

Renewable energy. Sustainable investments.

New Energy Solar¹ (NEW, the Business) invests in large-scale solar power plants generating emissions-free power sold under long-term power purchase agreements (PPAs) with credit-worthy offtakers.

As Australia's first ASX-listed solar infrastructure business, NEW has invested more than A\$1.3 billion in solar plants across the United States (US) and Australia, enabling investors to achieve attractive risk-adjusted financial returns, and positive social impact.

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

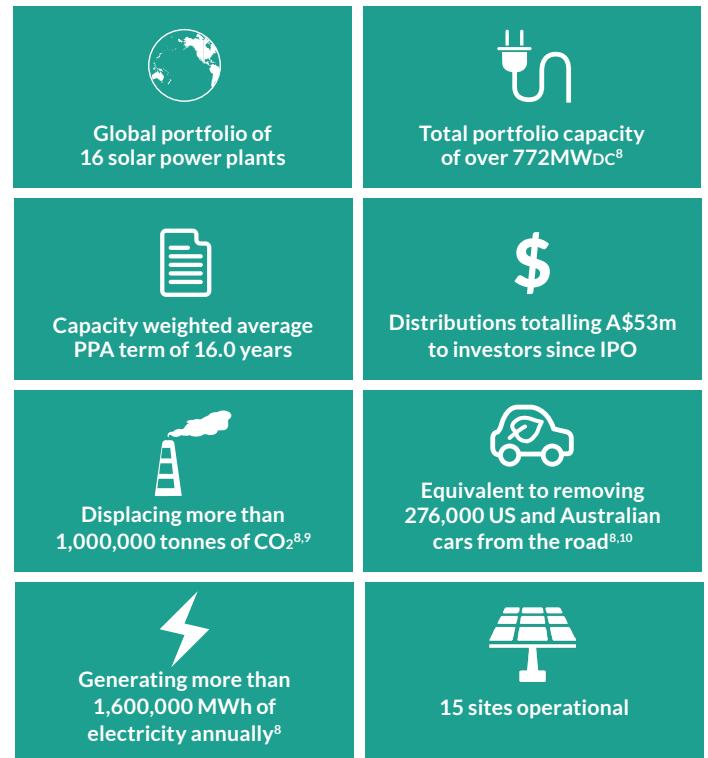
Summary

Highlights during the quarter include:

- Beryl Solar Power Plant (**Beryl**) signed a second PPA in July, selling energy to cereal manufacturer Kellogg's (Aust.) Pty. Ltd. (**Kellogg's**)
- Good progress in the construction of the Mount Signal 2 Solar Power Plant (**MS2**). It remains on target to be completed by the end of this calendar year
- NEW paid a distribution of 3.9 cents per stapled security, providing a distribution yield of 6.3%²

The 111-megawatt (MW_{DC}) Beryl plant, located in New South Wales, signed a corporate PPA with cereal manufacturer Kellogg's to December 2026, with the option to extend to December 2029. This agreement is in addition to Beryl's existing 15-year PPA, which represents approximately 69% of generation. The volume of electricity and Large-Scale Generation Certificates (LGCs) sold to Kellogg's will be approximately 29% of generation for the remainder of 2019, with this proportion decreasing over the life of the Kellogg's PPA. Kellogg's will retrospectively acquire all the electricity and LGCs produced from the Plant's commissioning up to commercial operations. By selling electricity and LGCs to Kellogg's rather than into spot markets, Beryl reduces its exposure to fluctuating electricity and LGC prices in spot markets.

MS2 is the remaining solar plant under construction in NEW's current portfolio. It achieved the milestones of tax equity funding on 27 September 2019, and site energization and initial grid synchronisation on 30 September 2019. Construction work continues to progress, with 80% of the solar modules installed at the end of the quarter, and remains on target to achieve completion by the end of this calendar year.



This quarter, NEW paid a distribution of 3.9 cents per stapled security in respect of the six-month period ended 30 June 2019. This distribution brings the total distributions paid since ASX-listing in December 2017 to 15.65 cents per stapled security.

NEW's 15 operational solar power plants (the **Operating Portfolio**) generated approximately 267,000 megawatt hours (MWh)³ of electricity during the quarter. This displaces the equivalent of 179,000 tonnes of CO₂, which is comparable to removing approximately 50,000 cars from the road and powering 36,000 houses, every year.

The Business remains focused on the commissioning of the 200MW_{DC} MS2, which is anticipated to be complete in the final quarter of 2019. Once MS2 is complete, NEW will operate a fully operational portfolio with generating capacity of 772MW_{DC} compared to 573MW_{DC} at the end of June 2019⁴.

