



Genex  
**Power**

**...The future of energy**

# Company Overview



ARENA



Australian Government  
Australian Renewable Energy Agency



Queensland  
Government

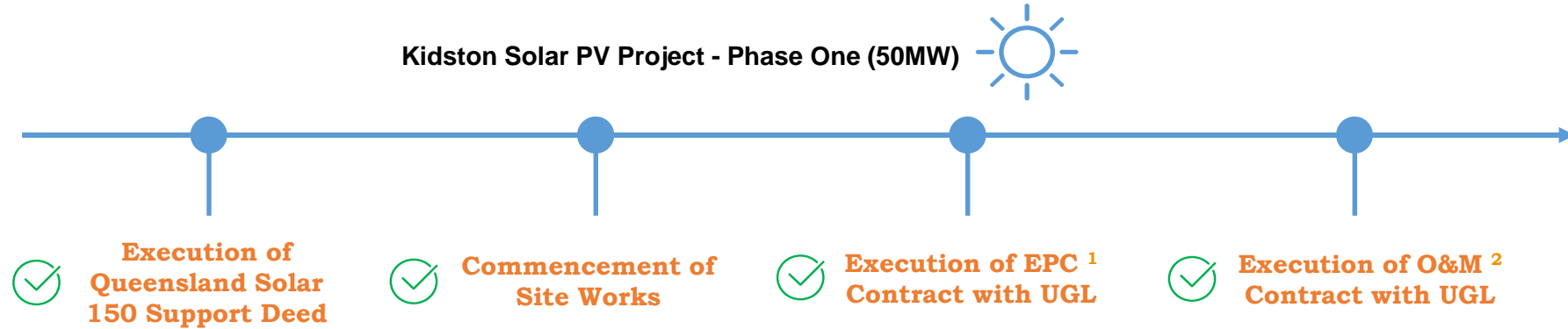
<b>ASX Code:</b>	GNX
<b>Shares on issue:</b>	237,026,707
<b>Market Cap<sup>1</sup>:</b>	\$52.1 million
<b>Cash<sup>2</sup>:</b>	\$13 million
<b>Undrawn ARENA:</b>	Hydro: \$2 million, Solar: \$8.9 million
<b>Favourable Tax Ruling:</b>	\$39.5 million
<b>Major Shareholders:</b>	Board & Management – 21.26%
	Zhefu Hydropower – 13.3%
	Institutional – 12.43%
	Other – 53.01%

<sup>1</sup>As at 31 January 2017

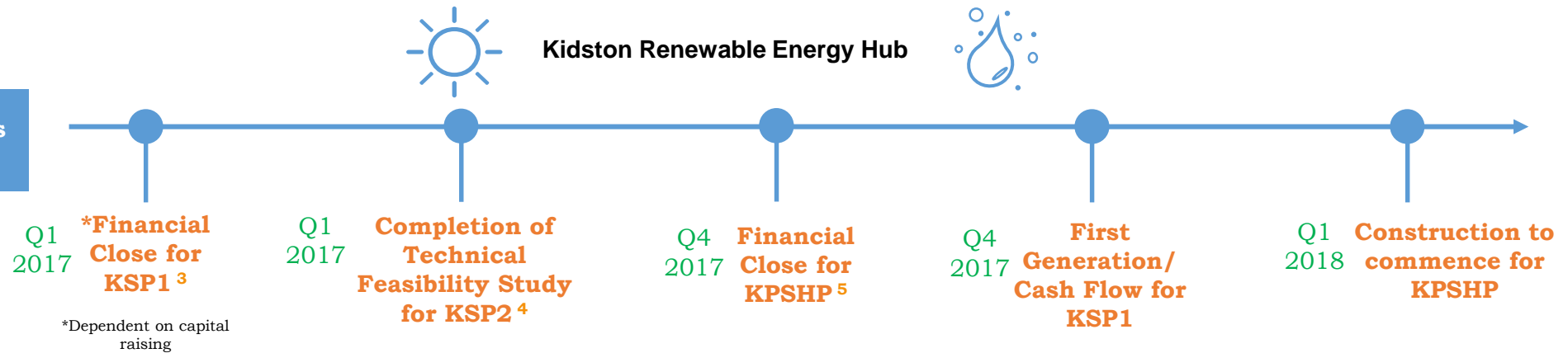
<sup>2</sup>As at 25 January 2017

# Genex Trading Update

## Recent Milestones – December 2016 (KSP1)



## Upcoming Milestones



## Overview of the Offer

Offer Details	<ul style="list-style-type: none"> <li>A capital raising of approximately A\$7.5 million, comprising: <ul style="list-style-type: none"> <li>a placement to institutional and sophisticated investors of 28,125,000 million shares at an Offer Price of A\$0.16 per New Ordinary Share to raise approximately A\$4.5 million (<b>Placement</b>); and</li> <li>a 1 for 14 non-renounceable pro rata entitlement offer (<b>Entitlement Offer</b>) to existing shareholders at an Offer Price of A\$0.16 per New Ordinary Share targeted to raise approximately A\$3.0 million</li> </ul> </li> </ul>
Pricing	<ul style="list-style-type: none"> <li>The Offer Price of A\$0.16 represents an approximate: <ul style="list-style-type: none"> <li>23.8% discount to the Theoretical Ex Rights Price on 31 January 2017 of A\$0.210, being the day before the Offer was announced</li> <li>28.9% discount to the 5 day Volume Weighted Average Price (<b>VWAP</b>) up to and including 31 January 2017 of A\$0.225</li> <li>30.1% discount to the 15 day Volume Weighted Average Price (<b>VWAP</b>) up to and including 31 January 2017 of A\$0.229, and;</li> <li>27.3% discount to the last close A\$0.22 as at 31 January, 2017</li> </ul> </li> </ul>
Use of Funds	<ul style="list-style-type: none"> <li>To reach financial close on Kidston Solar Project Phase One 50MW (<b>KSP1</b>)</li> <li>To continue the development of the Kidston 250MW Pumped Storage Hydro Project (“<b>KPSHP</b>”)</li> <li>To advance the development of the Kidston Phase Two Solar Project (“<b>KSP2</b>”)</li> <li>To provide general working capital</li> </ul>
Other	<ul style="list-style-type: none"> <li>New securities issued pursuant to the placement will rank equally with Genex’s existing securities</li> <li>There will be a shortfall facility to allow existing shareholders to apply for additional shares under the Entitlement Offer</li> <li>Morgans Corporate Limited and Canaccord Genuity (Australia) Limited are the Joint Lead Managers to the capital raising</li> </ul>

