ASX RELEASE

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22 February 2017

FY17 INTERIM FINANCIAL RESULTS

Infigen Energy (ASX: IFN) today released its interim financial results for the 2017 financial year (FY17).

Infigen reported a Profit after tax for the six month period ended 31 December 2016 of $21.4 million, a $23.6 million increase compared with a Loss after tax of $2.2 million in the prior corresponding period (pcp).

SUMMARY OF PERFORMANCE

Key measures of performance compared to the pcp were:

- **Safety**: lost time injury frequency rate remained at zero
- **Production**: increased 18% to 889 GWh
- **EBITDA**: increased 45% to $84.0 million
- **Net debt**: decreased $30 million to $565 million
- **Operating cash flow**: increased 293% to $42.8 million
- **Revenue**: increased 38% to $115.4 million
- **Net profit before tax**: increased $30.9 million to $31.4 million
- **Net profit after tax**: $21.4 million, an improvement of $23.6 million

Infigen's Managing Director, Ross Rolfe AO, said, "The first half result has been pleasing. We will continue to look for ways to increase the profitability of our existing assets. This will support our future business development and our plans for growth."

Revenue of $115.4 million was up 38% or $32.0 million reflecting higher production and an improved energy market environment.

Operating earnings before interest, tax, depreciation and amortisation (Operating EBITDA) was $94.3 million, up 45% or $29.3 million due to higher revenue partially offset by higher operating costs.

Corporate costs increased by $2.5 million to $8.9 million due to a number of one-off personnel expenses, and costs associated with undertaking corporate and strategic projects.

During the period Infigen executed a post-warranty service and maintenance agreement for the Woodlawn wind farm.

FY17 GUIDANCE

We expect electricity and Large-scale Generation Certificate (LGC) prices to be around the current forward prices for the rest of the year, noting that there is a high degree of uncertainty around the dispatch weighted average price that will apply in South Australia.

Following the closure of the Northern Power Station in South Australia in May 2016, there has been a sustained increase in underlying frequency control ancillary services (FCAS) fees. In addition, when work is being carried out on the Heywood interconnector or network infrastructure surrounding the interconnector, AEMO has been imposing security measures. The FCAS capacity made available in South Australia to provide these services has also reduced. These changes are expected to result in Infigen incurring approximately $4 million in FCAS charges for FY17 (net of hedging).

Other factors that will contribute to higher operating costs than FY16 include higher costs for post-warranty turbine O&M services at Woodlawn wind farm and higher production-linked turbine O&M expenses and incentives.

As previously announced, following a strong revenue performance in H1 FY17, Infigen now expects full year EBITDA to be approximately $140 million. This lifts the previous FY17 guidance by $10 million or 8%. The foreshadowed sale of the Manildra solar development project would result in a $4 million profit on sale in addition to this. Infigen expects to repay approximately $85 million of Global Facility borrowings in FY17.

OUTLOOK

Infigen is assessing optimal funding and operating strategies to enable it to support development of new projects and its existing energy markets business.

Infigen has made substantial progress on advancing the Bodangora wind farm project and is targeting financial close in the second half of FY17.

Infigen will continue to prospect for new sites and opportunities to enhance its development capability in different regional markets and by investing in different technologies.

During FY17 Infigen will seek to finalise long-term service and maintenance agreements for operating wind farm assets where maintenance contracts expire in December 2017.

ENDS

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About Infigen Energy (Infigen)

Infigen is an active participant in the Australian energy market. It is a developer, owner and operator of renewable energy generation assets delivering energy solutions to Australian businesses and large retailers.

Infigen owns 557 MW of installed generation capacity operating in New South Wales, South Australia and Western Australia and sells the energy and Large-scale Generation Certificates (LGCs) through a combination of medium and long term contracts and through the spot market.

Infigen is looking to develop further renewable energy projects in response to the strong demand for renewable sourced energy and decreasing cost of development. It has a number of projects that offer near-term development opportunities.

Infigen Energy trades on the Australian Securities Exchange under the code IFN.

For further information please visit our website: www.infigenenergy.com.

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Our generation, your future

INFIGEN ENERGY INTERIM RESULTS

SIX MONTHS ENDED 31 DECEMBER 2016

22 FEBRUARY 2017

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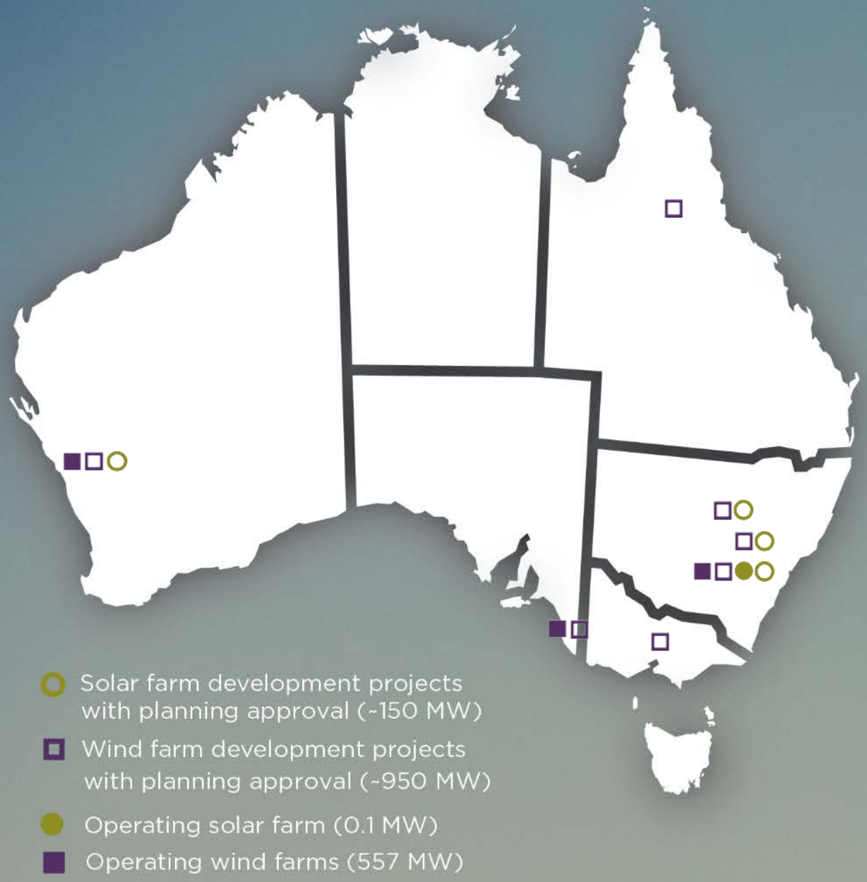

