

31 July 2015

ASX Release

Confirmations

Solco Limited (**Solco**) provides the following information to satisfy conditions for reinstatement of Solco's securities as set out in ASX's reinstatement letter dated 1 June 2015.

Capital structure

Following completion of the acquisition of the Go Group and the closure of the Entitlement Prospectus, Solco has 988,003,252 ordinary shares on issue. There are no other securities on issue.

Included in the ordinary shares on issue are 627,606,378 shares issued to Urban Energy Group Holdings Pty Limited that are subject to escrow for a period of 24 months from reinstatement of Solco's shares to quotation on the ASX.

Included in the ordinary shares on issue are 5,000,000 shares issued to a former director of the Company that are subject to voluntary escrow. The shares were issued under a limited recourse loan which is payable within 5 years from the date of issue and until the loan is repaid the shares will remain on escrow. The directors have allowed extra time to repay the loan beyond the original expiry date of 11 January 2015, until 8 September 2015.

Mount Majura project

The project to build own and operate a 2.294MW solar farm located at Mount Majura in the Australian Capital Territory remains under negotiation with the parties involved. Subject to agreement on final terms, the parties will work towards satisfaction of any financial close conditions, with it being anticipated that financial close would occur within 2 months of final terms being agreed.

Prospectus Offer and Acquisition of GO Group

The Company confirms the following.

- Satisfaction of the conditions precedent to the Offer.
- Satisfaction of the Conditions to Completion and Completion of the transactions, namely the acquisition of 100% of the issued share capital in:
 - Go Energy Pty Ltd,
 - Go Energy Installations Pty Ltd,
 - Go Quote Pty Ltd, and
 - CO2 Global Exports Australia Pty Ltd,

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pursuant to the binding terms sheets dated 26 August 2014 (as varied on 28 October 2014).

- Satisfaction of the Conditions to Completion and Completion of the sale and purchase of the business assets and intellectual property of Go Energy Services Pty Limited pursuant to the Services Sale Term Sheet ("Go Energy Services Pty Limited").
- Satisfaction of the Conditions to Completion and Completion of the sale and purchase of the business assets and intellectual property of CO2 Environmental Trading Pty Ltd pursuant to the Business Sale Terms Sheet ("CO2 Environmental Trading Pty Ltd").
- Satisfaction of the Conditions to Completion and Completion of the purchase and transfer of Urban Group intellectual property rights used by, or necessary for, the business of Go Group pursuant to the IP Sale Terms Sheet ("Urban Group Energy Holdings Pty Ltd").
- Completion of the assignment by Urban Group to the Company of its rights and obligations under the Memorandum of Understanding - Mount Majura Solar Project (as amended) ("Mount Majura MOU").
- Completion of the assignment by Urban Group (or its subsidiary) to the Company of its rights and obligations under the Heads of Agreement with Amperex Technology Limited.
- That the Company has paid to Urban Group by way of reimbursement the amount relating to expenditure on the Mt Majura project as disclosed on page 55 of the Prospectus.
- As noted above, an amount of \$53,000 remains owing to Urban Energy Group Holdings Pty Limited by way of reimbursement for Stock purchased by the Go Group, and PPA's, with this amount to be repaid on re-listing of the Company
- That the Company's unaudited revenue for the financial year ending 30 June 2015 is currently estimated to be ~\$23.1 million.

As a result of the above transactions being completed, Solco issued 627,606,378 ordinary shares to Urban Group as disclosed in an Appendix 3B issued on 31 July 2015.

Forecast revenue

Solco is currently forecasting revenue in the range of \$90 to \$111 million for the 2015-16 year.

Solco expects that its revenue for the 2015-16 year will be up substantially on its reported results (to be released late August 2015) for the 2014-15 year. This will occur for the following reasons:

- continued development of the group's electricity and gas retail business, including a growing pipeline of solar installations; and
- the accounting results for the 2014-15 exclude turnover from the group's CO2markets business for 9 months of the year. This has occurred due to the treatment of the CO2markets business under reverse acquisition accounting rules. In the 2015-16 year a full year's activity for the CO2markets business will be reported.

Achievement of the forecast revenue is dependent on a continuation of current market conditions, including there being no further uncertainty around the Federal Government's renewable energy targets.

Solar generation units

During the period since the issue of the Prospectus, GO Group has continued provide solar generation units (SGU's) to its customers. GO Group offers customers a variety of funding mechanisms for the costs of installations, these include:

- outright purchase, where the customer funds the cost of acquisition;
- leasing, offered by a third party directly to the customer; and
- power purchase agreement (PPAs) for the energy produced.

Where SGUs are sold subject to PPAs, since the issue of the Prospectus all sale made under this arrangement have been (or are in the process) funded by a facility with Flexirent Capital Pty Limited (**Flexi**). Flexi have made available to qualifying GO Group's customers a facility of up to \$25 million (**Flexi Facility**) to fund the capital cost of the SGUs. The Flexi Facility remains operable as of the date of this release.

Since the issue of the Prospectus, 16 SGUs with a total operating capacity of 683kW have been funded by Flexi totaling a capital cost of \$794,000. GO Group has not funded any SGUs subject to PPAs outside of this facility since the issue of the Prospectus.

CO2 Financing Facility

The \$5 million financing facility provided by ANZ Bank remains in place as of the date of this release. The current level of drawing under the facility totals \$640,000. ANZ Bank hold small scale generation certificates acquired by GO Group as security for the amount outstanding to the value of 110%.

Subsequent events

There have been no material subsequent events to alter the Company's statement of financial position as detailed in section 9 of the Prospectus other than as set out in the Second Supplementary Prospectus and Appendix 4C dated 30 April 2014.

Compliance with Listing Rules and Listing Rule 3.1

Solco confirms that as at today's date it is in compliance with the ASX Listing Rules and in particular its continuous disclosure requirements under Listing Rule 3.1

About Solco

Solco Limited (ASX: SOO) is an independent, ASX-listed clean tech energy retailer and financier. Holding energy retail licenses in New South Wales, Victoria and Queensland, Solco provides business customers with an innovative approach to reduce energy costs through a

combination of solar power purchase agreements, energy efficiency products and grid energy solutions.

For further information please contact:

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