## Sources and Uses of Funds

Project Uses (A\$m)	
KSP1 capex requirements <sup>1</sup>	117.4
Interest during construction/DSRA <sup>2</sup>	5.7
KSP1 transaction costs <sup>3</sup>	3.5
Fx/interest rate contingency <sup>4</sup>	2.0
Working capital requirements	3.0
• KSP2	
• KPSHP	
• General & corporate	
<b>Total</b>	<b>131.6</b>

<sup>1</sup>Including project contingency

<sup>2</sup>DSRA refers to Debt Service Reserve Account

<sup>3</sup>Transaction costs refer to bank fees, due diligence costs & legal costs

<sup>4</sup>Additional buffer against fx and interest movement prior to financial close, to the extent it is not utilised, funds will be applied towards working capital

Project Sources (A\$m)	
ARENA grant funding	8.9
KSP1 project finance debt <sup>1</sup>	100.0
Current Cash <sup>2</sup>	13.0
Placement and Rights Issue	7.5
Ramp-up cashflow <sup>3</sup>	2.2
<b>Total</b>	<b>131.6</b>

<sup>1</sup>Credit approval for up to \$110m of senior project finance debt, subject to prevailing interest rates at the time of financial close, debt/equity ratio & debt service coverage ratio (DSCR)

<sup>2</sup>Cash as at 25 January 2017 (excluding escrowed environmental bond of \$3.8M)

<sup>3</sup>Early generation revenue from commissioning phase prior to practical completion

This table is illustrative only of the Company's present intention regarding the use of funds. The precise activities that will be undertaken and the allocation of funds raised may change without notice depending on market conditions and circumstances generally from time-to-time. There is no guarantee that funds raised will be applied precisely in the manner set out above or in the amounts prescribed



## Indicative Timetable

<b>Enter trading halt</b>	<b>Wednesday, 1 February 2017</b>
Release presentation to market	Pre-market open, Wednesday, 1 February 2017
Investor conference calls (as required)	Wednesday, 1 February 2017
Book opens to institutional investors	Wednesday, 1 February 2017
Institutional book closes	Wednesday, 1 February 2017
<b>Remove trading halt and completion announcement to market</b>	<b>Friday, 3 February 2017</b>
Cleansing statement Appendix 3B and Rights Offer Documents lodged with ASX	Friday, 3 February 2017
Settlement of Institutional Placement and Record Date for Rights Issues	Wednesday, 8 February 2017
Allotment date for Institutional Placement	Thursday, 9 February 2017
Entitlement offer opens	Friday, 10 February 2017
Entitlement offer closes	Tuesday, 21 February 2017
Settlement of securities issued under entitlement offer	Monday, 27 February 2017
Allotment and quotation of securities issued under entitlement offer	Wednesday, 1 March 2017

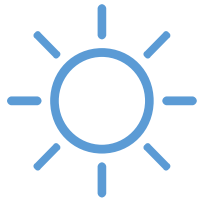
\*\* These dates are indicative only and are subject to change. Genex reserves the right, subject to the ASX Listing Rules, to amend this indicative timetable. For example, Genex reserves the right to extend the Closing Date, accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw or vary the Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the issue of New Shares under the Entitlement Offer. The last date to extend the Closing Date is Thursday 16 February 2017. Genex will consult with the Underwriters in relation to any change to this indicative timetable and any such change will require the consent of the Underwriter. All times above are Australian Eastern Daylight Savings time.

# Investment Highlights



## Genex Power

- **Renewable energy generation & energy storage**
- **Transition towards low carbon economy creating opportunity**
- **Strong cash flows backed by Government contract**



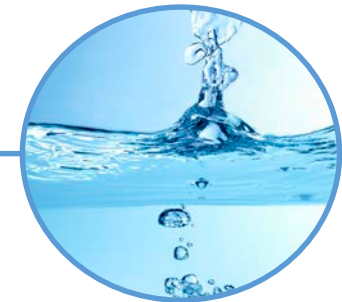
## Solar PV Project Phase One (50MW)

- All permits & approvals received
- 20 Year Revenue Guarantee
- Construction underway
- First cash flow Q4 2017



## Pumped Storage Hydro Project

- Feasibility completed
- Strategic peak generator/energy storage
- 250MW generation capacity with 6hrs of continuous generation



# Clean Energy: Transition to a Low Carbon Economy

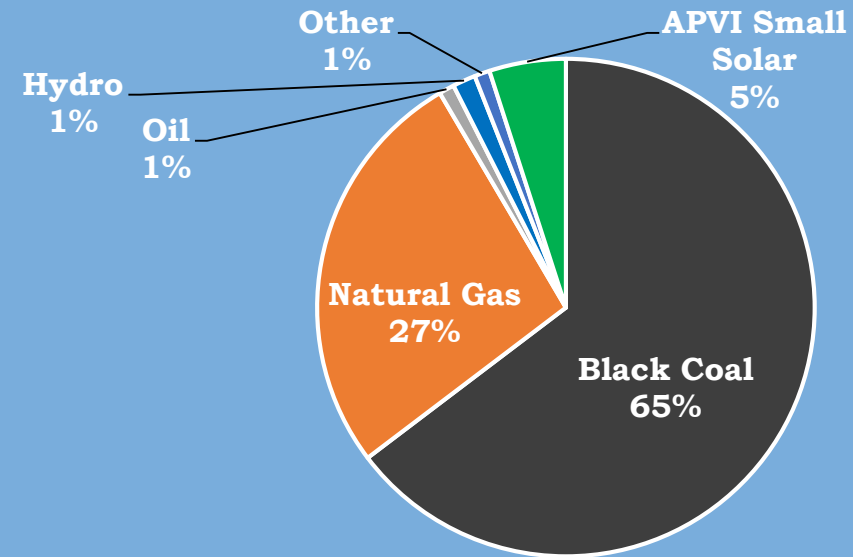
## Growth of renewable energy generation

- Intermittent generation creates volatility
- Need for large-scale energy storage
- Pumped storage integration with renewable generation (i.e. Kidston Solar Project)
- Increasing gas prices in QLD
- 50% renewable energy target in Queensland underpins positive macro environment