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Infigen is looking to develop further renewable energy projects in response to the strong demand for renewable energy created by the Renewable Energy Target and decreasing cost of development. It has a number of projects that offer near-term development opportunities.

AGENDA

- Performance Overview
- Operational Review
- Financial Review
- Outlook
- Strategy
- Questions
- Appendices

PRESENTERS

- **Ross Rolfe AO**, Managing Director & Chief Executive Officer
- **Chris Baveystock**, Chief Financial Officer

PERFORMANCE OVERVIEW

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H1 FY17 Overview

Increased profit, substantial deleveraging and positioning for business growth

H1 FY17	Comment
Safety:	• Rolling 12-month lost time injury frequency rate (LTIFR) of zero
Production:	• 889 GWh, up 18% on prior corresponding period (pcp)
EBITDA:	• $84.0 million, up $26.0 million or 45% on pcp
Substantial deleveraging:	• Repaid $34.6 million of Global Facility borrowings • Repaid $2.7 million of Woodlawn facility borrowings
Net operating cash flow:	• $33.0 million, up $22.1 million or 203% on pcp
Revenue:	• $115.4 million, up $32.0 million or 38% on pcp
Operating costs:	• $21.1 million, up $2.8 million or 15% on pcp • Higher production-linked incentive payments • Woodlawn wind farm post-warranty operations and maintenance cost step-up
Corporate, development and other costs:	• $10.4 million, up $3.4 million or 49% • One-off personnel costs and corporate and strategic projects • Enhancement of development capability
Net profit after tax:	• $21.4 million, up $23.6 million on pcp
Growth and development:	• Progressing towards a final investment decision for the Bodangora wind farm development project

OPERATIONAL REVIEW

Safety

Our first priority is the safety of our people and the communities in which we operate

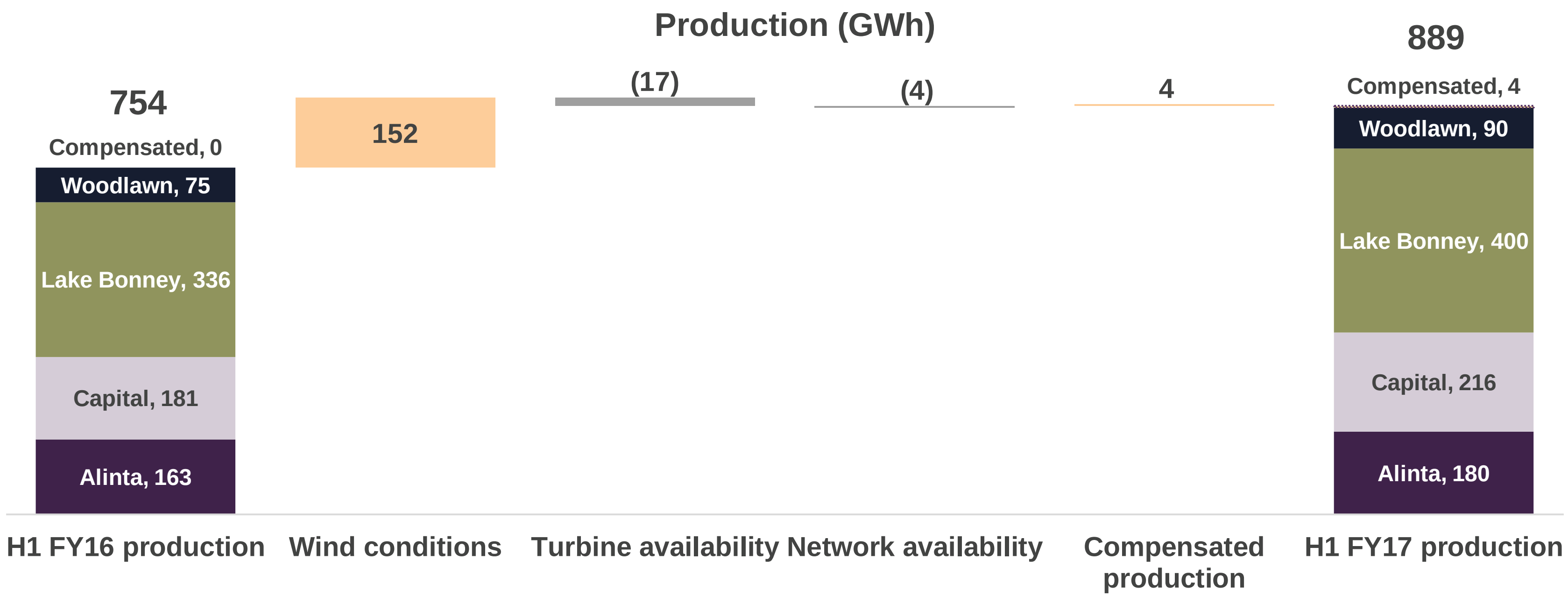
Safety[1] As at 31 December measured on a rolling 12-month basis	2016	2015	Change F/(A)
Total recordable injury frequency rate (TRIFR)	4.8	4.7	*(2)*
Lost time injury frequency rate (LTIFR)	-	-	-
Lost time injuries (LTI)	-	-	-

