



Genex Power Limited

ACN: 152 098 854

2016 SHARE PURCHASE PLAN

IMPORTANT NOTICE

General

This document is dated 15 December, 2016.

Capitalised terms in this document are defined in the Glossary.

This document is not a prospectus and has not been lodged with ASIC. Accordingly, this document does not contain all the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding whether or not to invest in the New Shares offered by this document.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand or are in doubt about the contents of this document, or the action you should take, you should consult your financial or other professional adviser.

The market price of Shares may rise or fall between the date of this document and the date the New Shares are issued to you. This means that up to or after the date on which the New Shares are issued to you, you may be able to buy Shares on the market at a lower price than the Issue Price. The Company and its Directors do not offer any recommendation or advice regarding participation in the Offer.

Holding securities in a renewable energy company such as the Company is a speculative form of investment and the future price of Shares may rise or fall depending on, amongst other things, development delays, cost increases and fluctuations on the market generally to name only a few.

This document does not, and is not intended to, constitute an Offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an Offer or to issue this document.

No action has been taken to permit the Offer in any jurisdiction other than Australia and New Zealand to the extent set out in this document.

The distribution of this document in jurisdictions outside Australia and New Zealand may be restricted by law and persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any other jurisdiction.

Application will be made for the New Shares to be quoted on the ASX. The New Shares have not been and will not be registered under any other applicable securities laws and they may not, subject to certain exceptions, be offered or sold directly or indirectly within any jurisdiction outside Australia and New Zealand.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders at the Record Date with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all information that a product disclosure statement under New Zealand law is required to contain.

United States

This document may not be released or distributed in the United States. The New Shares have not been and will not be registered under the US Securities Act of 1933 (**Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The New Shares may not be offered, sold or otherwise transferred in the United States except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.

No Recommendation

The information in this document is not a recommendation to accept the Offer and does not constitute financial advice. Eligible Shareholders must conduct their own investigations, assessment and analysis of the Company and its operations and prospects and must base their investment decision solely on those investigations and that assessment and analysis.

If, after reading this document, Eligible Shareholders have any questions regarding the Offer, they should contact their financial or other professional adviser before deciding whether or not to accept the Offer.

15 December, 2016

Dear Shareholder

I am very pleased to announce that Genex has successfully completed a Capital Raise of \$9.9M through a Share Placement (**Placement**) announced Thursday 8 December 2016 with funds being directed primarily to the development of the Kidston Solar Project (Phase One 50MW), the Company's Hydro project, working capital and costs associated with the Placement. Given the strong demand for the Placement, Genex has resolved to provide Eligible Shareholders with the opportunity to participate in a Share Purchase Plan (**SPP**).

The success of the Placement is a testament to the quality of the Projects which the Company is aggressively developing. Below is a summary of key milestones completed during 2016.

Key Milestones 2016

| Date | Details |
|----------------------------------|--|
| 18 th January, 2016 | Genex granted ownership of the Kidston Project Site by the Queensland State Government |
| 2 nd February, 2016 | Genex receives Development Approval (DA) for Kidston Solar Project 50 MW (KSP) from Etheridge Shire Council |
| 3 rd March, 2016 | Kidston Project declared a Prescribed Project by the Queensland State Government (Hon. Dr Anthony Lynham, Minister for State Development in Queensland) |
| 5 th May, 2016 | KSP receives Environmental Approval (EA) by Queensland Government Department of Environment and Heritage Protection |
| 10 th May, 2016 | Genex executes Binding Connection Agreements with Ergon Energy for connection into the National Electricity Market (NEM) |
| 7 th June, 2016 | AECOM appointed as Owner's Engineer for KSP |
| 10 th June, 2016 | Genex completes oversubscribed Capital Raising of \$3.5M |
| 22 nd June, 2016 | Genex finalises KSP delivery team |
| 12 th August, 2016 | Genex secures construction accommodation at Kidston |
| 8 th September, 2016 | Genex awarded \$8.85M Funding Grant for KSP from Australian Renewable Energy Agency (ARENA) & awarded 20-year Revenue Contract from the Queensland State Government for KSP |
| 15 th September, 2016 | Appointment of First Solar Inc as Photovoltaic Module Supplier |
| 4 th October, 2016 | Genex receives favourable Private Tax Ruling for \$39.5M of tax losses |
| 8 th November, 2016 | Successful completion of Kidston Hydro Technical Feasibility Study |
| 8 th December, 2016 | Genex completes significantly oversubscribed capital raising of \$9.9M |

Genex has received strong support from all levels of Australian Government, including but not limited to; Australian Renewable Energy Agency (**ARENA**), the Queensland State Government and

Etheridge Shire Council. Without this strong support, the rapid progression through the above milestones would not have been possible.

Genex will look to replicate this success during 2017, with several major milestones to be achieved.

Key Milestone 2017

The Kidston Solar Project - Phase One 50MW (KSP)

Genex will begin early construction works on KSP in 2016, with project completion anticipated in Q4 2017. At this point, the 50MW project will supply approximately 400MWh of clean renewable energy directly into the NEM each day. This is equivalent to supplying more than 26,484 homes with renewable energy.

