

7 June 2021

NEW ENERGY SOLAR (ASX:NEW)

SUCCESSFUL AUSTRALIAN ASSET SALE CAPITAL MANAGEMENT INITIATIVES TO BE IMPLEMENTED

SUMMARY

- NEW has entered into binding agreements to sell its two Australian solar farms, Beryl and Manildra, to Banpu Energy Australia Pty Ltd (**Banpu Energy**) (**Sale**).
- NEW expects to receive equity proceeds of A\$105.4m before transaction costs from the Sale.
- The proportion of the Sale price attributed to the Beryl plant is above the net asset value (**NAV**) as at 31 December 2020 while the proportion attributed to the Manildra plant is below NAV - reflecting the impact of transmission constraints that have recently impacted that site.
- Transaction close is expected to occur within two months, and NEW anticipates net Sale proceeds will be used to repay debt and buyback NEW securities.

Australian Asset Sales

New Energy Solar¹ advises that it has entered into a binding agreement to sell its two Australian assets, Beryl (111MW_{DC}) and Manildra (56MW_{DC}) to Banpu Energy and affiliates for a combined gross asset value of A\$288 million and gross equity proceeds, before transaction costs, of A\$105.4 million. Transaction completion is expected within two months, subject to customary consents and approvals including Foreign Investment Review Board (**FIRB**) approval.

The expected equity proceeds, before transaction costs, are A\$62.5 million for Beryl and A\$42.9 million for Manildra. The net asset value of these plants at 31 December 2020 was A\$60.0 million and A\$50.5 million respectively². Transaction costs include approximately A\$3 million in adviser costs; a disposal fee payable to the Investment Manager; and stamp duty will be deducted from the gross asset proceeds. The discount to net asset value for Manildra is primarily a reflection of the impact of curtailment caused by grid constraints that have recently emerged near the site in the central west of NSW.

¹ New Energy Solar Limited (Company) and E&P Investments Limited as responsible entity of New Energy Solar Fund (Trust), together New Energy Solar, the Business or NEW.

² Net asset value is the independently assessed equity value of the solar power plants derived using the discounted cashflow method which is then adjusted for working capital.

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Banpu Energy is a subsidiary of BANPU Public Company Limited, a leading international versatile energy provider based in Thailand, with total assets of over A\$12Bn and 1,073 MW of committed renewable energy projects.

This Sale is one of the initiatives undertaken by NEW to reduce the gap between its net asset value and its trading price following the 2020 strategic review of the Business undertaken by RBC Capital Markets. NEW is now well progressed on these initiatives given the sale of a 25% interest in NEW's largest plant, Mount Signal 2, in California at the end of 2020, the granting of an option to US Solar plc to acquire a further 25% interest in Mount Signal 2, and the Sale announced today.

NEW's financial adviser is RBC Capital Markets.

Capital Management

Once this Sale is complete, the net proceeds will be used to repay group debt and reduce gearing below the long-term target of 50%, and to buy back NEW securities. The method, quantum, and term of the buyback will be determined by NEW's boards of directors prior to transaction close of the Sale. NEW currently expects to allocate up to 50% of the net equity proceeds to the buyback.

Further details on these capital management initiatives will be announced in the coming months.

Outlook for the US Market

Following completion of the Sale, all of NEW's remaining assets will be in the United States, a renewable energy market that is growing quickly. Installations of solar PV in 2020 reached their highest levels ever and exceeded by 27% the previous record reached in 2016, when the federal solar investment tax credit (**ITC**) was extended. Solar PV accounted for 43% of new US electricity-generating capacity additions in 2020, representing the largest share of new capacity additions by technology type. Despite the record number of installations in 2020, the utility-scale PV market is expected to beat this record in 2021. The current forecast by energy consultants Wood Mackenzie expects there to be 17.5 GW_{DC} of utility-scale capacity installations over the next year.

NEW expects that the environment for renewable energy in the United States will continue to be supportive of investment in renewable energy projects.

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Authorised for release by New Energy Solar Limited, and E&P Investments Limited as responsible entity of New Energy Solar Fund.



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. The Business 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. 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 609 396 983). For more information, visit: www.newenergysolar.com.au