[1] Infigen's safety incident performance rates are measured on a rolling 12-month basis in accordance with Australian standards. Infigen includes contractor hours in its rate calculations. TRIFR is calculated as the number of lost time injuries and applicable medical treatment incidents multiplied by 1,000,000 divided by total hours worked. LTIFR is calculated as the number of LTIs multiplied by 1,000,000 divided by total hours worked.

- TRIFR: increased from 4.7 to 4.8, which represents one medical treatment injury in the current period
- LTIFR and rate of LTIs: zero as at 31 December 2016

Production

Favourable wind conditions at all sites compared to prior corresponding period

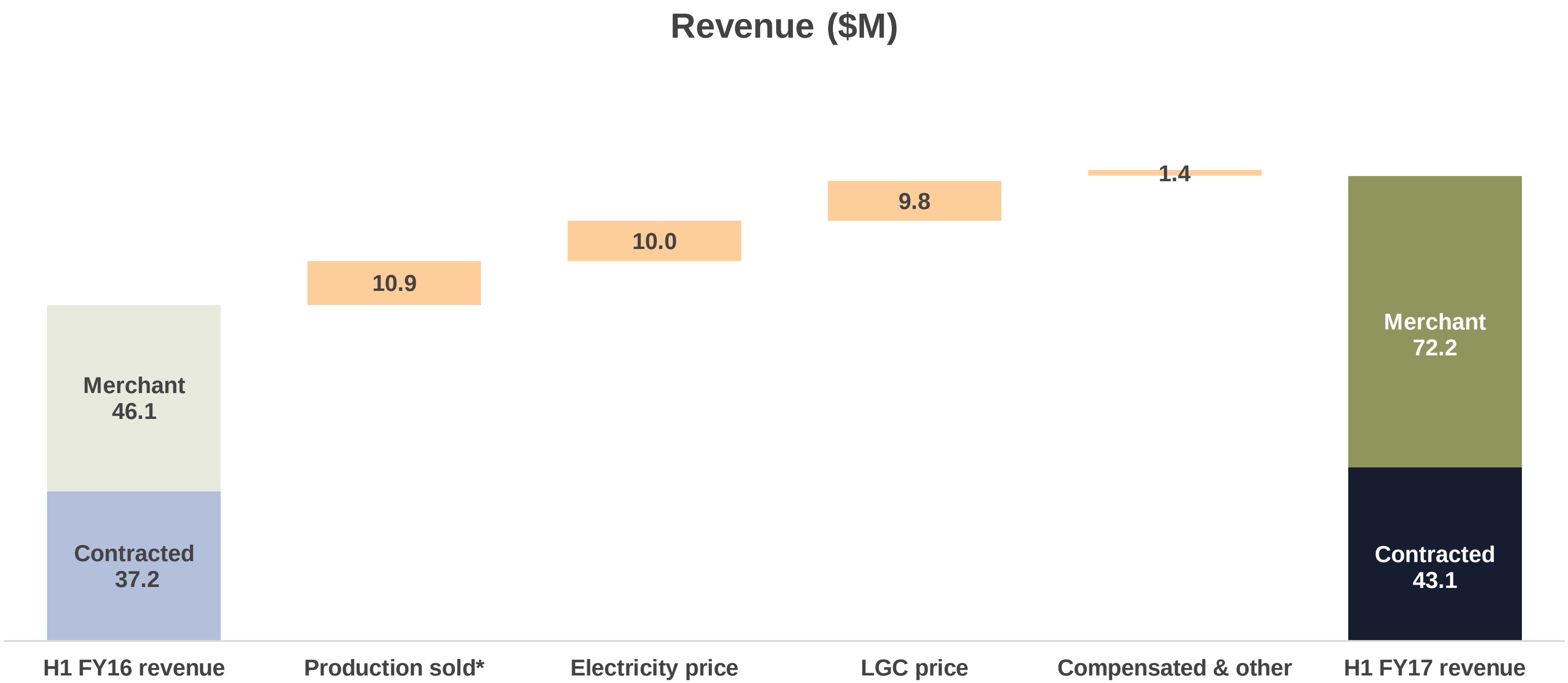


- Improved site availability at Lake Bonney wind farms was partially offset by reduced turbine availability at Capital and Lake Bonney wind farms due to maintenance work and high wind speeds
- Lower network availability at Lake Bonney wind farms mostly due to the black system event in SA

Compensated production relates to business interruption and liquidated damages under the service and maintenance agreements.