The Kidston Pumped Storage Hydro Project (KPSHP)

With the successful completion of the KPSHP Technical Feasibility Study on the 8th November, 2016, Genex will now look to engage with key stakeholders critical to the development of this project. Genex will look to finalise its delivery team for this project and commence construction by Q4 2017. The KPSHP will become the third largest pumped storage project in Australia (250MW), capable of producing up to 1,500MWh during a daily 6-hour generation cycle. This is equivalent to powering approximately 100,000 homes with clean, renewable energy that can be stored and used when intermittent renewables may not be available such as during peak demand periods.

The Kidston Solar Project - Phase Two 270MW (KSP2)

Genex will continue to progress with the planning and development of its second solar project KSP2 (270MW), anticipated to produce up to 2,150MWh each day. There are a number of direct economic benefits in co-locating KSP2 with the Pumped Storage project.

Detailed feasibility studies are expected to be completed during Q1 in 2017, with construction to commence Q1 2018 and energy production to occur Q1 2020.

During 2017, Genex will aim to finalise the delivery team for this project as well as further developing various strategies to confirm funding for this project.

SHARE PURCHASE PLAN OFFER

The Company is pleased to offer Eligible Shareholders the opportunity to participate in the Company's Share Purchase Plan (**Offer**). The Offer will give you the opportunity to apply for New Shares with a value of up to \$15,000.

The Company intends to offer shares under the Offer at an issue price of \$0.22 for each New Share (**Issue Price**) subject to the Company's obligation to comply with the minimum price requirements under ASX Listing Rule 7.2¹.

As the Offer is being conducted pursuant to ASX Listing Rule 7.2 (exception 15), the Company reserves the right to reduce the number of New Shares applied for under applications in such manner as the Directors see fit so that the total funds raised under the Offer do not exceed the maximum amount permitted thereunder being 30% of the number of Shares on issue including those in the placement announced to the ASX on 8 December 2016.

¹ ASX Listing Rule 7.2 exception 15 provides that in order for the Company to carry out the Share Purchase Plan as an exception to Listing Rule 7.1, the minimum price for the Offer must be not less than 80% of the 5 day VWAP at the time of issue. Therefore, the Offer price under the SPP will be the higher of \$0.22 per Share or 80% of the 5 day VWAP at the time of issue.

Participation in the Offer is entirely voluntary. No brokerage costs apply to purchases under the Offer. The issue of New Shares is expected to take place on or around 18 January, 2017.

Use of Funds

It is intended that the majority of proceeds of the Offer will be used for the construction of the KSP, to advance development of the KPSHP and for general working capital purposes.

Participation and Important Dates in relation to the Offer

The Offer is offered exclusively to all Eligible Shareholders (including Custodians), being registered holders of Shares as at 7.00pm AEDT on 7th December, 2016 (**Record Date**) with a registered address in Australia or New Zealand, and not resident or located in any jurisdiction in or into which an offer of New Shares would be unlawful, who meet certain other conditions as expressly set out in the Terms & Conditions (**Eligible Shareholders**).

The Offer opens at 9.00am (AEDT) on 15 December 2016 and expected to close at 5:00pm (AEDT) on 10 January 2017.

No late applications will be accepted. However, the Directors reserve their right, subject to the Corporations Act and the ASX Listing Rules, to amend the Closing Date without prior notice. If the Closing Date is amended, subsequent dates may also be amended accordingly.

Subject to ASX Listing Rule 10.12 Exception 8 being satisfied at the date of the issue of the New Shares, Directors who are Eligible Shareholders may participate in the Offer on the same terms as all other Eligible Shareholders without having to obtain prior Shareholder approval.

Offer

The Offer provides Eligible Shareholders with an opportunity to acquire a parcel of New Shares in the Company. Shareholders may apply for New Shares in three different parcels:

| | Subscription Amount (AUD) |
|----------|---------------------------|
| Parcel A | \$5,000 (minimum) |
| Parcel B | \$10,000 |
| Parcel C | \$15,000 (maximum) |

No fraction of New Shares will be issued. If the value of New Shares for which you subscribe results in a fractional number, the number of New Shares issued to you will be rounded down to the nearest whole number of New Shares.

All Application Monies must be paid in Australian dollars.

The Company reserves its right to issue fewer New Shares than an Eligible Shareholder applies for under the Offer or none at all and its right to reduce the number of New Shares applied for under applications in such manner as the Directors see fit. Any determination by the Directors in respect of any reduction or refusal of any application will be final. If a reduction occurs or the Company refuses an application, the Company will refund any excess Application Monies to the relevant Eligible Shareholders in full (without interest).

Pricing

The Issue Price of each New Share will be \$0.22 subject to the requirements of a minimum price pursuant to ASX Listing Rule 7.2 (exception 15).

The market price of the Shares may rise or fall between the date of this document and the date that New Shares are issued to you under the Offer. This means that the price at which New Shares are issued to you may be greater or less than the prevailing market price of the Shares at the date of this document. Further, the Issue Price may exceed the price at which you would be able to buy Shares on the market at the same time that New Shares are issued to you under the Offer. We recommend that you seek financial advice from a suitably qualified adviser before you decide to participate in the Offer.