## Unique energy generation mix in Queensland

- Coal fired baseload
- Gas peaking power suffering from rising gas prices

## Queensland Energy Generation By Fuel Type



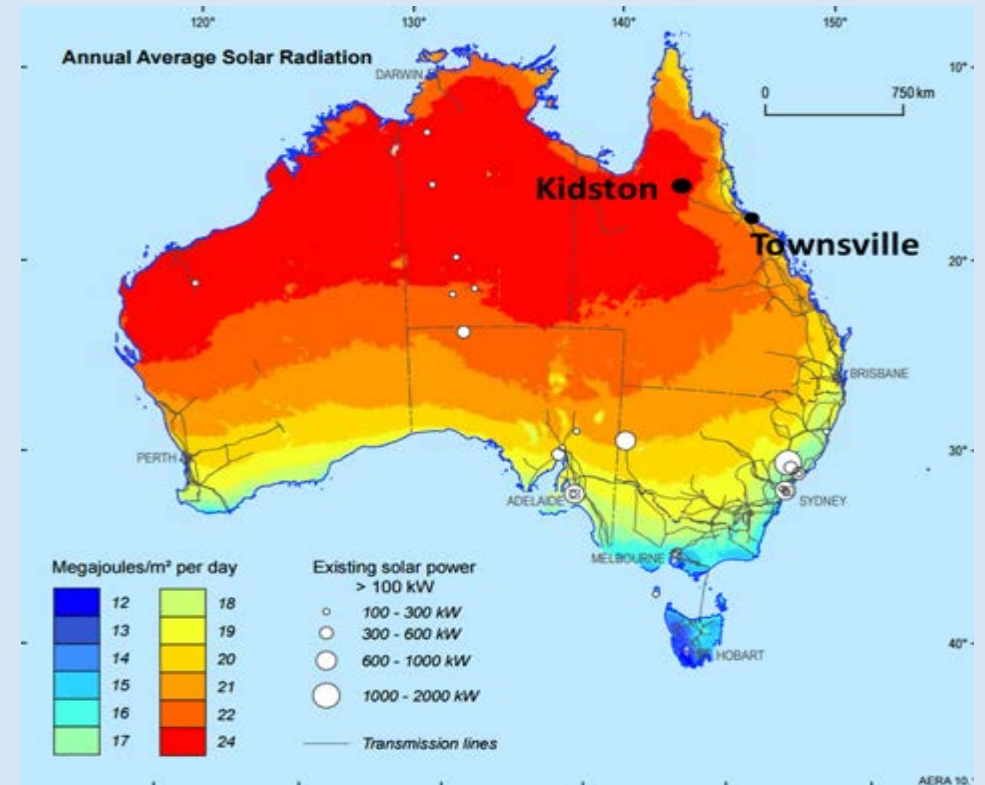
Source: Australian Government – Department of Industry, Innovation & Science, 2015 Report



## Location



Site Location & NEM Network



Average Solar Radiation - Source: Bureau of Meteorology

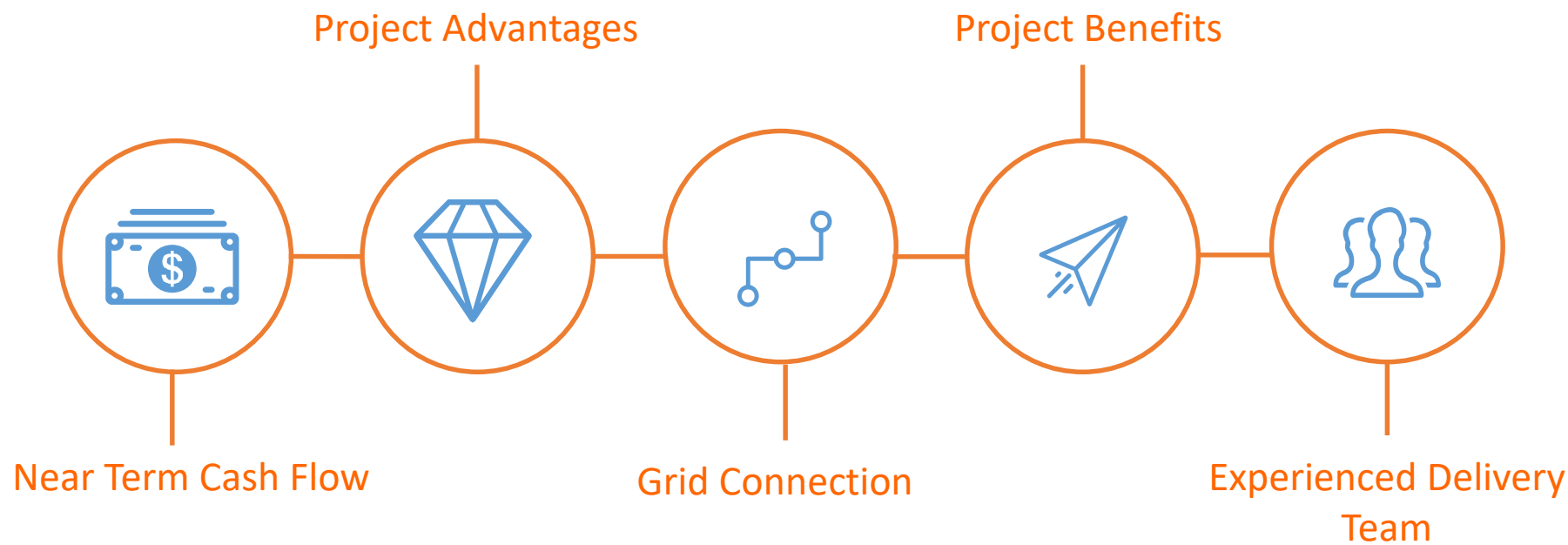
## Renewable Energy Hub



The Kidston Solar & Pumped Storage Hydro Project – Animation Design



# Kidston Solar PV Project Phase One (50MW)



# Kidston Solar PV Project Phase One (50MW) - Near Term Cash Flow



## Key Project Parameters

AC System Capacity	50 MW
DC System Capacity	63 MW
Annual Generation	145,000 MWh
Capacity Factor (tracking)	>33%

- 50MW AC Solar Farm
- Located in North Queensland
- Highest solar resource in Australia connected to the NEM
- One of the lowest \$ per MWh solar projects in Australia
- 20 year Queensland Government Revenue Guarantee
- Strong local community support
- Project approvals in place (Development & Environmental)
- First generation 4Q 2017
- Co-located with large scale hydroelectric energy storage

## Project Status

- ✓ Project finance complete post this capital raise
- ✓ Development Approval
- ✓ Freehold land acquired
- ✓ Environmental Approval
- ✓ Feasibility Study completed
- ✓ Preferred EPC Contractor selected
- ✓ Grid Connection secured (30 years)
- ✓ 20 Year Government PPA
- ✓ ARENA Grant
- ✓ Construction commenced