FINANCIAL SUMMARY (30 SEPTEMBER 2019)

Market Capitalisation	\$443.7m ⁵
Stapled Security Price	\$1.25
Six-months to June 2019 Distribution	7.9 cents
Implied 2019 Distribution Yield	6.3%

PORTFOLIO SUMMARY⁶

OREGON PLANTS

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

CALIFORNIA PLANTS

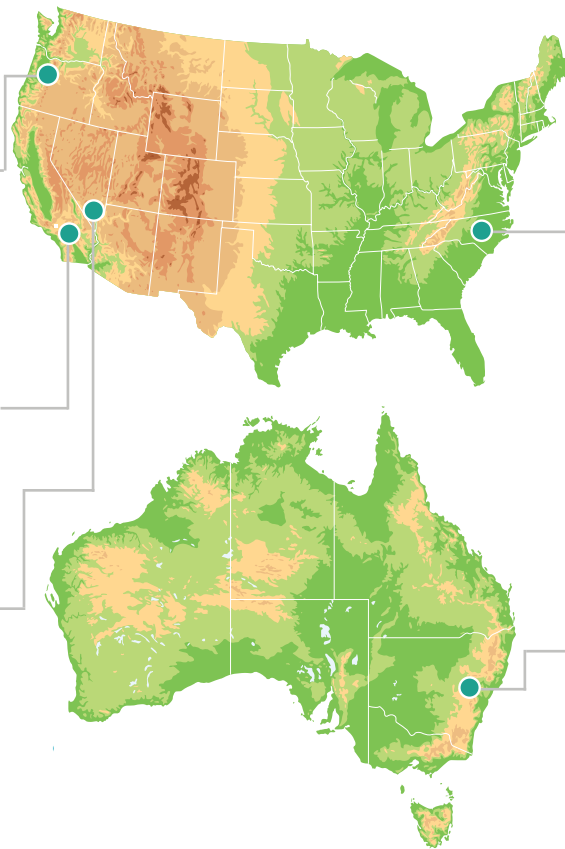
Name	Capacity (MW _{DC})	Offtaker
● Stanford	67.4	Stanford University
● TID	67.4	Turlock Irrigation District
● Mount Signal 2	199.6	Southern California Edison
Total	334.4	

NEVADA PLANTS

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

KEY

- Operational
- Acquired/under construction



NORTH CAROLINA PLANTS

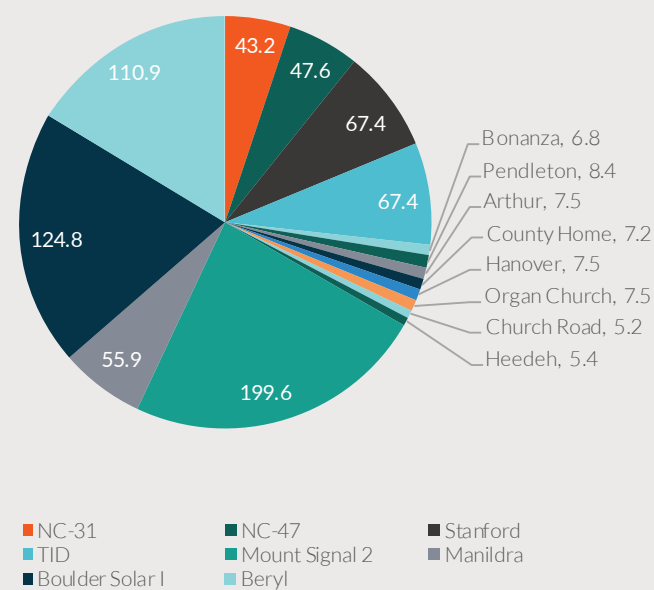
Name	Capacity (MW _{DC})	Offtaker
● NC-31	43.2	Duke Energy Progress
● NC-47	47.6	Duke Energy Progress
● Hanover	7.5	Duke Energy Progress
● Arthur	7.5	Duke Energy Progress
● Church Road	5.2	Duke Energy Progress
● Heedeh	5.4	Duke Energy Progress
● Organ Church	7.5	Duke Energy Carolinas
● County Home	7.2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