Shareholder Approval

The Offer is limited to 30% of the Company's ordinary shares on issue as at the date of this document and the Company will issue the New Shares pursuant to ASX Listing Rule 7.2 Exception 15. Accordingly, Shareholder approval is not required for the issue of the New Shares under the Offer.

If required, the Company will reduce the number of New Shares applied for under applications in such manner as the Directors see fit. Any determination by the Directors in respect of any reduction of the number of New Shares applied for under an application is final.

Terms & Conditions

Full details of the Offer are outlined in the attached Terms & Conditions. Before you decide whether to participate in the Offer, please read the Terms & Conditions carefully, as you will be bound by them.

If you have any questions in respect of the Offer, please contact:

Justin Clyne
Company Secretary
Genex Power Limited
Phone: +61 2 9993 4407

Yours faithfully,

Dr. Ralph Craven
Chairman

KEY DATES*

| Date | Details |
|---------------------------------|--|
| 7 th December, 2016 | Record Date 7.00pm AEDT The date on which the Company determines Eligible Shareholders |
| 15 th December, 2016 | Despatch Date The date on which this document and the Application Forms are dispatched to Eligible Shareholders |
| 15 th December, 2016 | Opening Date The date on which the Offer opens |
| 10 th January, 2017 | Closing Date The date on which the Offer closes Applications and payments must be received by 5.00pm AEDT |
| 17 th January, 2017 | Settlement Date The date the Company intends to announcement the results of the Offer and the Issue Price |
| 18 th January, 2017 | Issue and Allotment Date The date New Shares are intended to be issued and any scale back may be announced |
| 19 th January, 2017 | Quotation of New Shares on ASX |
| 23 rd January, 2017 | Despatch of Holding Statements under the SPP |

****The above dates are indicative only and, subject to compliance with applicable law, may be changed at the Company's discretion. Any changes will be advised to ASX.***

TERMS & CONDITIONS OF OFFER

The following are the terms and conditions of the Offer. By accepting the Offer, you agree to be bound by these Terms & Conditions and the Company's constitution.

1. ASIC Class Order 09/425

The Offer is offered in compliance with ASIC Class Order 09/425. ASIC Class Order 09/425 provides relief from the requirement for the Company to provide a prospectus when offering shares to existing shareholders of a company pursuant to a share purchase plan. This document is not a prospectus under the Corporations Act.

2. Opening Date and Closing Date of the Offer

The Offer opens at 9:00am (AEDT) on 15th December, 2016 (**Opening Date**).

The Offer closes at 5:00pm (AEDT) on 10th January, 2017 (**Closing Date**).

Late applications will not be accepted. However, the Directors reserve their right, subject to the Corporations Act and the ASX Listing Rules, to amend the Closing Date without prior notice. If the Closing Date is amended, subsequent dates may also be amended accordingly.

3. Who is eligible to participate in the Offer?

You are eligible to apply for New Shares under the Offer if you were registered as a holder of Shares as at the Record Date on the Register and if your registered address, as recorded in the Register, is in Australia or New Zealand and you are not resident or located in any jurisdiction in or into which an offer of New Shares would be unlawful.

The Offer to each Eligible Shareholder is made on the same terms and conditions.

Your rights under the Offer are personal to you and the Offer is non-renounceable (i.e. you may not transfer your right to subscribe for New Shares to anyone else).

4. Shareholder Approval

As the Offer is not greater than 30% of the Company's ordinary shares on issue as at the date of this document, the Company will issue the New Shares under ASX Listing Rule 7.2 Exception 15. Accordingly, Shareholder approval is not required for the issue of the New Shares pursuant to the Offer.

If required, the Company will reduce the number of New Shares applied for under applications in such manner as the Directors see fit. Any determination by the Directors in respect of any reduction of an application will be final.

5. Voluntary Participation

The Offer is entirely voluntary. You are not obliged to participate in the Offer.

6. Issue Price

The Issue Price for each New Share will be \$0.22 (subject to the minimum price requirements under the ASX Listing Rules).

7. Important Information on Price Risk to Consider

Before deciding whether to accept the Offer, you should refer to the current market price of the Shares, which can be obtained from your stockbroker, your financial adviser, or the ASX.

Subscription for New Shares is a speculative investment and the market price may change between the date you apply for New Shares and the issue of New Shares to you. Accordingly, the value of New Shares applied may rise or fall. Importantly, there is a risk that during the period when the Issue Price is determined and when the New Shares are issued to you, the price at which Shares are traded on ASX may be less than the Issue Price. You must rely on your own knowledge of the Company and previous disclosures made by the Company to ASX (including disclosure regarding risks of making an investment in the Company) **in determining whether you wish to participate in the Offer and the extent to which you participate, you should seek your own personal financial and/or taxation advice referable to your personal circumstances.**

8. **How much can you invest in the Offer?**

Subject to paragraph 11, if you are an Eligible Shareholder, the maximum value of the New Shares for which you may subscribe under the Offer is \$15,000.

The minimum value of the New Shares for which you may subscribe under the Offer is \$5,000.