- Location: Old Kidston Gold Mine, 270km NW of Townsville, Queensland
- Ideal site for large scale solar
  - ✓ The highest solar radiation region in Australia
  - ✓ The only solar project connect to grid in the 'red zone'
  - ✓ Consistent strong annual solar exposure
  - ✓ Good road access from Townsville & Cairns
  - ✓ Onsite accommodation camp
  - ✓ Good condition access road throughout the site
  - ✓ Located adjacent to the Kidston Pumped Storage Hydro Project
- Existing substation & transmission line located adjacent to plant
- Remote community supportive of economic growth



First Solar Inc – Photovoltaic Modules



- Constructed on the tailings storage facility (TSF) of the former Kidston Gold Mine
- TSF well suited for solar PV installation
  - Flat, dry & compacted surface
  - Sparse vegetation easily removed
  - Elevated 25m above natural ground level
  - Consistent ground conditions throughout TSF
- Geotechnical analysis indicates ground is amenable for PV installation
- Independent site analysis completed by EPC contractor
- Good vehicle access with ramp & road access
- Minimal environmental issues
  - Solar farm will reduce existing TSF leaching issues
- No alternative land use
- Expansion potential over time



The Kidston Solar Project



# Kidston Solar PV Project Phase One (50MW) – Grid Connection



- Connection to NEM via existing substation on site
- Substation connected to the main grid via existing 132kV transmission line
- Transmission line and substation owned by Ergon
- Minimal load currently on the line
- Connection agreement in place with Ergon



132kV Transmission Line to Townsville



Kidston Substation

# Kidston Solar PV Project Phase One (50MW) – Experienced Delivery Team

Company		Key Role(s)
	Genex (Solar) Pty Limited	Project Sponsor
	Australian Renewable Energy Agency	Funding Partner
	Power Purchase Support Deed	Offtake Partner / Financial Support Deed
	AECOM Australia Pty Ltd	Owner's Engineer and Technical Advisor
	UGL Engineering Pty Limited	EPC Contractor, Operations & Maintenance Contractor
	First Solar (Australia) Pty LTD	Thin-film PV Module Supplier
	Ergon Energy Corporation Limited	Distribution Connection
	Societe Generale	Lead Debt Financing Arranger and Financial Advisor
	OST Energy	Lender's Independent Engineer for Due Diligence
	Baker & McKenzie	Legal Counsel
	Jardine Lloyd Thomson	Insurance Advisor
	PricewaterhouseCoopers Securities Limited	Tax Structuring Advisor

# Kidston Solar PV Project Phase One (50MW) – Project Benefits



## Environmental Benefits

- 145,000 MWh of renewable energy per year
- Equivalent to powering 26,484 homes
- Will offset 120,000 tonnes of CO<sup>2</sup> per year
- Equivalent to removing approximately 33,000 cars off Australian roads

## Financial Benefits

- Strong and stable cash flow from Q4 2017
- Revenue underpinned by 20-year Queensland Government Guarantee
- Long life project (more than 30 years)
- High solar yield & low project costs
- Plans to expand by an additional 270MW during Kidston Solar PV Project Phase Two
- Investment and jobs for far north Queensland
- Co-location with large scale hydroelectric energy storage

ARENA



Australian Government  
Australian Renewable Energy Agency



Queensland  
Government



The Kidston Solar Project Animation

# Australian Solar Projects Comparison

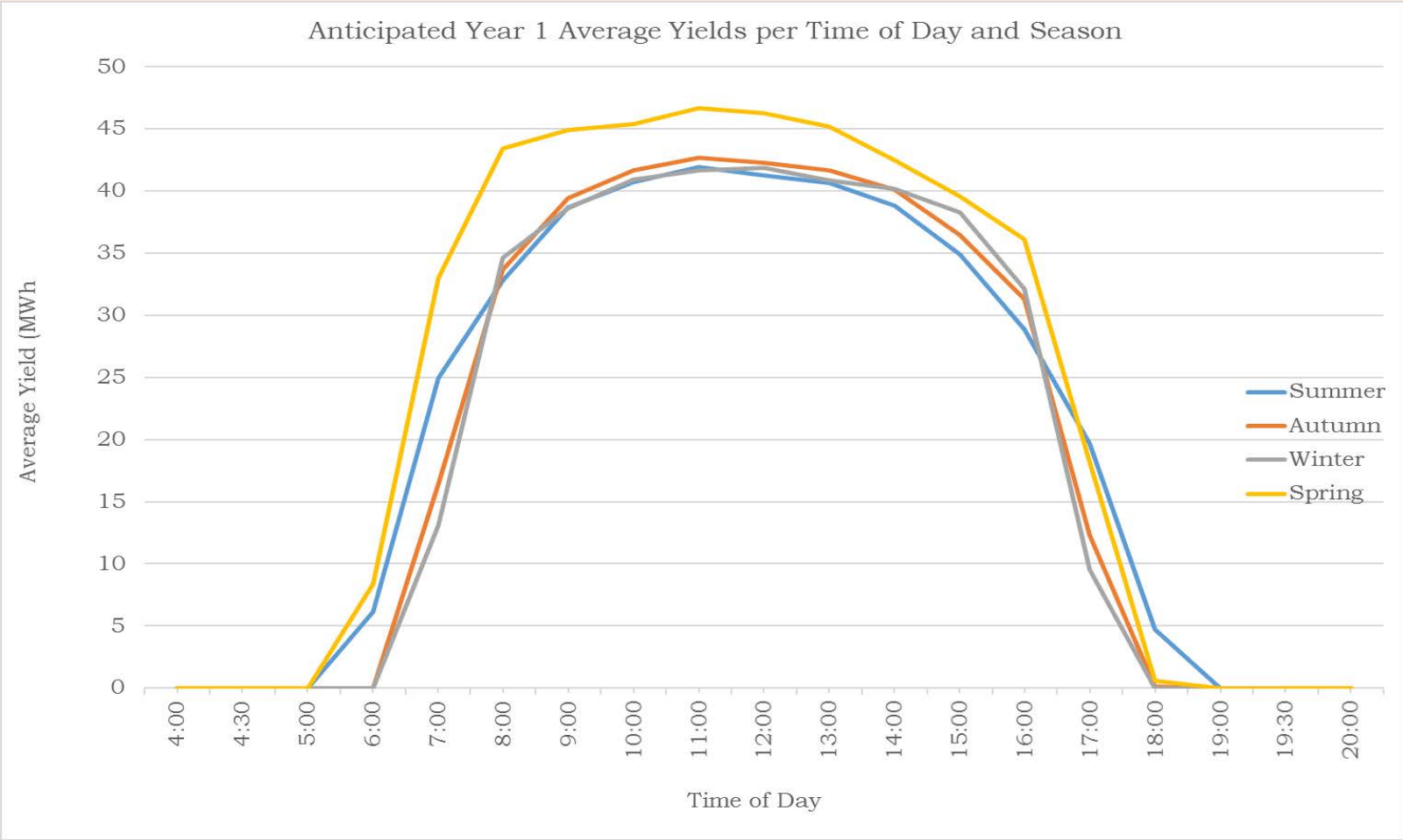
	Kidston	Royalla	Moree	Nyngan	Broken Hill	Barcaldine
MWac	50	24	56	102	53	25
Capacity Factor	>33%	18%	30%	26%	27%	30%
Annual Generation (MWh)	>145,000	37,000	146,180	233,000	126,000	53,500
CAPEX (A\$m)	\$117.4m	\$50m	\$164m	\$290m	\$150m	\$69m
CAPEX/MWh	\$810	\$1,351	\$1,122	\$1,245	\$1,190	\$1,290
Racking	Tracking	Fixed	Tracking	Fixed	Fixed	Tracking
Household supplied*	>26,484	6,758	26,699	42,557	23,014	9,772

