 65-70%. Equity funding is expected to be met through reactivating the Distribution Reinvestment Plan (DRP) during the construction phase of the project. There is no change to FY2019 distribution guidance of at least 15.0 cents per Security, as a result of the acquisition or the 12-month construction phase of Bomen, subject to business conditions.

### **A first step in building a platform for further diversification and growth**

Mr Rick Francis said: "The project is our first step towards our goal of building a business platform in adjacent essential service infrastructure focused on renewable energy.

"We are delighted to be working with Westpac and Flow Power, and alongside our businesses, Beon and TransGrid to deliver the next piece of Australia's future energy infrastructure. We are also proud to be creating local jobs during Bomen's construction and to be partnering with Westpac in supporting the local community through education scholarships as well as youth, recreation and biodiversity programs," Mr Francis added.

Further information:

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<sup>3</sup> Average annual revenue taking into account PPA agreements, loss factors and plant output based on P50 forecasts.

**About Spark Infrastructure**

Spark Infrastructure is a leader in essential service infrastructure with businesses at the forefront of delivering future energy and supporting Australia's transition to a lower carbon future. We have interests in \$17.1 billion of electricity network assets in total in Australia and a workforce of over 5,300 employees. Our businesses deliver electricity to more than 5.6 million customers across three states, in addition to transporting electricity across the National Electricity Network between New South Wales and Queensland, Victoria and the Australian Capital Territory.

Spark Infrastructure is listed on the Australian Securities Exchange under the code SKI.

**About Westpac**

Westpac Banking Corporation (Westpac) was founded in 1817 and was the first bank established in Australia. Today, the Westpac Group has branches and controlled entities throughout Australia, New Zealand and the near Pacific region and maintains offices in key financial centres around the world including London, New York, Hong Kong, mainland China, Singapore and India. Westpac Group employs approximately 40,000 people and has three key customer facing divisions through which Westpac serves around 13 million customers.

**About Flow Power**

Flow Power is an electricity retailer transforming the way Australian businesses buy their electricity. Since 2008 the company has found new and better ways to deliver reliable energy that brings costs down, and puts the power back in the customer's hands.

**About Beon Energy Solutions**

Beon Energy Solutions is a leader in the deployment of large-scale renewable energy and infrastructure projects, with extensive expertise in design, construction and commissioning. Beon has an enviable track record of partnering with clients to reduce costs and project timelines, leading to faster commissioning without compromising safety and quality.