Revenue

Higher production and improved energy market conditions delivered revenue growth



Average price	H1 FY17	H1 FY16	Change % F/(A)
Average merchant LGC market price ($/LGC)	87.28	61.34	42
Infigen's DWA wholesale electricity price, SA ($/MWh)	71.90	47.04	53
Infigen's DWA wholesale electricity price, NSW ($/MWh)	53.33	42.55	25

* Marginal loss factors had a more adverse impact on "production sold" compared to pcp (-23GWh)

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Operating Costs

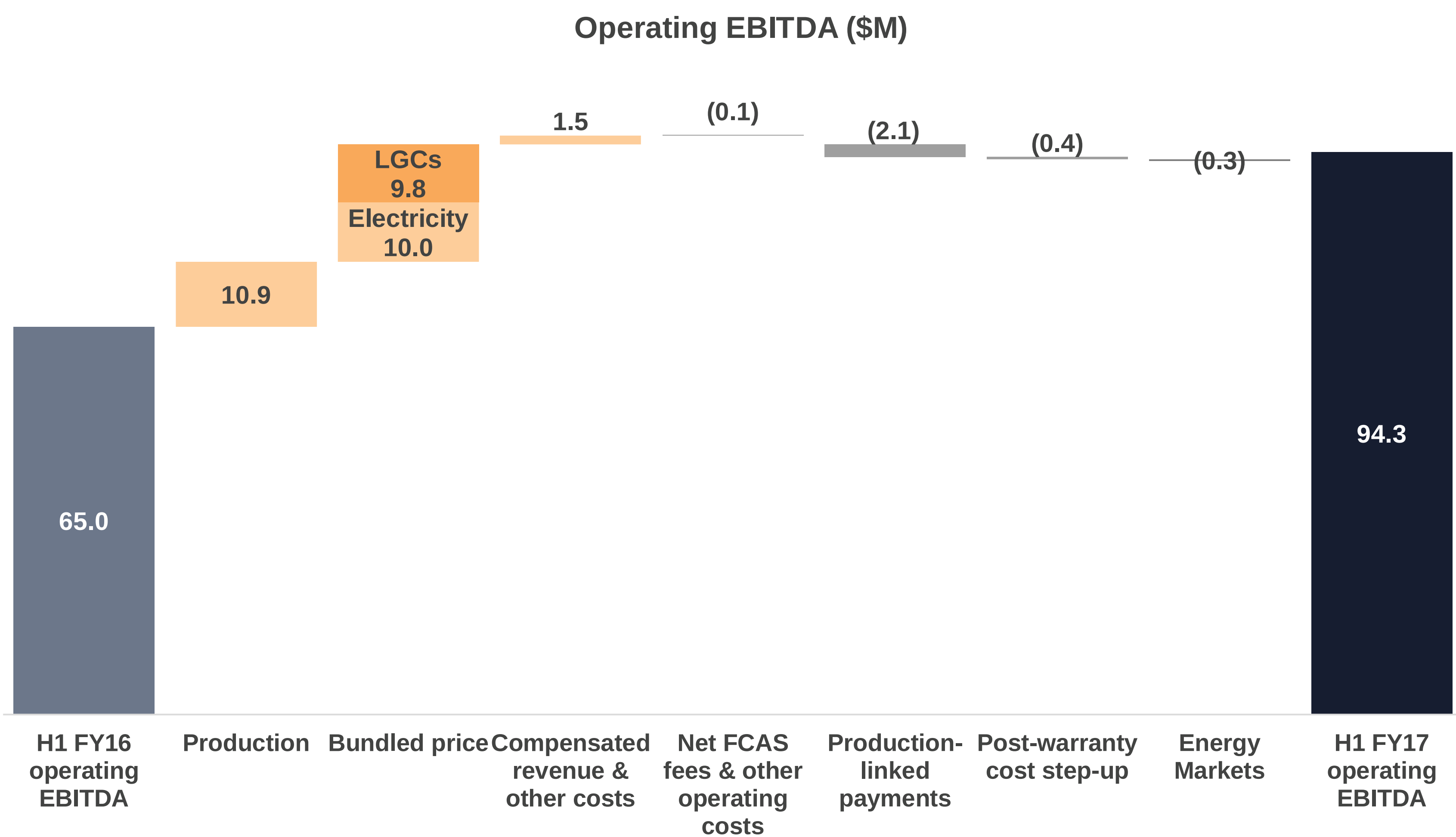
Production-linked incentive payments and post-warranty O&M increased costs

Six months ended 31 December ($M)	2016	2015	F/(A)%
Asset management	3.1	3.2	*3*
Frequency control ancillary services (FCAS)	1.6	1.7	*6*
Turbine operations & maintenance (O&M)	11.3	8.8	*(28)*
Balance of plant (BOP)	0.3	0.3	-
Other direct costs	3.5	3.5	-
Wind & solar farm costs	**19.7**	**17.5**	***(13)***
Energy Markets	1.2	0.9	*(33)*
Operating costs	**21.1**	**18.3**	***(15)***

- Above-historical average FCAS fees largely due to increased imposition of security measures by AEMO and reduction in FCAS capacity made available in SA. Cash cost to Infigen partially offset by a hedging arrangement
- Turbine O&M:
  - Higher production-linked incentive payments, more than offset by higher revenue
  - Finalised post-warranty service and maintenance agreement for the Woodlawn wind farm (October 2016)
  - Substantial progress on energy-based performance O&M agreements beyond 2017