\*Based on average household energy use of 15kwh/day. Source: ARENA

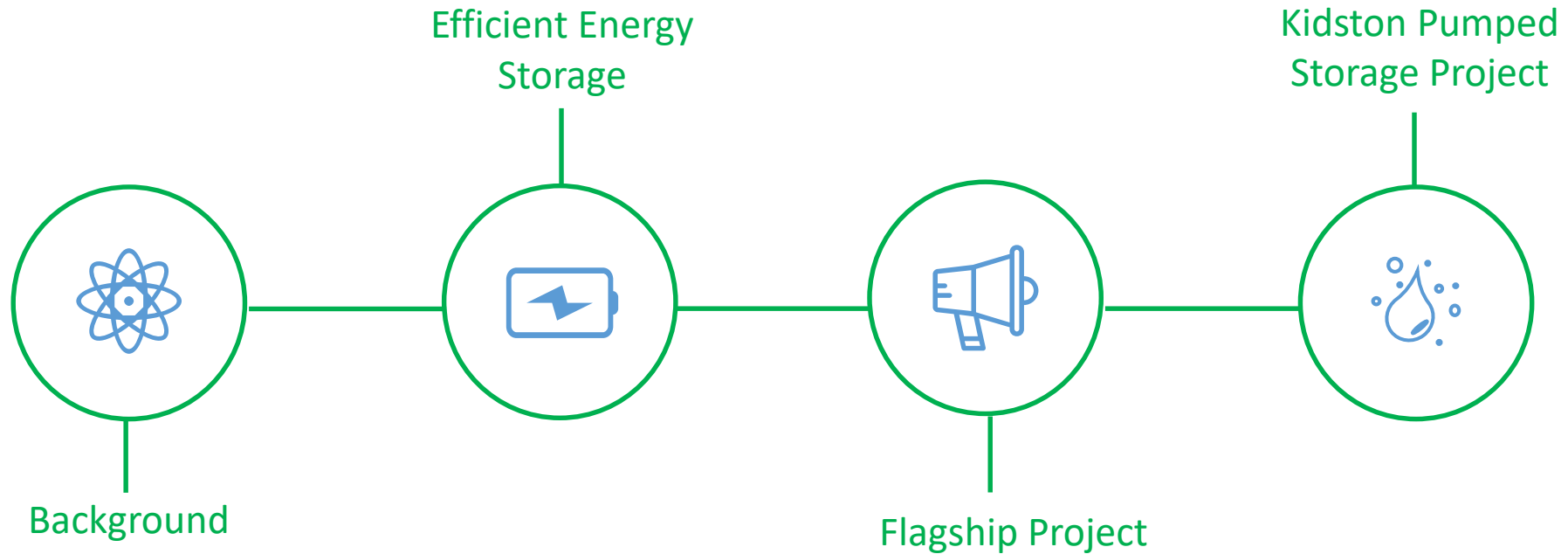
Solar monitoring station at Kidston



# Attractive Solar Generation Profile



# The Kidston Pumped Storage Hydro Project





## Background - What is Pumped Storage Hydro?



- Large volumes of water stored in an upper reservoir (i.e. potential energy)
- Water is released from the upper to the lower reservoir, passing through a turbine & generator system which generates energy
- Energy can be generated instantly, meaning periods of high consumer demand can be easily targeted
- Water is then pumped back from the lower to the upper reservoir during low demand periods when prices are lower

?



CS Energy (QLD Wivenhoe 500MW)

