

18 June 2019

## **NEW ENERGY SOLAR (ASX: NEW)**

### **CHANGE TO CYPRESS CREEK RENEWABLES PORTFOLIO**

- New Energy Solar<sup>1</sup> (**ASX:NEW**) agreed on 5 October 2017 to acquire a c.130MW<sub>DC</sub> portfolio of 14 solar power plant projects from Cypress Creek Renewables (**CCR**), subject to those projects reaching specified development milestones
- Eight of the projects with a combined capacity of 56MW<sub>DC</sub> are operational and selling power under their respective Power Purchase Agreements (**PPAs**)
- Due to delays or changes in the remaining six projects (the **Remaining Projects**), NEW and CCR have decided not to proceed with the sale and purchase of the Remaining Projects
- NEW has determined that, given the largely fully-invested nature of the business, it is in the best interests of stapled securityholders not to complete the acquisition of the Remaining Projects and to focus on bringing the 200MW<sub>DC</sub> Mount Signal 2 project to completion later this year
- US Solar Fund plc (**US Solar Fund, LSE:USF**), the London Stock Exchange listed investment fund managed by NEW's manager, New Energy Solar Manager Pty Limited (the **Manager**), has entered into exclusive negotiations to acquire a portfolio from CCR which includes two of the Remaining Projects, following NEW's decision to withdraw its commitment to the Remaining Projects

On 5 October 2017, NEW agreed to acquire 14 utility-scale solar plants from CCR subject to CCR completing key development and construction milestones. Between December 2017 and April 2018, eight of these projects were acquired and, as of 4 February 2019, all eight had reached commercial operations.

The six Remaining Projects have not met agreed development milestones due to a combination of ongoing delays with local utilities, issues regarding permitting, and other technical issues that arose during the development process. Consistent with NEW's agreement with CCR, NEW has not funded any portion of acquisition or construction costs for the Remaining Projects. Having regard to the capital structure of NEW and to the near-

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<sup>1</sup> Walsh & Company Investments Limited (**Walsh & Company**), as Responsible Entity for New Energy Solar Fund (**Trust**), and New Energy Solar Limited (**Company**), together **New Energy Solar** or **NEW**.

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complete nature of the Mount Signal 2 project, NEW, in conjunction with CCR, has determined not to complete the sale and purchase of the Remaining Projects.

On 18 June 2019, US Solar Fund (**USF**) announced to the London Stock Exchange that it commenced exclusive negotiations to acquire a portfolio of assets, including two of the Remaining Projects, Ochoco and Willard, as well as a number of other assets that were not the subject of the agreement between NEW and CCR. This is consistent with the co-investment agreement between NEW and USF, following NEW's decision not to proceed with the Remaining Projects.

“Since announcing the portfolio acquisition from CCR in October 2017, NEW has committed over A\$800 million to achieve its current portfolio of quality solar projects,” said John Martin, Chief Executive Officer of the Manager. “While the remaining CCR projects are attractive, the progress of Mount Signal 2 and the largely fully-invested nature of the Business following the acquisitions of Manildra and Beryl, two very substantive projects, has led to our decision to not proceed with the balance of the CCR portfolio. For our investors it makes more sense to apply NEW's capital resources to bring Mount Signal 2 into commercial operations and thereby achieve a portfolio with operational capacity of 772MW<sub>DC</sub>.”

NEW's portfolio is summarised in the table below:

<b>STATUS</b>	<b>SOLAR PLANT</b>	<b>CAPACITY (MW<sub>DC</sub>)</b>	<b>STATE</b>	<b>COUNTRY</b>	
<b>Operational</b>	Stanford	67.4	California	U.S.	
	TID	67.4			
	Boulder Solar 1	124.8	Nevada		
	NC-31	43.2			
	NC-47	47.6	North Carolina		
	Hanover	7.5			
	Arthur	7.5			
	Organ Church	7.5			
	County Home	7.2			
	Heedeh	5.4	Oregon		
	Church Road	5.2			
	Pendleton	8.4			
	Bonanza	6.8	New South Wales		Australia
	Manildra	55.9			
Beryl	110.9	New South Wales	Australia		
<b>Under Construction</b>	Mount Signal 2	199.6	California	U.S.	
<b>Total</b>		<b>772.3</b>			

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## **About New Energy Solar**

New Energy Solar was established in November 2015 to invest in a diversified portfolio of solar assets across the globe and help investors benefit from the global shift to renewable energy. New Energy Solar acquires large-scale solar power plants with long term contracted power purchase agreements. In addition to attractive financial returns, this strategy generates significant positive environmental impacts for investors.

Since establishment, New Energy Solar has raised over A\$500 million of equity, acquired a portfolio of world-class solar power plants, and has a deep pipeline of opportunities primarily across the US and Australia. New Energy Solar's securities trade on the Australian Securities Exchange under the ticker, NEW.

New Energy Solar is a listed stapled entity consisting of New Energy Solar Fund (ARSN 609 154 298) and New Energy Solar Limited (ACN 159 902 708). For more information, visit: <https://www.newenergysolar.com.au>

## **About US Solar Fund plc**

US Solar Fund plc listed on the London Stock Exchange in April 2019, following its successful US\$200m IPO. The Company's investment objective is to provide investors with attractive and sustainable dividends, with an element of capital growth, by investing in a diversified portfolio of solar power assets in North America and other OECD countries in the Americas.

USF is aiming to deliver:

- an annual dividend yield target of 5.5% once all Solar Power Assets are operational with an average growth rate of 1.5 –2.0% per annum (on a fully invested and geared basis)
- initial target annual dividend yield of 2 to 3% until all Solar Power Assets are fully operational
- target net total return over the life of the Solar Power Assets of at least 7.5% per annum

Initial proceeds are expected to be invested or committed within six to nine months of Admission, with most plants expected to be operational within the following 12 months.