Operating EBITDA

Higher revenue partially offset by higher operating costs



FINANCIAL OVERVIEW

Summary Profit & Loss and Financial Metrics

Improved operating result drives net profit growth

Six months ended 31 December ($M)	2016	2015	Change % F/(A)
Revenue	**115.4**	**83.4**	***38***
EBITDA	**84.0**	**58.0**	***45***
Depreciation and amortisation	(26.0)	(25.9)	-
EBIT	**58.0**	**32.0**	***81***
Net borrowing costs	(25.4)	(27.3)	*7*
Net FX and revaluation of derivatives	(1.2)	(4.2)	*71*
Profit from discontinued operations	-	0.4	*n.m.*
Tax expense	(10.0)	(3.1)	*(223)*
Net profit / (loss) after tax	**21.4**	**(2.2)**	***1,073***

Six months ended 31 December ($M)	2016	2015	Change % F/(A)
Net operating cash flow per security (cps)	**4.2**	**1.4**	***200***
EBITDA margin	**72.8%**	**69.5%**	***3.3 ppts***

F = favourable A = adverse pcp = prior corresponding period cps = cents per security ppts = percentage point changes n.m. = not meaningful

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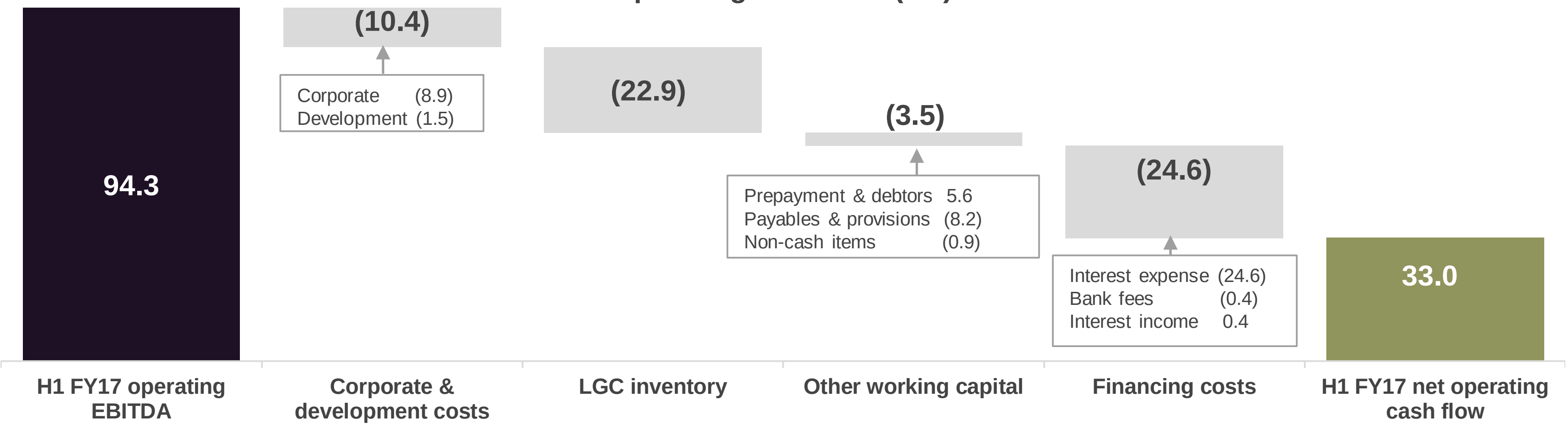
Operating Cash Flow

Strong production in November-December and forward sales commitments increased inventory levels

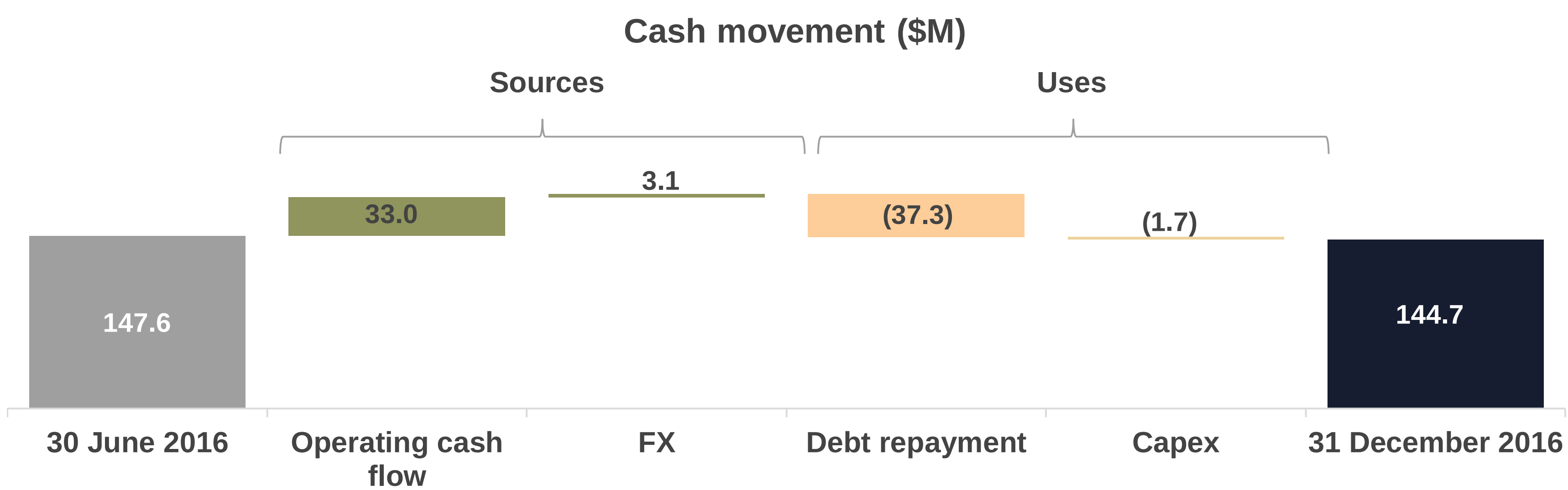
Six months ended 31 December ($M)	2016	2015	Change % F/(A)
Operating EBITDA	94.3	65.0	*45*
Corporate and development costs	(10.4)	(7.0)	*(49)*
Movement in LGC inventory	(22.9)	(14.1)	*(62)*
Movement in other working capital	(3.5)	(5.7)	*39*
Financing costs	(24.6)	(27.3)	*10*
Net operating cash flow	**33.0**	**10.9**	***203***

