

**ASX ANNOUNCEMENT**

**29 August 2014**

## **Solco to deliver an integrated renewable energy strategy with the acquisition of GO Group.**

### **Highlights**

- Solco Ltd (Solco or the Company) is to acquire a collective group of companies and businesses referred to as “GO Group” from Urban Group Energy Holdings Pty Ltd.
- The acquisition of the GO Group comprises the brands, businesses, assets and intellectual property of GO Energy, GO Energy Services, GO Energy Installations, GO Quote, CO2 Global Exports, CO2 Markets and SolarTrade.
- Solco will issue 615.3 million fully paid ordinary shares to Urban Group Energy Holdings to undertake the acquisition.
- Solco is proposing a non-renounceable rights issue to raise up to approximately \$3,000,000. Urban Group Energy Holdings will fully underwrite the offer.
- Upon completion, Adam Pearce, Managing Director of GO Group will join the Board and be appointed Managing Director of Solco.

Solco Ltd (ASX: SOO) is pleased to announce the next step in its ongoing transformation from a solar provider into a broader renewables financing and technology company by acquiring the GO Group of businesses (see detailed description of activities on page 4/5.)

The proposed acquisition delivers on the Company's strategy, previously outlined to shareholders, of moving into higher value renewables businesses and exiting lower value, commodity based activities, such as solar equipment wholesaling.

Solco Chairman David Richardson said, “the GO Group comprised several well-established and profitable renewables businesses and several emerging businesses with substantial potential”.

“We have long believed that the major commercial opportunities in the renewables sector are now in the areas of financing small-scale generating capacity and bundling retail contracts. The acquisition of the GO Group ensures that Solco has a substantive and immediate presence in both markets,” Mr Richardson said.

“As part of a public company, the GO Group will have a much stronger platform from which to build continuing growth across Australia, particularly the expansion of its renewables financing activities.”

As part of the acquisition Solco secures an experienced and established management team led by current GO Group Managing Director and Founder Adam Pearce.

Following the acquisition, Solco's head office will remain in Perth, while the majority of GO Group operational activities will remain on the east coast of Australia. The GO Group businesses will continue to trade under their current names for the foreseeable future in recognition of the brand value that has already been established in each business.

## Term Sheet Information

- Solco has signed a binding term sheet to acquire certain companies and businesses from Urban Group Energy Holdings in consideration for the issue of approximately 615.3 million fully paid ordinary Solco shares.
- The acquisition is conditional on, amongst other things:
  - both parties completing mutual due diligence within 4 weeks;
  - Solco receiving all regulatory approvals, including from its shareholders.
- Solco is required to retain minimum working capital including a minimum cash at bank of at least \$1.5 million at completion, with the number of consideration shares to be issued to be adjusted upwards or downwards depending upon actual working capital at completion.
- From completion Urban Group Energy Holdings will be able to nominate 3 persons to Solco's board and one existing director will resign. The Solco Board will then comprise 5 people.
- Under the transaction Urban Group Energy Holdings will acquire between 63% and 79% of Solco (depending upon the shortfall under the rights issue). Shareholder approval under the Corporations Act will be sought for Urban Group Energy Holdings to acquire this interest, with the notice of meeting including an opinion from an independent expert opining on fairness and reasonableness of the transaction.
- Solco is obtaining all regulatory approvals for this transaction including compliance with ASX Rules.

## Rights Issue

- Under the rights issue, Solco will offer eligible shareholders new shares to raise approximately \$3,000,000. The funds raised will provide working capital.
- The rights issue is fully underwritten by Urban Group Energy Holdings and is conditional upon the completion of the acquisition of the GO Group businesses.
- The rights issue will be made under a prospectus which will set out the details of the offer, including the record date and eligibility to participate. The prospectus will be lodged with ASIC in accordance with the timetable set out below, and will be available on both the ASX website ([www.asx.com.au](http://www.asx.com.au)) and the Company's website [www.solco.com.au](http://www.solco.com.au)
- Shareholders should consider the prospectus in deciding whether to acquire new shares under the offer, and will need to complete the personalised entitlement and acceptance form that will accompany the prospectus if they wish to subscribe for new shares.

