



ASX Announcement

3 September 2015

UPDATE ON KIDSTON HYDRO PROJECT BANKABLE FEASIBILITY STUDY

HIGHLIGHTS

- Bankable Feasibility Study (BFS) on track for completion Q3 2016
- Initial site visit undertaken by Entura and HydroChina
- Geological modelling and geotechnical investigation underway
- Bathymetric survey completed showing good reservoir conditions
- Transmission connection study initiated with Powerlink

Genex Power Limited (**ASX: GNX**) (**Genex** or the **Company**) is pleased to provide shareholders with this first BFS progress report for the Kidston Pumped Storage Hydroelectric Project in Northern Queensland (**the Kidston Project**).

Following the appointment of Hydro Tasmania's engineering consulting arm, Entura, as the BFS manager for the Kidston Project (refer ASX announcement of 9 August 2015), significant progress has been made on the initial BFS work program.

1. Site Visit and Geological Assessment

As part of the initial stage of the BFS, detailed geological modelling and geotechnical investigations are currently being undertaken. This includes an in-depth assessment of existing geological data stored from the former mining operations at the Kidston site as well as an on-site assessment conducted by personnel from both Entura and HydroChina. This initial phase of work will lead to additional geological investigations, including the drilling of core holes to assess underground geotechnical conditions. Drilling activities are expected to commence in September 2015.

Given the majority of the civils works for the project comprise underground excavation and construction, a good understanding of the rock geology will form a critical component of the precise plant location and design as well as enhancing the accuracy of the project's capital expenditure estimates.

An initial assessment of on-site rock aggregates, clay deposits and sand materials for use during construction of the plant has also been initiated.

Figure 1: Geotechnical Investigation on site

2. Bathymetric Survey

As part of the recent site visit, a detailed bathymetric (underwater) survey of the Eldridge Pit (the lower reservoir) was also undertaken. The bathymetric survey provided 3D images of the topography and rock structures beneath the current water level to an accuracy of approximately 2.0 cm. Whilst the pit shape and depth was known based on historical surveys conducted during mine closure operations, this is the first time an accurate and current pit shape has been mapped since the acquisition of the site by Genex. The results of the bathymetric survey conformed with expectations, confirming suitability of the Eldridge Pit as the project's lower reservoir.

Importantly, the survey confirmed pit depth and showed no infiltration of the pit void with waste rock material or other deleterious materials since mine closure in 2001. Furthermore, the location and stability of several key geotechnical features in the north eastern wall of the pit were confirmed.

Figure 2: Bathymetric survey team

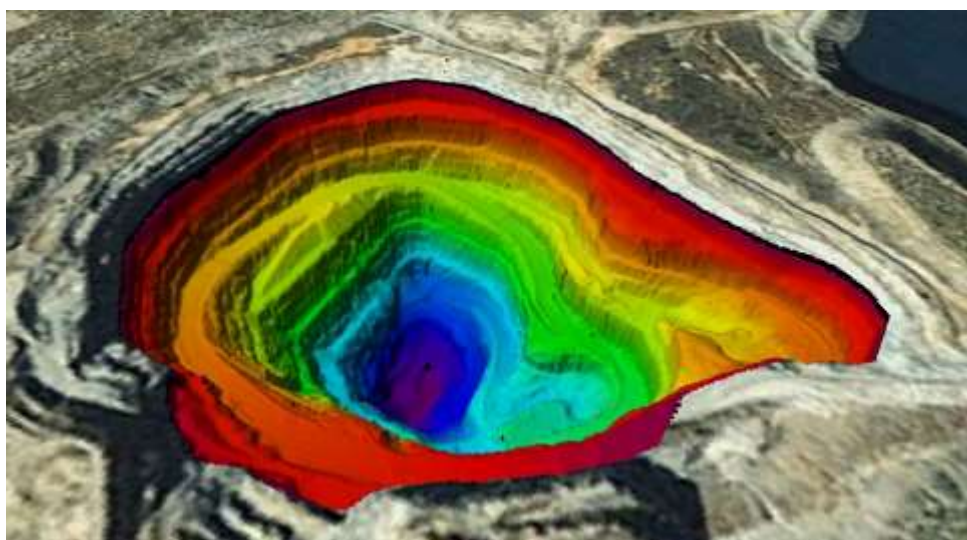


Figure 3: Eldridge pit (lower reservoir) Bathymetric Survey



The survey also confirmed that access to the proposed entrance point for the underground development works is well positioned. Results of the bathymetric survey are shown in the diagram below.

Figure 4: 3D pit layout



Network Connection

Genex has also initiated a connection option study with Powerlink Queensland which is the first major step towards determining a viable route for the proposed 275kV transmission line required to connect the Kidston Project to the National Electricity Market. Final results from this study are expected in Q4 2015.

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Genex Power is a power generation development company listed on the ASX. The Company is focussed on innovative clean energy generation and electricity storage solutions which deliver attractive commercial returns for shareholders. Genex is currently pursuing a number of unique development and acquisition opportunities across Australia.

The Company's current focus is on the development of the 330MW Kidston hydro pumped storage power generation project located in Northern Queensland. Following acquisition of the Kidston site in June 2014 and completion of the associated pre-feasibility study, the Company has now secured funding in order to undertake a full Bankable Feasibility Study (BFS). The BFS will determine the economic and technical merits of developing its proposed flagship Kidston Pumped Storage Hydro Project in Northern Queensland.