

1 February 2017

Dear Optionholder,

Non-Renounceable Rights Issue

On 1 February 2017, Genex Power Limited (**Company**) announced a fully underwritten, non-renounceable pro rata offer to shareholders of 18,939,408 fully paid ordinary shares on the basis of 1 new share for every 14 existing shares held as at 7:00 pm (AEDT) on 9 February 2017 (**Record Date**) at an issue price of \$0.16 per new share (**Rights Issue**). The new shares issued pursuant to the Rights Issue will rank equally with existing fully paid ordinary shares in the Company.

Funds raised under the Rights Issue will be used to:

- reach financial close in respect of GNX's Kidston Phase One 50MW Solar Project;
- provide general working capital;
- continue the development of Kidston 250MW Pumped Storage Hydro Project; and
- advance the development of the Kidston Phase Two Solar Project.

The Rights Issue will raise approximately \$3,030,306 (before costs).

Offers under the Rights Issue will be made under the Rights Issue Offer Document (**Offer Document**), a copy of which will be available on the ASX's company announcement platform at www.asx.com.au and at www.genexpower.com.au.

The Offer Document will be despatched to shareholders soon after the Record Date. Shareholders wishing to acquire shares under the Rights Issue will need to complete the personalised application form that will accompany the Offer Document.

If you wish to participate in the Rights Issue with respect to your options, you must exercise your options by delivering an option exercise notice together with the correct monies to the Company's share registry, Boardroom Limited, by no later than 6 February 2017 to ensure that you are registered as a shareholder of the Company on the Record Date.

If you do not wish to participate in the Rights Issue in respect of your options, you do not need to take any action.

Before deciding whether to exercise all or any of your options, you should consider the Offer Document carefully and if in any doubt, consult with your professional advisor.

For and on behalf of
Genex Power Limited

Justin Clyne
Company Secretary