NEW SOUTH WALES PLANTS

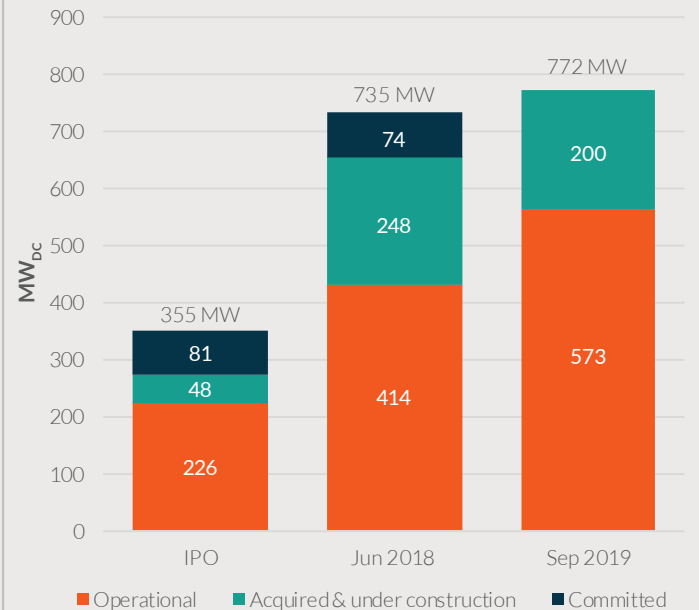
Name	Capacity (MW _{DC})	Offtaker
● Manildra	55.9	EnergyAustralia
● Beryl	110.9	Sydney Metro
Total	166.8	

NEW PORTFOLIO COMPOSITION (BY PLANT) AS AT 30 SEPTEMBER 2019

NEW Portfolio Composition (MW_{DC})⁶



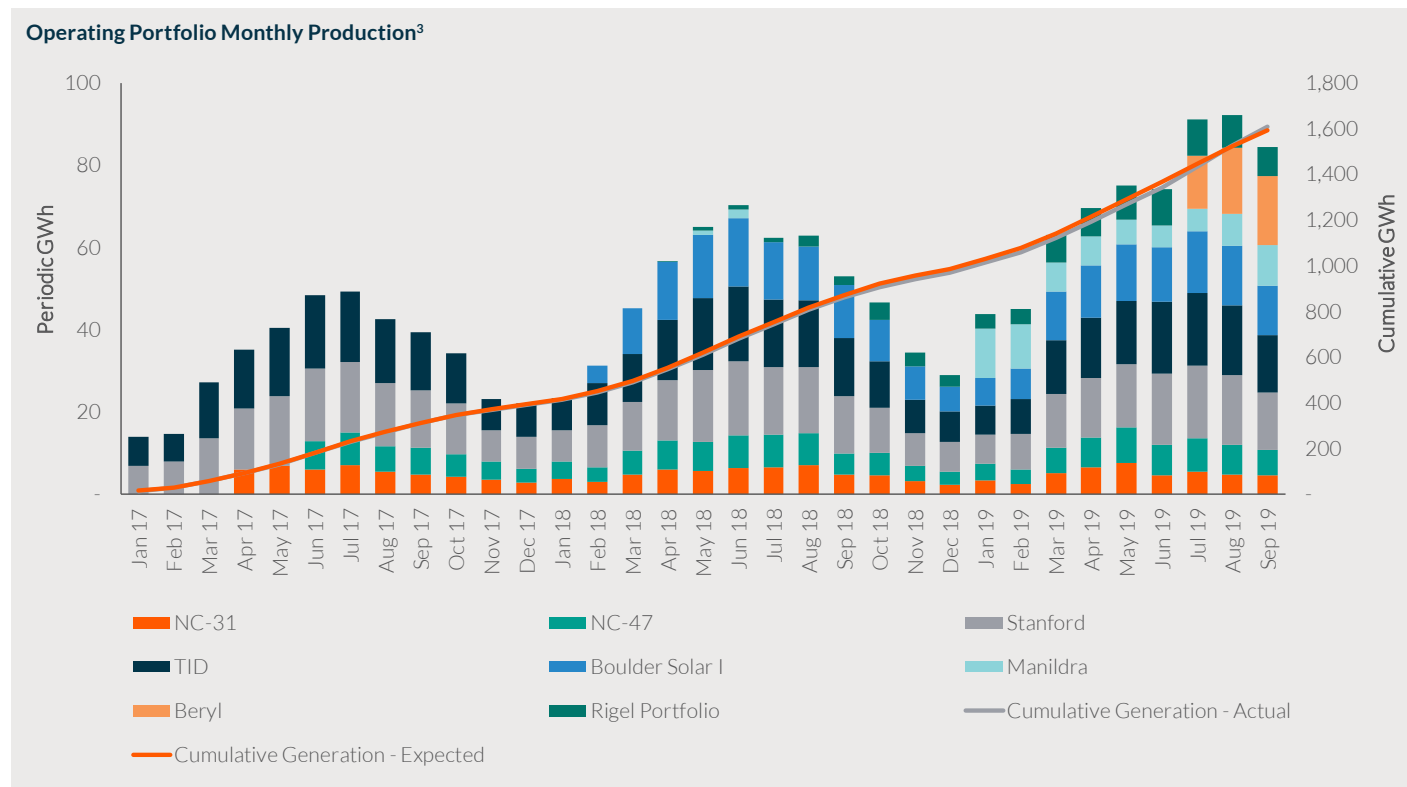
NEW Portfolio by Stage⁶



PORTFOLIO UPDATE

OPERATING PLANTS³

The Business has interests in 15 solar power plants totalling 573MW_{DC}⁷ of capacity as at 30 September 2019. The Operating Portfolio achieved material social benefits for NEW’s securityholders, with production displacing the equivalent of 179,000 tonnes of CO₂ during the quarter, which is comparable to removing approximately 50,000 cars from the road.