The following parcels of New Shares are available under the Offer:

| | Subscription Amount (AUD) |
|-----------------|----------------------------------|
| Parcel A | \$5,000 (minimum) |
| Parcel B | \$10,000 |
| Parcel C | \$15,000 (maximum) |

The maximum limit of \$15,000 worth of New Shares applies to you even if you receive more than one Offer. For example, if as at the Record Date, you are both a sole and a joint Shareholder, you can only apply for New Shares once, either in your capacity as sole Shareholder or joint Shareholder, not both.

No fraction of New Shares will be issued. If the value of New Shares for which you subscribe results in a fractional number, the number of New Shares issued to you will be rounded down to the nearest whole number of New Shares.

All Application Monies must be paid in Australian dollars.

No brokerage, stamp duty or other costs are payable by applicants in respect of an application for New Shares.

9. **Reduction or Refusal of Application**

If applications of more than 30% of the Company's ordinary shares on issue at the Issue Date, the Directors may, in their absolute discretion, undertake a reduction the number of New Shares applied for under applications to the extent and in the manner they see fit.

Factors which the Directors may take into account in determining any reduction include, but are not limited to:

- (a) the total Application Monies received;
- (b) the amount applied for by each Eligible Shareholder;
- (c) the number of Shares held by each Eligible Shareholder at the Record Date;

- (d) whether an Eligible Shareholder remains on the register on the Closing Date;
- (e) the date the Company received the Application Form; and
- (f) any other such criteria as determined by the Directors, in their sole discretion.

If there is a reduction, you may not receive all the New Shares for which you have applied. If a scale back produces a fractional number when applied to the number of New Shares for which you have applied, the number of New Shares issued to you will be rounded down to the nearest whole number of New Shares.

If there is a reduction, the difference between the Application Monies received from you, and the number of New Shares issued to you multiplied by the Issue Price, will be refunded to you in full (without interest and at your sole risk).

The Directors reserve their right (in their absolute discretion) to refuse an Application Form (in whole or in part) if they consider that:

- (a) it is reasonable and prudent to do so;
- (b) the applicant is not an Eligible Shareholder;
- (c) the issue of those New Shares may contravene any applicable law, rule or regulation in any jurisdiction (including, without limitation, the Corporations Act or the ASX Listing Rules) or the requirements of any regulatory or governmental body or may require further action to be taken by the Company including, without limitation, registration of shares or the preparation of a prospectus in any jurisdiction; or
- (d) the applicant has not otherwise complied with the Terms & Conditions.

If an Application Form is refused in whole or in part, the Application Monies will be returned to the applicant in full (without interest and at the applicant's sole risk).

All Directors' decisions in connection with a reduction or refusal of an application are final.

10. **Underwriter**

The Offer is not underwritten.

11. **Custodian Certification**

If on the Record Date you are a Custodian and hold Shares on behalf of one or more persons each of whom is an Eligible Shareholder (each, a **Participating Beneficiary**), the Offer is made to you and you have the discretion whether to extend the Offer to the Participating Beneficiaries. The maximum value of the New Shares for which you may subscribe under the Offer on behalf of each Participating Beneficiary is \$15,000.

In any consecutive 12-month period, the Company can only issue to a Custodian Shares with a maximum value of \$15,000, unless the Custodian certifies in writing (**Custodian Certificate**):

- (a) either or both of the following:
 - (i) that the Custodian holds Shares on behalf of one or more Participating Beneficiaries that are not Custodians; and
 - (ii) that another Custodian (**Downstream Custodian**) holds beneficial interests in Shares on behalf of one or more Participating Beneficiaries, and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian,

on the Record Date and that each Participating Beneficiary has subsequently instructed the following persons:

- (iii) where paragraph 11(a)(i) applies – the Custodian; and
- (iv) where paragraph 11(a)(ii) applies – the Downstream Custodian,
to apply for New Shares on their behalf under the Offer;
- (b) the number of Participating Beneficiaries;
- (c) the name and address of each Participating Beneficiary;
- (d) in respect of each Participating Beneficiary:
 - (i) where paragraph 11(a)(i) applies, the number of Shares that the Custodian holds on their behalf; and
 - (ii) where paragraph 11(a)(ii) applies, the number of Shares to which the beneficial interests relate applies;
- (e) in respect of each Participating Beneficiary:
 - (i) where paragraph 11(a)(i) applies, the number or the dollar amount of New Shares they instructed the Custodian to apply for on their behalf; and
 - (ii) where paragraph 11(a)(ii) applies, the number or the dollar amount of New Shares they instructed the Downstream Custodian to apply for on their behalf;
- (f) there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds \$15,000:
 - (i) the New Shares applied for by the Custodian on their behalf under the Offer in accordance with the instructions in paragraph 11(e); and
 - (ii) any other Shares issued to the Custodian in the 12 months before the application under the Offer as a result of an instruction given by them to the Custodian or Downstream Custodian to apply for Shares on their behalf under an arrangement similar to the Offer;
- (g) that a copy of this document was given to each Participating Beneficiary; and
- (h) where paragraph 11(a)(ii) applies, the name and address of each Custodian who holds beneficial interests in the Shares held by the Custodian in relation to each Participating Beneficiary.

In providing a Custodian Certificate under this paragraph 11, the Custodian may rely on information provided to it by the Participating Beneficiary and any Custodian who holds beneficial interests in the Shares held by the Custodian.