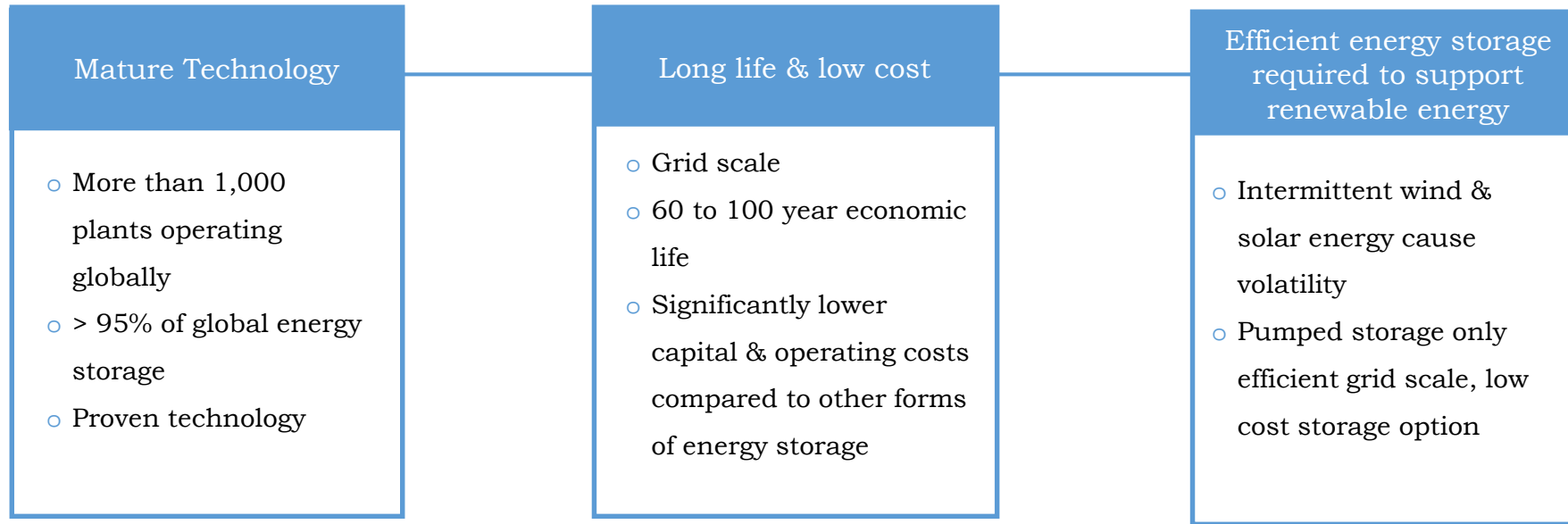


Origin Energy (NSW Shoalhaven 240MW)

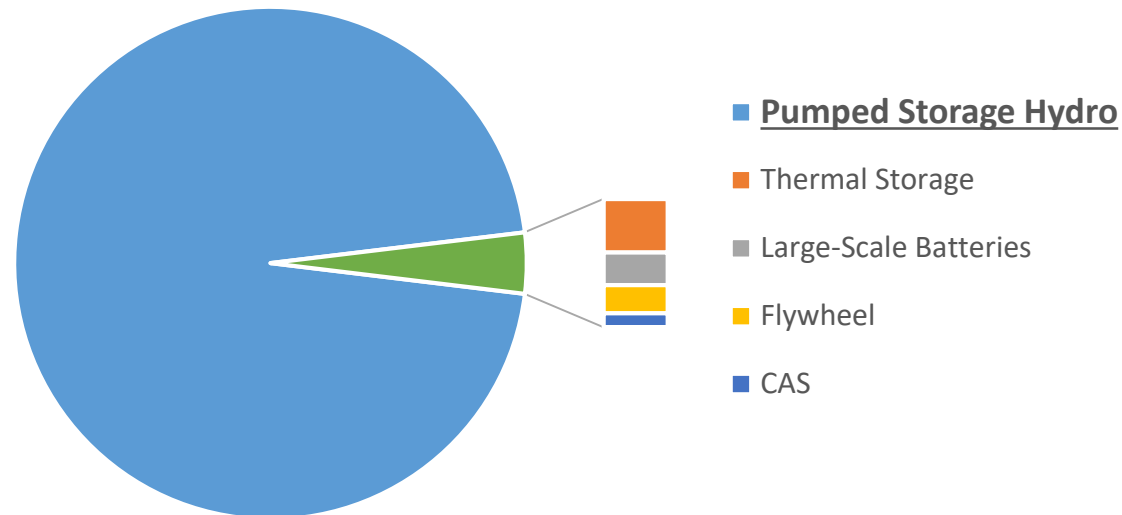


Snowy Hydro (NSW Tumut 3, 1500MW)

# Efficient Energy Storage - Pumped Storage Hydro



Source: International Energy Agency





The Kidston Site

## **The Kidston Site**

- 250MW nameplate capacity for 6 hours continuous generation
- Current focus is revenue contracting & project/partners finance
- Two large adjacent pits & elevated waste rock dump
  - 52ha & 54ha respectively
  - Lower Reservoir 270m deep
  - Approximately 400m apart at surface
- Site substantially rehabilitated since mine closure in 2001
- Water license in place for top up water
- Site 100% owned by Genex Power
- Site covers 1,237ha
- Technical feasibility completed
- Significant capital cost savings utilising mine infrastructure



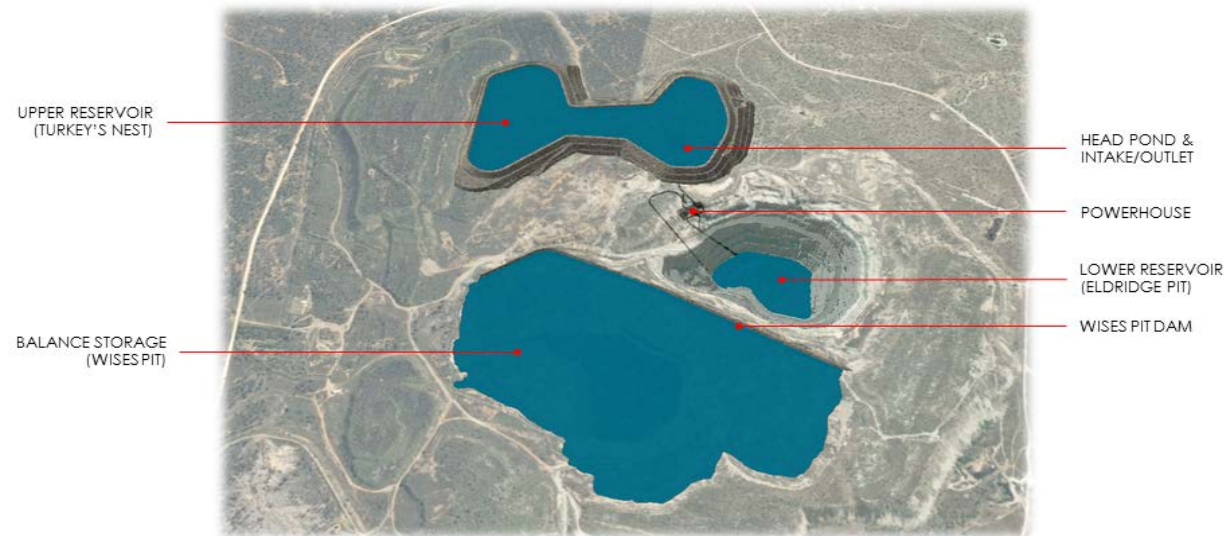
## Generating Mode

- During daily peaks
- Wholesale prices at their highest
- Water is released from upper reservoir to lower reservoir to generate electricity