US PLANTS

The portfolio achieved record production in the September quarter as the weather improved and sites performed close to, and in some cases in excess, of management expectations. The plants in western US generated more electricity than the Investment Manager’s expectation, with the Boulder Solar 1 Facility (**Boulder**) experiencing its strongest quarter for the year in terms of overall electricity production and actual generation compared to expected generation.

The Stanford and TID Solar Plants, two of NEW’s earlier acquisitions, both exceeded generation expectations in every month for the quarter, underlining the high quality of assets that the Investment Manager has acquired.

In North Carolina, ongoing repairs from storm damage at the NC-31 Solar Power Plant (**NC-31**) resulted in a lower level of generation when compared to the last quarter. However, performance improved each month over the quarter as warranty work is undertaken to restore the site to full capacity.


Despite the damage issues in North Carolina, the remaining assets in the US portfolio are generating electricity for the Business with few operational issues. NEW’s US portfolio generated a total of 199,000 MWh³ of electricity during the quarter.

AUSTRALIAN PLANTS

While Beryl powered to full output within a month of operations during Q2, some commissioning issues were experienced during this quarter which detracted from optimal performance. NEW is addressing these issues alongside Beryl’s operations and maintenance provider, First Solar, and engineering, procurement and construction contractor, Downer, and expects them to be resolved in the coming months.

At Manildra, initial commissioning issues and grid unavailability experienced in the prior quarter have been addressed and the plant performed well throughout this quarter.

NEW’s Australian portfolio generated approximately 69,000 MWh³ of electricity during the quarter. This displaces the equivalent of 57,000 tonnes of CO₂, which is comparable to removing approximately 23,000 cars from



Did you know?

The SolarBuddy program funding provided by NEW contributed to the distribution of 2,700 lights in Papua New Guinea this year. Find out more about the impact of SolarBuddy by [clicking here](#).

the road.

PLANTS ACQUIRED AND UNDER CONSTRUCTION

Interests in one solar power plant with 200MW_{DC} of capacity under construction as at 30 September 2019.

MS2 is the remaining solar plant under construction in NEW's portfolio. Commercial operation is expected later this year.

The site achieved the milestones of initial funding on 27 September 2019, and site energisation and initial synchronisation to the grid occurred on 30 September 2019. Construction work continues to progress toward achieving completion by the end of this calendar year.

As at the end of the quarter, 100% of the First Solar Series 6 solar modules had been shipped and received on site, and 80% of these modules had been installed.

Approximately 220 workers are mobilised on site each day and construction is currently focused on electrical testing and commissioning. The Business looks forward to a fully operational portfolio with a capacity of 772MW_{DC}⁷ once MS2 is commissioned toward the end of this year.



ENDNOTES

- ¹ New Energy Solar Limited (ACN 609 396 983) (**Company**), and Walsh & Company Investments Limited (ACN 152 367 649, AFSL 410 433) as responsible entity of New Energy Solar Fund (ARSN 609 154 298) (**Trust**), together **New Energy Solar**, the **Business** or **NEW**.
- ² Inclusive of the target final distribution for the full year of 4.0 cents per security as announced by the Business and based on the semi-annual distribution of 3.9 cents per stapled security for the six-months ending 30 September 2019 and the \$1.25 NEW stapled security price.
- ³ Production included for all solar power plants on a NEW equity interest basis.
- ⁴ Calculated on a 100% ownership basis.
- ⁵ Based on a \$1.25 NEW stapled security price and 351.1 million stapled securities outstanding as at 30 September 2019.
- ⁶ Includes plants that are wholly or partly owned by NEW. Total portfolio of 772MW_{DC} includes plants that are operational or acquired and under construction.
- ⁷ Accounts for plants on a 100% basis.
- ⁸ Estimates utilise the first year of each plant's electricity production once operational or acquired by the Investment Manager. Assumes all plants are owned by NEW on a 100% basis and that the plant under construction is fully operational.
- ⁹ 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.
- ¹⁰ Calculated using data from the US Environmental Protection Agency and the Australian Bureau of Statistics.

Important Notice:

This Quarterly Update (**Update**) has been prepared by New Energy Solar Manager Pty Limited (ACN 609 166 645, CAR No. 1237667), the **Investment Manager** 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. Past performance is not a reliable indicator of future performance. 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.