Operating cash flow ($M)



Cash Movement

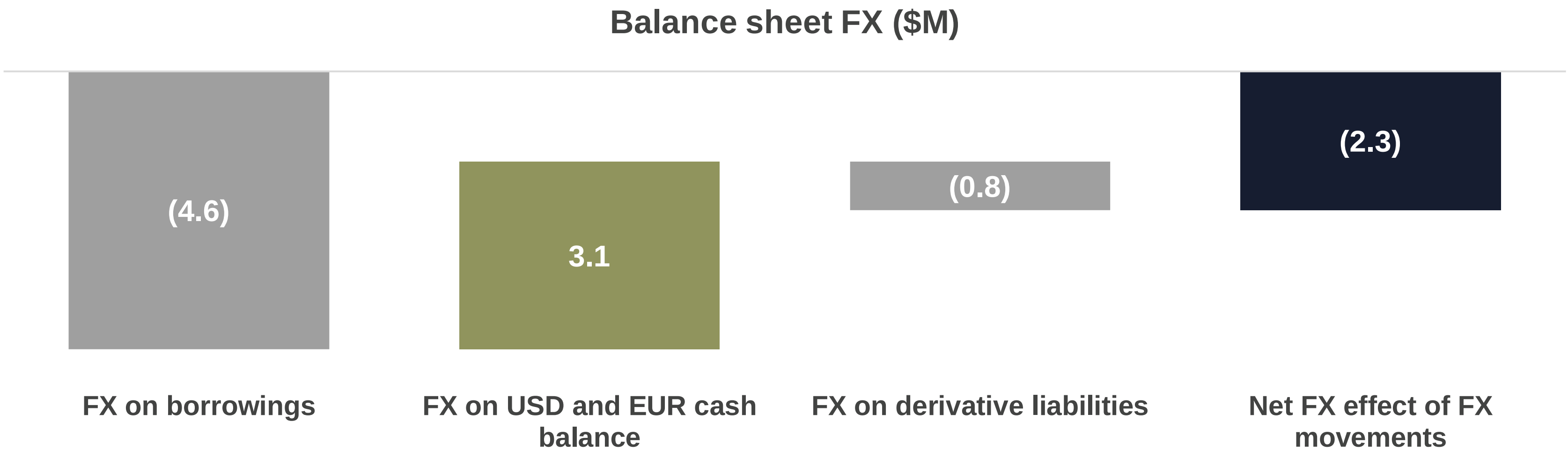
Substantial repayment of borrowings from operating cash flow



- Cash balance at 31 December 2016 was $144.7 million
- Repaid $34.6 million of Global Facility borrowings and $2.7 million of Woodlawn facility borrowings
- Appreciation of the AUD against the USD and EUR resulted in $3.1 million in favourable FX movements
- $1.7 million capital expenditure on development assets and wind farm property, plant and equipment

Effect of FX on Balance Sheet

USD and EUR borrowings partially hedged with USD and EUR cash balances



Closing rates: AUD:USD 31 December 2016 = 0.7208; 30 June 2016 = 0.7457
AUD:EUR 31 December 2016 = 0.6843; 30 June 2016 = 0.6724

- FX movements resulted in an adverse effect on the balance sheet
- As at 31 December 2016 Infigen had foreign currency borrowings of US$97.2 million and EUR7.7 million
- As at 31 December 2016 Infigen held foreign currency cash balances of US$75.2 million and EUR12.3 million

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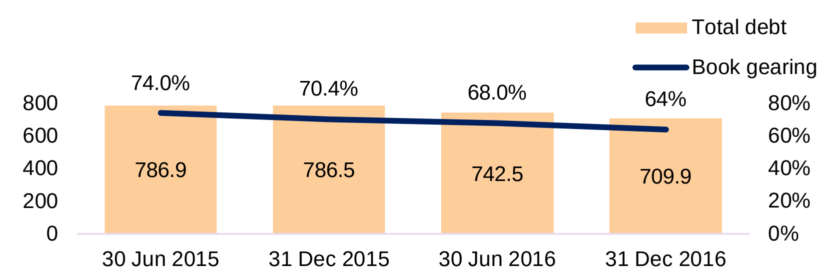
Balance Sheet

Lower borrowings and improved debt ratios

Position at ($M)	31 Dec 2016	30 Jun 2016
Cash	144.7	147.6
Receivables	18.5	24.1
Inventory LGCs	43.5	20.6
PP&E	760.7	783.8
Goodwill & intangible assets	121.3	122.7
Investments in associates	1.4	1.3
Deferred tax assets & other assets	33.0	52.4
Total assets	**1,123.1**	**1,152.5**
Payables	9.2	17.4
Provisions	9.7	11.3
Borrowings	709.9	742.5
Derivative liabilities	75.5	100.8
Total liabilities	**804.2**	**872.0**
Net assets	**318.9**	**280.6**

Debt ratios[1]	31 Dec 2016	30 Jun 2016
Net debt / EBITDA[2]	3.9x	5.0x
EBITDA / Interest	5.9x	2.3x
Net debt / (Net debt + Net assets)	63.9%	68.0%



- Increased inventory attributable to strong production and forward sales agreements
- Decrease in deferred tax assets due to utilisation of tax losses and decrease in interest rate swap liabilities
- Decrease in payables due to discontinued operations
- Decrease in derivative liabilities due to payment of interest derivative expense and increase in forward interest rate curve

[1] Debt ratios are for the Infigen Energy group, as opposed to Global Facility metrics.
[2] Calculated on a 12-month lookback basis.