If the Company is not satisfied with the Custodian Certificate (for whatever reason), the Company will not issue any New Shares to the Custodian on behalf of the relevant Participating Beneficiaries.

If you require a Custodian Certificate or require further information about the application process for Custodians, you should contact the Share Registry.

If you hold Shares as a trustee or nominee for another person, but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings set out in paragraph 8 apply.

12. Effect of making an application and Shareholder Certification

Subject to paragraph 11 above, if you submit a BPAY® payment or complete and return an Application Form together with a cheque, bank draft or money order (as applicable), you:

- (a) warrant that you are an Eligible Shareholder and are eligible to participate in the Offer;
- (b) irrevocably and unconditionally agree to the Terms & Conditions and the terms of the Application Form;
- (c) acknowledge that your application is irrevocable and unconditional;
- (d) certify and represent to the Company that the value of the New Shares for which you have applied directly or indirectly, including through a Custodian, does not exceed \$15,000;
- (e) certify that the total of the application price for the following does not exceed \$15,000 (irrespective of whether you may have received more than one Offer or received Offers in more than one capacity):
 - (i) the New Shares the subject of your application under the Offer;
 - (ii) any other New Shares issued to you under the Offer or any other Shares issued to you under any similar arrangement in the 12 months before the application under the Offer (excluding Shares applied for but not issued);
 - (iii) any other New Shares which you have instructed a Custodian to acquire on your behalf under the Offer; and
 - (iv) any other Shares issued to a Custodian under an arrangement similar to the Offer in the 12 months before the application under the Offer as a result of an instruction you have given to a Custodian;

- (f) agree to be bound by the Company's constitution;
- (g) accept the risk associated with any refund that may be sent to your address (as shown on the Company's register of members) or to your nominated bank account (as recorded by the Share Registry);
- (h) acknowledge that no interest will be paid on any application monies held pending the allotment of New Shares or subsequently refunded to you for any reason;
- (i) authorise the Company (and each of its officers and agents) to correct any error in, or omission from, the Application Form and complete the Application Form by inserting any missing details;
- (j) acknowledge that the Company may at any time irrevocably determine that your application is valid, in accordance with the terms and conditions of the Offer, even if the Application Form is incomplete, contains errors or is otherwise defective; and
- (k) are responsible for any dishonour fees or other costs the Company may incur in presenting a cheque that is dishonoured.

13. Transaction Costs

The only cost associated with the Offer is the Issue Price for the number of New Shares for which you wish to subscribe. You do not have to pay for brokerage, commission or other transaction costs which would normally apply when you acquire Shares on market.

14. Issue of New Shares and variation on number of New Shares issued

The New Shares will be issued on the Issue Date.

The Share Registry will send to you a holding statement in due course following the Issue Date.

The Company reserves its right and absolute discretion to issue fewer New Shares than an Eligible Shareholder applies for under the Offer (or none at all), if the Company believes the issue of those New Shares would contravene any applicable law, rule or regulation (including without limitation the ASX Listing Rules).

If an Application Form is refused in whole or in part, the Application Monies will be returned to the applicant in full (without interest and the applicant's sole risk).

15. What rights will the New Shares carry?

Once the New Shares are issued, they will rank equally with existing Shares and will carry the same voting rights, dividend rights and other entitlements.

16. Can the Company change, suspend or terminate the Offer?

The Company may change, suspend or terminate the Offer at any time. If the Company changes, suspends or terminates the Offer, it will advise the ASX. The accidental omission to give notice of changes to or suspension or termination of the Offer or the non-receipt of any such notice will not invalidate the change, suspension or termination.

17. Directors' Participation

Subject to ASX Listing Rule 10.12 Exception 8 being satisfied at the date of the issue of the New Shares, Directors who are Eligible Shareholders may (without having to obtain prior Shareholder approval) participate in the Offer, on the same terms as all other Eligible Shareholders.

18. How do you pay for the New Shares?

All amounts in the Offer are expressed in Australian dollars. You must pay for the New Shares either

by:

- (a) BPAY® payment via internet or phone banking. You must also quote your reference number which is on the Application Form. If you use this method, you should be aware of your financial institution's cut-off time for BPAY® payments. It is your responsibility to ensure funds are submitted correctly by the Closing Date; or
- (b) cheque, bank draft or money order in Australian dollars. Please make your cheque, bank draft or money order payable to "**Genex Power Limited**" and cheques must be crossed "**Not Negotiable**".

New Zealand shareholders are not able to make a BPAY® payment.

19. Please provide a cheque, bank draft or money order for the exact amount

If you have not elected to pay by BPAY® and you do not provide the exact amount, the Company reserves its right to return your Application Form and cheque, bank draft or money order and/or reduce number of New Shares for which you have subscribed under the application as it sees fit. If the Company returns your Application Form and cheque, bank draft or money order, no New Shares will be issued to you.

If you make a BPAY® payment and do not provide the exact amount, you will, subject to the Terms & Conditions, be deemed to have applied for such number of New Shares for which you have paid.

20. Dispute Resolution

The Company may settle any dispute in connection with the Offer in any manner it thinks fit, whether generally or in relation to any participant, application or Share. The Company's decision will be final and binding.

