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ASX: GNX

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GENEX EXECUTES NEW \$25M SHARE SUBSCRIPTION AGREEMENT WITH J-POWER

Genex Power Limited (**ASX: GNX**) (**Genex** or the **Company**) is pleased to advise that it has signed a new Share Subscription Agreement (**SSA** or **Agreement**) with Electric Power Development Co Ltd trading as J-POWER (**J-POWER**).

Today's signing of the SSA follows the signing of an original Share Subscription Agreement with J-POWER on 6 June 2019 (*refer ASX Announcement dated 6 June 2019*) (**Original SSA**), and the subsequent termination of this agreement and the signing of a new Memorandum of Understanding with J-POWER on 22 November 2019 (*refer ASX Announcement dated 22 November 2019*). This was a result of the requirement to restructure the financing of the Kidston Pumped Storage Hydro Project (the **Project**), as announced on 1 November 2019.

The Agreement signed today is largely on the same terms as the Original SSA, and provides for a conditional investment of up to A\$25M by way of a subscription for ordinary shares in Genex, with the proceeds to be principally applied towards Genex's equity funding component for the construction of the Project. The balance of the equity requirement for the Project will be funded via a direct investment in the Project, which is the subject of a separate project equity investor process as announced on 1 July 2020.

Key terms of the SSA are as follows:

- Investment of up to a maximum of A\$25 million;
- Subscription to occur at the higher of the 5-day Volume Weighted Average Price (**VWAP**) of Genex shares at financial close, or the date that is 5 days following financial close;
 - This is subject to a subscription price cap which would result in a minimum investment of 15.00% of Genex's enlarged share capital; and
 - Subject to a maximum of 19.99% of Genex's enlarged share capital;
- Provides for the appointment of a J-POWER nominee director to the Board of Genex;
- The Agreement is subject to several conditions precedent, including:

- Approval of Genex shareholders at an extraordinary general meeting (**EGM**);
- Execution of a Facility Agreement to be entered into between the K2-Hydro project entity and the Northern Australia Infrastructure Facility;
- Approval of the Australian Foreign Investment Review Board; and
- Financial close for the Project occurring prior to 31 December 2020.

As a further condition precedent under the SSA and in line with the Original SSA, Genex has also agreed to enter into a Technical Services Agreement (**TSA**) with J-POWER wherein J-POWER will provide certain professional technical advisory services to Genex in relation to the development and operational stages of the Project. The TSA is largely unchanged from the Technical Services Agreement entered into with J-POWER in June 2019.

As noted above, the Agreement is subject to the approval of Genex shareholders at an EGM. Full details of the SSA and TSA will be outlined in an Explanatory Memorandum to accompany a Notice of EGM to be sent to shareholders in the very near future.

Commenting on the Agreement with J-POWER, Genex CEO, James Harding stated:

“Genex is delighted with today’s signing of the new Share Subscription Agreement with J-POWER, who are global experts in hydroelectric projects, including pumped storage. Our relationship with J-POWER has remained strong since the signing of the original agreement in June 2019 and throughout the restructuring of the project financing for the Kidston Hydro Project, under the Memorandum of Understanding signed in November 2019. The signing of the agreement today cements this relationship with J-POWER as a long-term partner to finance and provide technical assistance for the construction of the Project, and to work with Genex to further develop our renewable energy and storage portfolio.

The investment by J-POWER secures the funding required for Genex’s equity component for the Project. The balance of the equity funding is to be secured via the project equity investor process, which is in the final stages as we continue to finalise the project financing arrangements with all our stakeholders. We will continue to keep the market informed of developments as we progress toward financial close which is targeted for September 2020.”

This announcement was approved by the full Board of Genex Power Limited.

For more information about this announcement:**CONTACT:****Simon Kidston**

Executive Director

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J-POWER is a Japanese public utility company listed on the Tokyo Stock Exchange with a market capitalisation of approximately JPY 399Bn (as of 31 March 2020, A\$6.0 billion). J-POWER owns 17.4GW of power generation assets such as hydroelectric, coal-fired, and wind power in Japan. It is the largest provider of coal-fired power in Japan, and the second largest provider of hydroelectric and wind power. J-POWER also owns and maintains a nationwide network of distribution facilities covering over 2,400km of transmission lines.

Outside of Japan, J-POWER has pursued a strategy of applying the knowledge and technical capabilities developed through its domestic operations to actively seek out and develop commercial power generation projects overseas. As of 31 March 2019, it had 36 facilities in operation in six countries, representing a combined generation capacity of 21.8 GW (6.9 GW net capacity).

About Genex Power Limited

Genex Power is a power generation development company listed on the ASX. The Company is focused on innovative clean energy generation and electricity storage solutions which deliver attractive commercial returns for shareholders. The Company has a development pipeline of up to 770MW of renewable energy generation and storage projects within its portfolio, underpinned by the Kidston Clean Energy Hub in far-north Queensland (**Kidston Hub**). The Kidston Hub is comprised of the operating 50MW Stage 1 Solar Project (**KS1**), the 250MW Pumped Storage Hydro Project (**K2-Hydro**) and the multi-staged integrated Solar Project of up to 270MW (**K2- Solar**) under development and the Kidston Stage 3 Wind Project of up to 150MW under feasibility. In addition, the Company has successfully acquired and financed the 50MW Jemalong Solar Project (**JSP**), located near Forbes in NSW, which is currently under construction.

Genex continues to acknowledge the support from the Federal Government, through the Australian Renewable Energy Agency (**ARENA**), which provided \$8.9 million in funding to support the construction of the KS1 Project, as well as their support of up to \$9 million in funding to support the development of the stage 2 projects. In addition to this, Genex acknowledges the Northern Australia Infrastructure Facility (**NAIF**) and their Investment decision to offer finance to K2-Hydro through the provision of a long term concessional NAIF debt facility for up to \$610 million.

Genex also recognises the support of the Queensland State Government through providing a 20- year revenue support deed for KS1 and designating the Hub as 'Critical Infrastructure' to the State.