OUTLOOK

FY17 Guidance

EBITDA benefitting from improved energy market conditions – current futures prices reaffirm outlook

FY17	Comment
Production and revenue:	• LGC and electricity spot and futures contract prices remain above historical levels • Two-year "run of plant" contract for the sale of electricity from Lake Bonney 3 wind farm executed in December 2016
Operating costs:	• FCAS fees net of hedging expected to be approximately $4 million • Higher production-linked incentive payments payable to O&M service providers will be more than offset by higher revenue
Corporate costs:	• Corporate costs approximately $15 million • Includes $4 million associated with one-off personnel costs and undertaking corporate and strategic projects
EBITDA:	• Approximately $140 million, from ordinary operations • Foreshadowed sale of the Manildra solar development project would result in a $4 million profit
Growth and development:	• Progressing towards a final investment decision for the Bodangora wind farm development project • Increasing corporate customer and wholesale activities to maximise revenue and support asset investment • Targeting regions that support renewable development with wholesale market liquidity and large corporate, commercial and industrial presence

STRATEGY

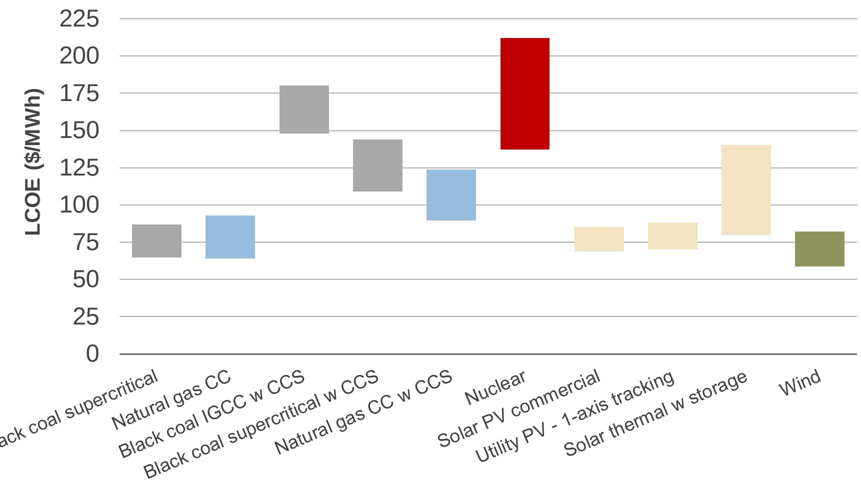
Positive Climate for Renewables Development

Continuing reduction in capital cost, zero fuel cost in an improved energy market environment

Forward markets trading above current LRMC

Source: ASX Energy, Mercari. Electricity price based on NSW actual and futures price.

2015 levelised cost of energy by technology



Source: Adapted from Australian Power Generation Technology Study – CO2CRC.

- Commonwealth Renewable Energy Target signals for 3,000-4,000 MW further commitment of new renewable energy capacity by 2020
- Cost of developing renewable generation is reducing; continuing technological improvement reduces cost and increases energy yield
- Industry is responding to newly emergent market signals for development:
  - Current futures prices for electricity and LGCs
  - Changed contracting behaviours of commercial, industrial and corporate entities seeking to lock in longer term electricity and deal directly with renewable energy producers
- Conventional PPA market remains highly competitive for developers, but is not the sole source to market for renewable generators that are active energy market participants, such as Infigen