The Company reserves its right to waive strict compliance with any provision of the Terms & Conditions.

21. Quotation and Registration of your Shares

ASX Quotation

The Company will apply for the New Shares issued to you to be quoted on the ASX by 18 January, 2017.

Australian and New Zealand Eligible Shareholders

The Company participates in CHESS. Under CHESS, you will receive a statement of your holding of Shares. The CHESS statement will set out the number of New Shares issued pursuant to the Offer, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares.

If your shareholding in the Company is broker sponsored, ASX Settlement will send you a CHESS statement.

If your shareholding in the Company is registered on the Issuer Sponsored Subregister, the Share Registry will dispatch your statement, which will contain the number of New Shares issued to you under the Offer and your security holder reference number.

22. Privacy

By receiving completed Application Forms, the Company collects personal information about Shareholders. The Company will use this information for the purposes of processing the Application Form and updating the records of the Company. To the extent restricted by law, the Company will not

disclose personal information about a Shareholder to a third party. To the extent permitted by law, Shareholders are able to access, upon request, personal information about them by the Company.

23. **Governing law and jurisdiction**

These Terms & Conditions are governed by the laws in force in New South Wales. Any dispute arising out of or in connection with these Terms & Conditions, or the offer of New Shares, will be determined by the courts of New South Wales. By accepting this offer, you agree to submit to the non-exclusive jurisdiction of the courts in New South Wales.

24. **Broker Handling Fees**

Genex will pay a handling fee (**Handling Fee**) to participating organisations of ASX (**Brokers**) in respect of valid applications received from Eligible Shareholders, on the terms set out below.

Genex will pay a Handling Fee on applications in connection with the SPP, where such applications are from clients of the Broker and were procured by the Broker. Handling Fees are only payable on an application by a Shareholder that is not a Broker or an associate of a Broker.

The Handling Fee in respect of an application will be 1.5% (inclusive of GST) of the application amount of Shares issued under the SPP.

The Handling Fee will be payable to any Broker who submits to the Company's Share Registry, Boardroom:

- (a) A valid and duly completed claim form (**Claim Form**) which sets out:
 - (i) The Broker's Participation Identification Number; and
 - (ii) A representation that:
 - (A) Neither the Broker nor its associate is the applying Shareholder; and
 - (B) That the fee will not be passed on or otherwise shared directly or indirectly with the applying Shareholder; and
- (b) A list of applications (**Application List**) which contains:
 - (i) The registered name and address for each Eligible Shareholder to whom the Claim Form relates;
 - (ii) The Holder Identification Number or Shareholder Reference Number for each Shareholder to whom the Claim Form relates;
 - (iii) The Entitlement Number found on the Application Form of each Shareholder to whom the claim relates;
 - (iv) The value of the application for each Shareholder to whom the claim relates; and
 - (v) If the Handling Fee is claimed in respect of an application for an Issuer Sponsored Holding, a copy of the Application Form bearing the Broker's stamp (where applicable),

on the form which can be obtained via email at corporateactions@boardroomlimited.com.au. Claim Forms must also be returned to this email address or to Boardroom at GPO Box 3993, Sydney NSW 2001.

No Handling Fee will be paid in respect of any application for which more than one Broker tenders a Claim Form. No Handling Fee is payable in respect of an Application Form sent directly to Boardroom by the Eligible Shareholder or through another agent. Each Broker firm

should submit only one Claim Form, which covers all applications in respect of which the Broker is claiming the Handling Fee.

Genex, in its sole discretion, reserves the right to refuse handling fee claims if either a Claim Form or Application List is incomplete, contains errors or is otherwise invalid or defective.

HOW DO YOU APPLY FOR NEW SHARES UNDER THE OFFER

If you wish to participate in the Offer please read the Terms & Conditions carefully. You must subscribe for:

- (c) a parcel of New Shares with a minimum value of \$5,000;
- (d) a parcel of New Shares with a value of \$10,000; or
- (e) a parcel of New Shares with a maximum value of \$15,000.

Application Forms and payments under the Offer are irrevocable and unconditional and may not be withdrawn once the Company receives it.

If you make a BPAY® payment, you do not need to return the Application Form. However, you must quote your reference number which is on the Application Form and your reference number will process your payment to your entitlement. Please ensure you make a payment for the exact amount of the New Share parcel for which you wish to subscribe. You will be deemed to have applied for such New Shares for which you have paid, subject to the Terms & Conditions. You should also be aware of your financial institution's cut-off time for BPAY® payments. It is your responsibility to ensure funds are submitted correctly by the Closing Date.

Late applications will not be accepted. However, the Directors reserve their right, subject to the Corporations Act and the ASX Listing Rules, to amend the Closing Date without prior notice. If the Closing Date is amended, subsequent dates may also be amended accordingly.