**Comparison Table Pre & Post Acquisition (based on 30 June 2014 unaudited accounts)**

	FY14 Solco	Post Transaction
Total Current Assets	\$2,339,206	\$7,940,399
Total Non-Current Assets	\$24,106	\$1,667,788
Total Assets	\$2,363,312	\$9,608,187
Total Current Liabilities	\$590,904	\$2,697,482
Total Non-Current Liabilities	\$137,882	\$1,014,488
Total Liabilities	\$728,786	\$3,711,971
Total Equity	\$1,634,526	\$5,896,217
Annual revenue	n/a <sup>1</sup>	\$9,542,982
Gross profit	n/a <sup>1</sup>	\$4,315,732

<sup>1</sup> Solco exited its wholesale pumping and PC business in May 2014.

**Indicative capital structure<sup>1</sup>**

Current	205,100,124
Consideration for Go Group	615,300,372
Rights issue	150,000,000
Total no. of shares on issue	970,400,496

<sup>1</sup> Assumes an issue price under the rights issue of 2 cents per share.

**Indicative timetable for the transaction\***

Complete due diligence	23 September 2014
Send notice of meeting to shareholders	9 October 2014
Trading of Solco shares suspended pending re-compliance Shareholder meeting to approve the transaction Lodge rights issue prospectus with ASIC and ASX	11 November 2014
Record date for rights issue	18 November 2014
Send prospectus to eligible shareholders Open rights issue	21 November 2014
Close rights issue	2 December 2014

Complete:	9 December 2014
<ul style="list-style-type: none"> <li>• Sale and purchase of GO Group</li> <li>• Issue rights issue (including underwritten) shares</li> <li>• Urban Group nominees appointed to Solco's board</li> </ul>	
Trading of new shares commences	11 December 2014

\* These dates are indicative only. Solco reserves the right to amend any or all of these dates subject to applicable laws, or to withdraw the transaction without prior notice. Any amendment to the timetable will be announced to the market through ASX.

## About GO Group

### GO Energy: Integrated Energy Solutions for Business

Go Energy is an electricity retailer that specialises in the supply of retail energy in the National Electricity Market on the east coast of Australia and from locally owned generation in the form of Power Purchase Agreements (PPA).

Go Energy owns and operates renewable small and medium scale solar power plants.

Go Energy designs, constructs and finances solar Photo Voltaic (PV) systems, energy management, energy efficiency solutions, embedded networks and embedded generation for Commercial/Industrial, and Small and Medium Enterprise businesses. The comparative advantage is bundling self-generation solar systems and energy efficiency technologies into a seamless energy retail offer. This provides customers with a complete energy solution delivering lower cost energy today with price certainty for the future

A range of competitive and innovative financial solutions are offered to customers from solar leasing to Power Purchase Agreements (PPA).

Go Energy holds energy retail and gas licenses. For more information on GO Energy, visit the company's website: [www.goenergy.com.au](http://www.goenergy.com.au)

### CO2 Environmental Trading: Environmental Certificate Trader

Through its CO2 brand, GO Group is a registered agent with the Clean Energy Regulator (CER) and is an accredited certificate provider (ACP) under the NSW Energy Savings Scheme (ESS). CO2 assists both businesses and individuals across Australia to monetise their environmental certificates and offers the following services:

- Creation and trading of Small-scale Technology Certificates (STC) and Energy Savings Certificates (ESC), and trading of Victorian energy efficiency certificates (VEECs);
- Best available trading price and a variety of payment options; and
- Highly automated online trading platform with iPhone and Android applications.

CO2 also arranges the provision of hedging and fixed pricing options, as well as advising on market trends and risk management. For more information on CO2markets, visit the company's website: [www.co2markets.com.au](http://www.co2markets.com.au)

## GO Quote

GO Quote provides an online lead generation platform support for customers, including solar retailers and installers, with qualified leads from consumers. This platform has potential applications with various other consumer products.

## CO2 Global Exports

CO2 Global is a provider of procurement, quality control and quality assurance services for a range of solar and energy efficiency companies throughout Australia. CO2 Global also develops advanced PV, LED and energy storage products, provided under “white label” for its downstream clients.

## **ENDS**

For further information:

Henko Vos, Company Secretary, Solco: +61 8 9463 2463

Anthony Hasluck, Clarity Communications, P: +61 438 522 194