LRMC = long run marginal cost; LCOE = levelised cost of energy

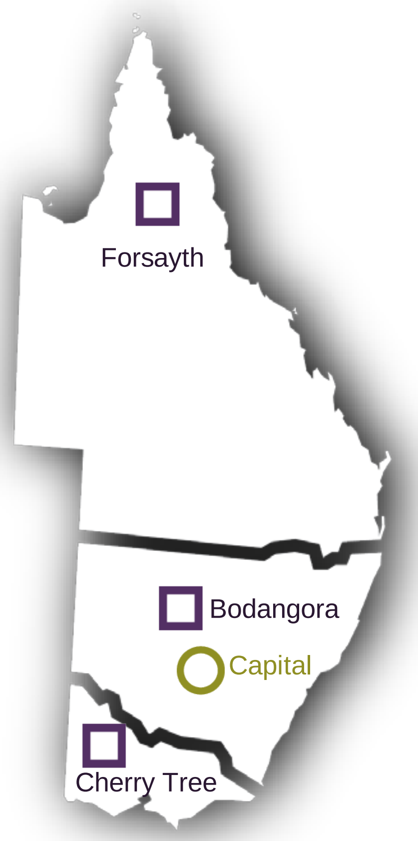
Infigen's Business and Strategy

Focus on creating a broader energy solutions business centred around renewables

Infigen's business	• An active participant in the Australian energy market • Participation through: – Development, ownership and operation of renewable assets – Working with the users of electricity and those with requirements for LGCs to deliver business solutions in a dynamic environment
Diversity of revenue sources / channels to market	• PPAs with major retailers can provide support for financing, but can limit upside • Commercial, industrial and corporate PPAs can provide both medium to long term contract terms for variable loads across both electricity and LGCs from strong counterparties • Forward / Spot market: to capture value and sales of merchant electricity
Risk management	• Dynamic management of channels to market: – Forward sales where appropriate – "Firming" strategies
Growth and asset development	• Strong RET and electricity price signals • Strong state based support systems • Underpinned by: – Fuel diversification – solar and wind can be complementary in production time – Geographic diversification for electricity – despite regional NEM operation – Flexibility to pursue projects in different states and combinations of wind and solar • Seek opportunities beyond the current development portfolio
Capital management	• Assessing optimal funding and operating strategies to enable Infigen to support development of multiple new projects and its existing energy markets business • Existing cash is available to support business growth

Near-Term Development Opportunities

Current focus on four development projects in NSW, Queensland and Victoria



Bodangora wind farm is "shovel ready"	• ~113 MW wind farm in NSW • Targeting financial close in H2 FY17
Forsayth wind farm development project	• ~70 MW wind farm in Queensland • Development Approval with Etheridge Shire Council • Connection Offer received from Ergon Energy
Capital solar farm development project	• 50 MW solar farm in NSW • Leveraging off existing connection infrastructure • Approval by NSW Department of Planning • Connection Agreement executed
Cherry Tree wind farm development project	• 45-55 MW wind farm in Victoria • Development Approval received • Advanced connection status with AusNet

QUESTIONS

APPENDICES

Wind Farm Operating Costs

Turbine Operations & Maintenance (O&M)	• Scheduled • Unscheduled
Balance of Plant (BOP)	• Scheduled • Unscheduled
Other direct operating costs	• Insurance • Land lease payments • Connection and network fees
Asset Management / Administration	

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Operational Assets

Asset	State	Commercial operation date	Nameplate capacity (MW)	H1 FY17 average output [1]	FY17 marginal loss factor [2]	O&M services agreement end date	Power contracted	LGCs contracted	Contract end date	Customer
Alinta wind farm	WA	Jul 2006	89.1	46%	0.9519	Post-warranty: Dec 2017	100%	100%	Power: Dec 2026 LGC: Jan 2021	Power: Alinta Energy LGC: Alinta Energy & AGL
Capital wind farm	NSW	Jan 2010	140.7	35%	0.9931	Post-warranty: Dec 2017[3]	90-100%[4]	50-100%[4]	Power & LGC: Dec 2030	SDP & merchant
Lake Bonney 1 wind farm	SA	Mar 2005	80.5	32%	0.8768	Post-warranty: Dec 2017	-	-	-	Merchant
Lake Bonney 2 wind farm	SA	Sep 2008	159.0	33%	0.8768	Post-warranty: Dec 2017	-	-	-	Merchant
Lake Bonney 3 wind farm	SA	Jul 2010	39.0	34%	0.8768	Post-warranty: Dec 2017	100%	-	Power: Dec 2018	Power: Alinta Energy LGC: merchant
Woodlawn wind farm	NSW	Oct 2011	48.3	42%	0.9931	Post-warranty: Dec 2017[3]	-	100%	LGC: Sep 2020	Power: merchant LGC: Origin Energy
Total			**556.7**	**36%**						

[1] Average percentage of nameplate capacity.
[2] AEMO published annual marginal loss factors.
[3] Infigen has option to extend to December 2022.
[4] Effectively all output is contracted when Sydney Desalination Plant (SDP) is operating. Approximately 50% of LGCs are sold on a merchant basis when the plant is not operating.

Development Pipeline

Development project	State / Territory	Capacity (MW)	Planning status	Approval date	Connection status
Batchelor solar farm	NT	10	In progress	N/A	Intermediate
Bluff solar farm	QLD	~100	In progress	N/A	Intermediate
Bodangora wind farm[1]	NSW	~113	Approved	Aug 2013	Advanced
Bogan River solar farm	NSW	12	Approved	Dec 2010	Intermediate
Bowen solar farm	QLD	30-40	In progress	N/A	Intermediate
Capital solar farm	NSW	50	Approved	Dec 2010	Offer received
Capital 2 wind farm	NSW	90-100	Approved	Nov 2011	Offer received
Cherry Tree wind farm	VIC	45-55	Approved	Nov 2013	Advanced
Cloncurry solar farm	QLD	30	In progress	N/A	Early
Flyers Creek wind farm	NSW	100-115	Approved	Mar 2014	Intermediate
Forsayth wind farm[1]	QLD	~70	Approved	Feb 2014	Advanced
Manildra solar farm[2]	NSW	40-50	Approved	Mar 2011	Advanced
Manton Dam solar farm	NT	12	In progress	N/A	Intermediate
Mt Benson wind farm	SA	150	Approved	Jun 2012	Early
Walkaway 2 wind farm[3]	WA	~41	Approved	Dec 2008	Intermediate
Walkaway 2 solar farm[3]	WA	~45	Approved	July 2016	Intermediate
Walkaway 3 wind farm[3]	WA	~310	Approved	Dec 2008	Early
Woakwine wind farm	SA	~300	Approved	Jun 2012	Intermediate
Total (Infigen equity interests)		**~1,300**			

[1] Infigen has a 50% equity interest.
[2] Infigen entered into a letter of intent regarding co-development and potential sale of the Manildra solar development project. Infigen would receive a $4 million profit for the sale of the project.
[3] Infigen has a 32% equity interest.

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