Application Monies must be paid in Australian dollars. If you send in your cheque, bank draft or money order, you must complete all the required details in the enclosed Application Form. You must:

1. Tick the box for the number of New Shares for which you wish to subscribe, noting the amount payable for that number of New Shares.
2. Complete the cheque details section and ensure that the "Amount" section corresponds to the exact amount payable for the New Shares for which you wish to subscribe. (Should the exact amount payable not be tendered, the Company reserves its right to return the Application Form and cheque, bank draft or money order and not issue the applicant any New Shares and/or reduce number of New Shares for which the applicant has subscribed under the application as it sees fit.)
3. Insert your telephone contact numbers so that we may contact you if necessary.
4. Ensure your cheque, bank draft or money order is made out for the exact amount of the Share parcel for which you wish to subscribe, payable to "**Genex Power Limited**" and cheques must be crossed "**Not Negotiable**".
5. You must return the completed Application Form, together with the cheque, bank draft or money order to the Share Registry at:

Boardroom Pty Limited
Level 12, 225 George Street
SYDNEY NSW 2000

You must ensure that your completed Application Form and payment reaches the Share Registry by the Closing Date no later than 5:00pm (AEDT) on 10 January, 2017.

GLOSSARY

\$ means Australian dollar.

Application Form means the application form accompanying this document.

Application Monies means monies paid by Eligible Shareholders in respect of New Shares the subject of an application pursuant to the Offer.

ARENA means Australian Renewable Energy Agency.

ASIC means the Australian Securities and Investments Commission.

ASIC Class Order 09/425 means ASIC Class Order [CO 09/425] issued by ASIC (as amended from time to time).

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the official listing rules of ASX (as amended from time to time).

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

AEDT means Australian Eastern Daylight Time.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date has the meaning given in paragraph 2 of the Terms & Conditions.

Company means Genex Power Limited ACN 152 098 854.

Corporations Act means the *Corporations Act 2001* (Cth).

Custodian has the meaning given in ASIC Class Order 09/425, being a person that:

- (a) holds an Australian financial services licence that:
 - (i) covers the provision of a custodial or depositary service (as that term is defined in section 766E of the Corporations Act); or
 - (ii) covers the operation of an IDPS (as defined in ASIC Class Order [CO 13/763]);
- (b) is exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service under:
 - (i) paragraph 7.6.01(1)(k) or 7.6.01(l)(na) of the *Corporations Regulations 2001* (Cth);
 - (ii) ASIC Class Order [CO 14/1000] to the extent that it relates to ASIC Class Order [CO 14/1001];
 - (iii) ASIC Class Orders [CO 03/1099], [CO 03/1100], [CO 03/1101], [CO 03/1102], [CO 04/829] or [CO 04/1313];
 - (iv) an individual instrument of relief granted by ASIC to the person in terms similar to one of the class orders referred to in paragraph (iii) above; or
 - (v) paragraph 911A(2)(h) of the Corporations Act;
- (c) is a trustee of a:
 - (i) self-managed superannuation fund; or
 - (ii) superannuation master trust;

- (d) is the responsible entity of an IDPS-like scheme (as defined in ASIC Class Order [CO 13/762]); or
- (e) is the registered holder of shares or interest in the class and is noted on the register of members of the body or scheme (as the case may be) as holding the shares or interest on account of another person.

Custodian Certificate has the meaning given to that term in paragraph 11 of the Terms & Conditions.

DA means Development Approval

Directors means the directors of the Company from time to time.

Downstream Custodian has the meaning given to that term in paragraph 11 of the Terms & Conditions.

EA means Environmental Approval.

Eligible Shareholder has the meaning given in the Letter.

Issue Date means the date on which New Shares will be issued, which as at the date of this document is intended to be 18 January, 2017.

Issue Price has the meaning given in the Letter.

Issuer Sponsored Subregister means that part of the register for a class of the Company's securities for which CHES approval has been given in accordance with the operating rules of ASX Settlement that is administered by the Company (and not by ASX Settlement) and that records uncertificated holdings of securities.

KPSHP means Kidston Pumped Storage Hydro Project (250MW).

KSP means Kidston Solar Project (Phase One 50MW).

KSP2 means Kidston Solar Project (Phase Two 270MW).

Letter means the letter addressed to Shareholders from the Company, dated 15th December, 2016.

NEM means National Electricity Market.

New Shares means the Shares to be issued to Eligible Shareholders who accept the Offer in accordance with the Terms and Conditions.

Offer has the meaning given in the Letter.

Opening Date has the meaning given in paragraph 2 of the Terms & Conditions.

Participating Beneficiary has the meaning given to that term in paragraph 11 of the Terms & Conditions.

Record Date has the meaning given in the Letter.

Register means the share register maintained by or on behalf of the Company in Australia.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Boardroom Pty Limited.

Shareholder means a registered holder of Shares.

SPP means Share Purchase Plan.

Terms & Conditions means the terms and conditions of the Offer as expressly set out in this document.

Share Purchase Plan Application Form

Record Date: 7.00pm (AEDT) 7 December 2016

Opening Date: 15 December 2016

Close Date: 5.00pm (AEDT) 10 January 2017

Issue Price: \$0.22 per share (subject to the minimum pricing requirements under the ASX Listing Rules¹)

A Offer Details

This is an important document which requires your immediate attention. If you are in doubt as to how to deal with this document please contact your professional adviser.