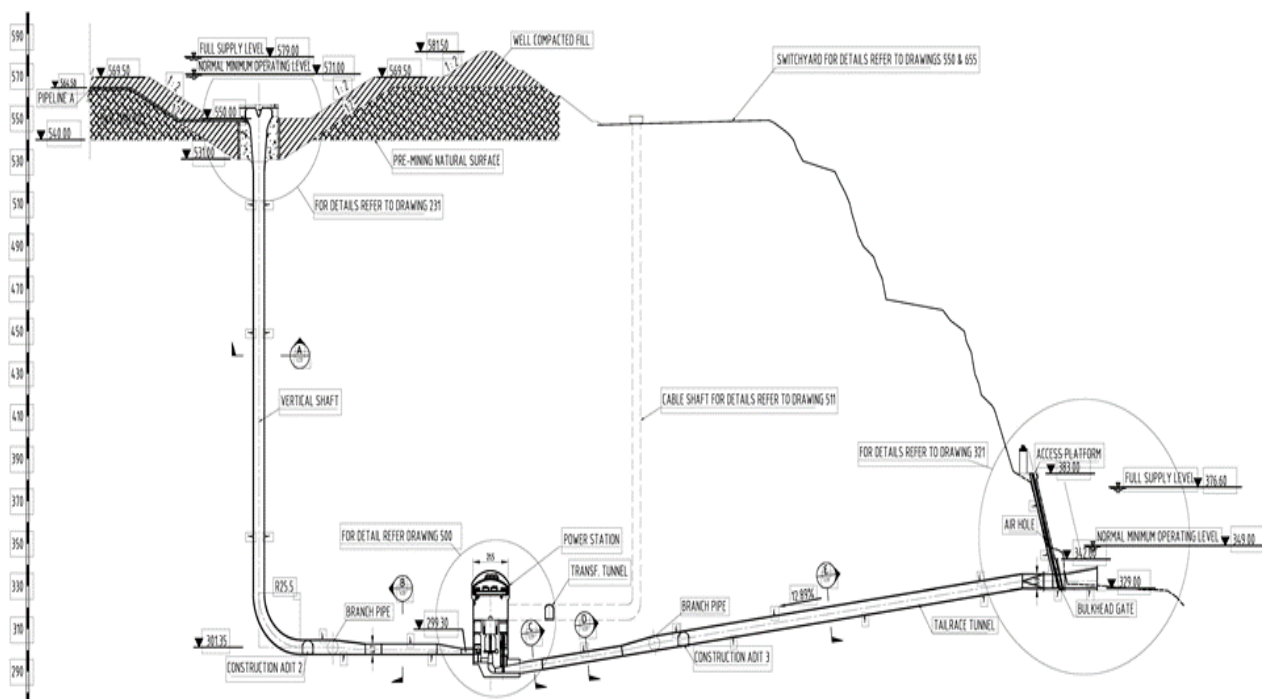
## Pumping Mode

- During overnight Off-Peak
- Wholesale prices at their lowest
- Power is drawn from the grid to pump water up to the upper reservoir





# Kidston Pumped Storage Project



Technical Feasibility Design – Cross-Cut View



Technical Feasibility Design – Birds-Eye View



## **Key Metrics**

- Size: 1,500MWh
- Nameplate Capacity: 250MW
- Continuous Generation: 6 hours
- Generators: 2 x 125MW turbines

- Successful completion of the Kidston Hydro Project Technical Feasibility Study
- Focused on capital efficiency per installed MW
- Optimised design uses waste rock dump & existing reservoirs
  - reduction in the water level variance during the generation
  - increase in the average water head
  - elimination of water seepage
  - enables the Wises Pit to be utilised for excess water storage & water balancing
- Ongoing support from Australian Renewable Energy Agency (ARENA)
- Meaningful support from the Queensland State Government as a “Prescribed Project”

Copperfield Dam



Kidston Site

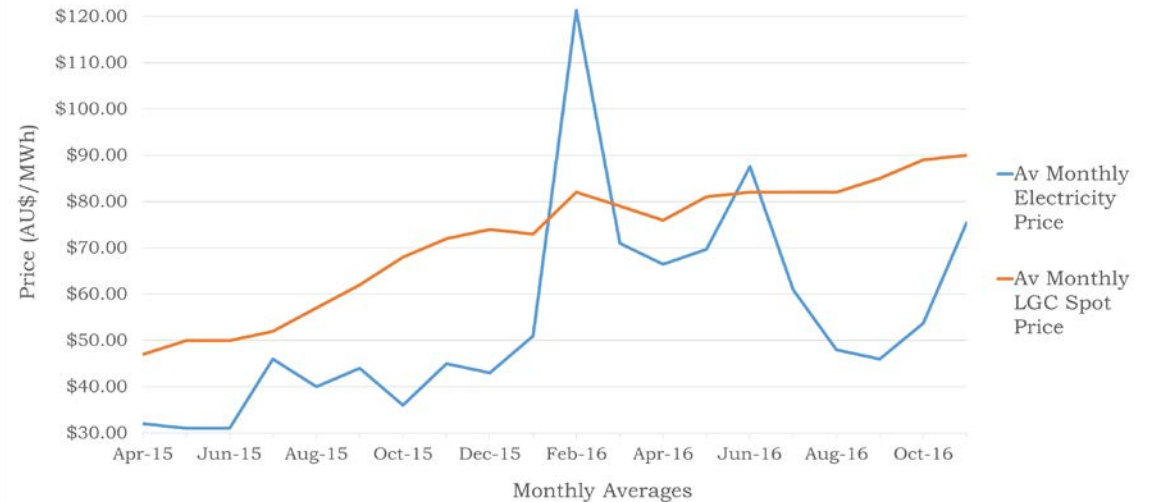




## Wholesale Electricity Prices

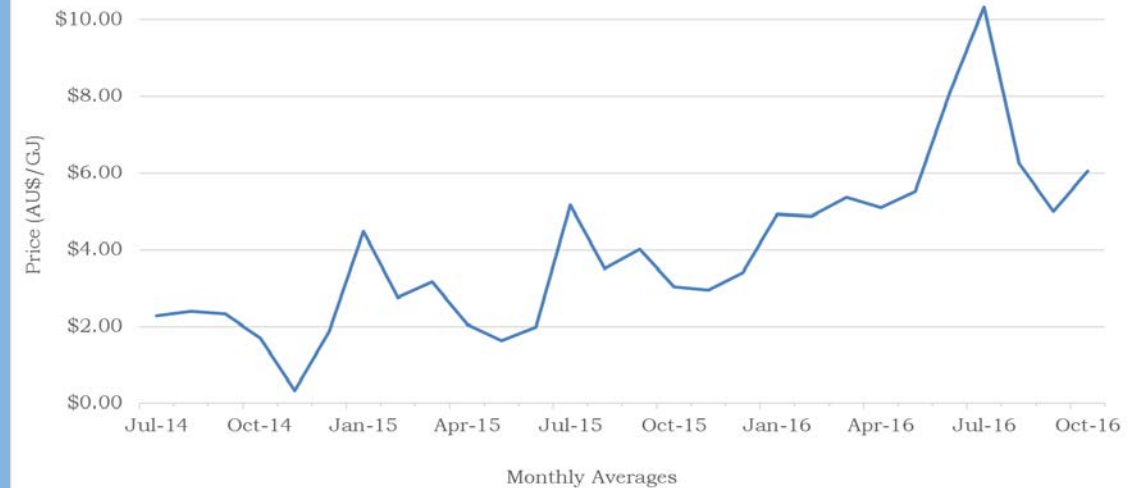
- QLD has much higher peak prices & more volatility compared with other states in the NEM
- Pricing volatility due to generation mix & reliance on gas for peak & shoulder power generation (increasing gas prices due to Gladstone LNG exports)
- QLD wholesale electricity prices expected to increase markedly over the next decade, driven by increasing generation fuel prices, increasing electricity demand & changing generation mix
- Peak & Off-Peak price differential expected to remain significant going forward
- LGC prices have increased significantly following the government decision on the Renewable Energy Target (RET)