Before applying for shares in Genex Power Limited (**Genex Power**) (**Shares**) under the Share Purchase Plan (**SPP**) you should read the SPP Rules and the 'Applicant's Certification and Acknowledgments' on the back of this Application Form. Terms not defined in this Application Form have the same meaning as in the SPP Rules. By making a BPAY payment or completing and returning this Application Form with a cheque, bank draft or money order, you agree to be bound by the constitution of Genex Power and the SPP Rules (including the eligibility requirements) and you make all of the acknowledgments, representations, declarations and certifications contained in the SPP Rules.

This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.

Custodians cannot use this form to apply for multiple parcels of Shares on behalf of distinct beneficiaries (please see over).

If you do not wish to subscribe for Shares under the SPP, there is no need to take any action.

B Offer Choice

Indicate your choice below by marking one box only. **The number of Shares to be issued will be calculated by dividing your application amount by the Issue Price rounded down to the nearest whole Share (subject to the minimum pricing requirements under the ASX Listing Rules). Therefore, the number of shares shown below may be more than the number actually allocated upon close of the SPP.**

☐

A\$5,000
22,727 Shares

☐

A\$10,000
45,454 Shares

☐

A\$15,000
68,181 Shares

IMPORTANT NOTE: The total allowable application is A\$15,000 per shareholder. By making an application for Shares under the SPP, you certify that your application amount under the SPP does not exceed A\$15,000. Any amounts over the A\$15,000 total risk a delay in processing and missing this Offer.

C Payment Details

Payment may only be made by BPAY, cheque, bank draft or money order and in Australian dollars. Cash will not be accepted via the mail or at the Genex Power Share Registry. Payments cannot be made at any bank.

The amount of your payment received by BPAY, cheque, bank draft or money order prior to the close, divided by the Issue Price, will be deemed to be the total number of Shares you are applying for.

Payment Option 1 - BPAY



Biller Code:

Ref:

Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

More info: www.bpay.com.au

© Registered to BPAY Ltd ABN 69 079 137 518

- To pay via BPAY please contact your participating financial institution;
- If paying by BPAY you do not need to return the Application Form, will be deemed to have submitted an Application Form.

¹ ASX Listing Rule 7.2 exception 15 provides that in order for the Company to carry out the Share Purchase Plan as an exception to Listing Rule 7.1, the minimum price for the Offer must be not less than 80% of the 5 day VWAP at the time of issue. Therefore, the Offer price under the SPP will be the higher of \$0.22 per Share or 80% of the 5 day VWAP at the time of issue

Payment Option 2 - Cheque

Record cheque details below:

| Drawer | Cheque Number | BSB Number | Account No. | Amount A\$ |
|--------|---------------|------------|-------------|------------|
| | | | | |
| | | | | |

- Only cheques, bank drafts or money orders in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque, bank draft or money order must be made payable to "**Genex Power Limited**" and crossed '**Not Negotiable**'.
- Please ensure that you submit the correct amount. Incorrect payments may result in your Application being rejected.
- If paying by cheque, bank draft or money order, you must complete this Application Form and submit it together with your cheque, bank draft or money order before your Application will be accepted.

D Contact Details

Please provide a telephone number and contact name in case we need to contact you regarding your Application.

| Home telephone number | Work telephone number | Contact name |
|-----------------------|-----------------------|--------------|
| | | |

E Information for Custodians

If you are a Custodian as defined in ASIC Class Order [CO 09/425], you must complete this Application Form and a Custodian Certificate (which must be requested from the Company's share registrar) and submit both documents together with your cheque before your Application will be accepted. If you have not received a copy, or require an additional copy of the Custodian Certificate, please contact Boardroom Pty Limited on +61 (02) 9290 9600. Applications received from Custodians that are not accompanied by the Custodian Certificate will be rejected.

F Enquiries

If you are unsure how to complete this form, please contact the Genex Power Shareholder Information Line on 1300 737 760 or +61 2 9290 9600 if outside Australia.

G Applicant's Certification and Acknowledgements

By lodging this Application Form with your cheque, bank draft, money order or BPAY payment, you certify that the total application price for the following does not exceed A\$15,000:

- the Shares you are applying for;
- any other Shares applied for by you under the SPP; and
- any other Shares you have instructed a Custodian to acquire on your behalf under the SPP.

You also acknowledge and confirm that you have read, understood and agreed to the terms and conditions of the Genex Power Share Purchase Plan (**SPP**), details of which are contained in your Offer Letter dated 15 December 2016 and the SPP Offer Booklet (including the Frequently Asked Questions and Share Purchase Plan Rules) accompanying it.

Unless otherwise defined, capitalised terms in this Application Form have the meanings given to them in the SPP Rules.

NO SIGNATURE IS REQUIRED ON THIS FORM

THIS OFFER IS NON-RENOUCEABLE

BPAY payments or Application Forms, cheques, bank drafts or money orders must be received no later than **5.00 pm (AEDT)** on the Closing Date, which is currently scheduled to occur on **Tuesday, 10 January 2017**, at:

MAILING ADDRESS
Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

DELIVERY ADDRESS
Boardroom Pty Limited
Level 12
225 George Street
SYDNEY NSW 2000

You should allow sufficient time for this to occur. The postal acceptance rule does not apply to the SPP. Genex Power reserves the right not to process any Application Forms and application payments received after the Closing Date.