Queensland Electricity Prices vs. LGC Spot Prices



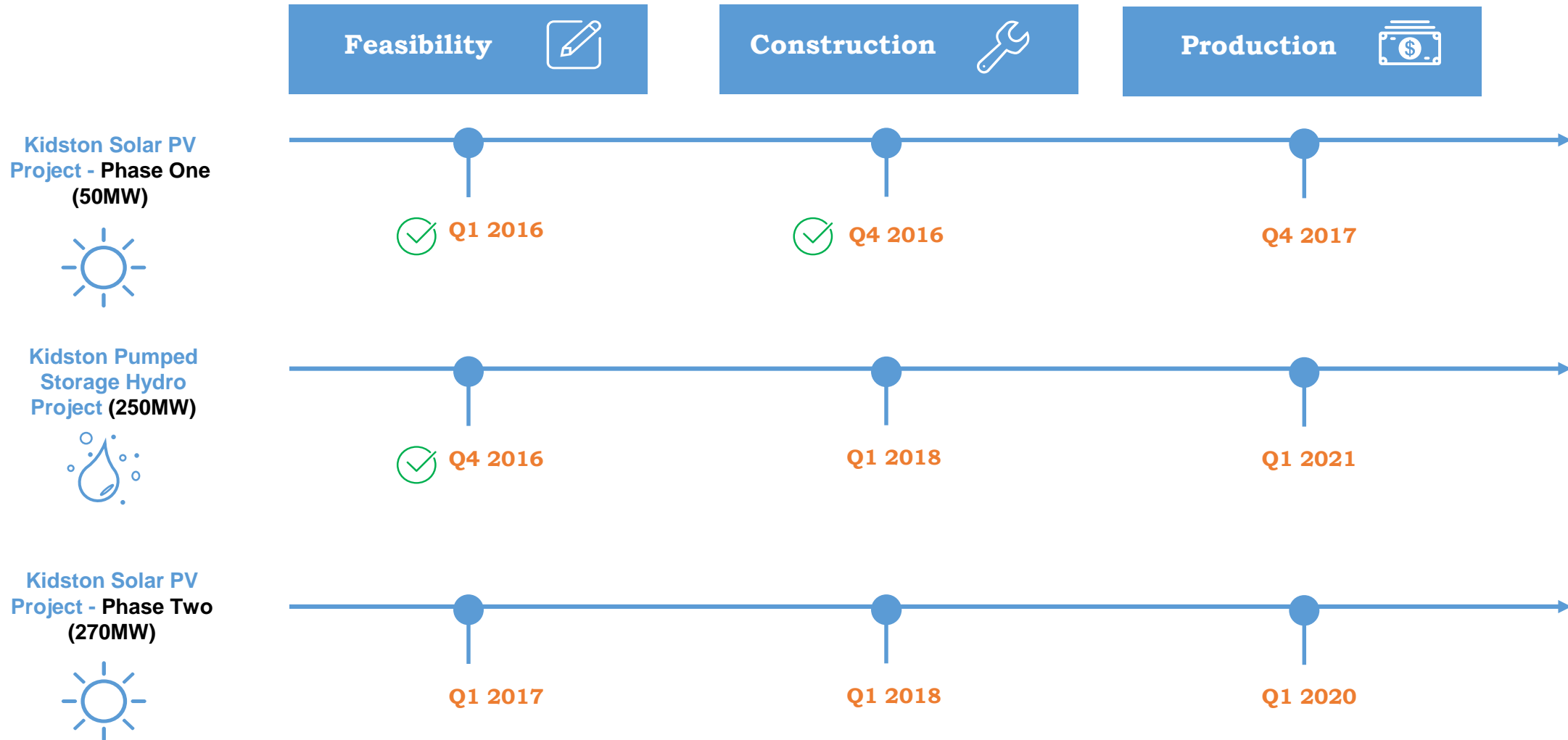
Source: AEMO & Green Energy Markets as at 10/11/16

Queensland Gas Price (Average Half-Yearly SSTM)



Source: AEMO as at 10/11/16

## Development Timeline



# Board & Management



**Dr Ralph Craven**  
**Non Executive Chairman**

- Chairman of Stanwell Corporation
- Director of Senex and AusNet Services
- Former CEO and Chairman of Ergon Energy
- Former CEO of Transpower New Zealand



**Simon Kidston**  
**Executive Director**

- Founder of EndoCoal and Carabella
- Former banker with HSBC, Macquarie, Helmsec



**Michael Addison**  
**Managing Director**

- Founder of EndoCoal and Carabella
- Water engineer with extensive finance experience



**Ben Guo**  
**Finance Director**

- 10 years finance and accounting experience with PWC, E&Y Helmsec and more recently with Carabella Resources



**Alan du Mée**  
**Non Executive Director**

- Former CEO of Tarong Energy
- Former Chairman of the Australian National Generators Forum



**Arran McGhie**  
**COO General Manager**

- 20 years experience in senior project management roles for underground excavation and civil construction projects



**Yongqing Yu**  
**Non Executive Director**

- Engineering background with extensive global hydro experience
- Vice Chairman of Zhefu



**James Harding**  
**Executive General Manager**

- 30 years' experience in international project business
- Former Head of Business Development at Abengoa Solar Power Australia & General Manager of Renewables with IPS Australia and MAN Ferrostaal.



**Justin Clyne**  
**Company Secretary/ Legal Counsel**

- Experienced lawyer & company secretary

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