



ASX & Media Release

QIC and Future Fund join AGL in flagship renewable energy fund

27 July 2016

AGL Energy Limited (AGL) today announced QIC, on behalf of its clients the Future Fund and those invested in the QIC Global Infrastructure Fund, as its equity partner in the \$2-3 billion Powering Australian Renewables Fund (PARF).

This partnership is a first in the Australian renewable energy space.

PARF is a landmark partnership created by AGL to develop, own and manage approximately 1,000 MW of large-scale renewable energy infrastructure assets and projects. These projects will help meet Federal Government targets and spur investment and development in support of Australia's transition to a low-carbon economy.

AGL Managing Director & CEO Andy Vesey said he was pleased to have such high quality investors through the support of QIC Global Infrastructure Fund and the Future Fund.

"Support for the PARF demonstrates the strong appetite among Australia's foremost infrastructure investors for the development of large-scale renewable energy projects," he said.

It is estimated¹ that approximately 5,000 MW of new renewable generation capacity will be required by 2020 to meet the Federal Government's Renewable Energy Target (RET). PARF, which will build large-scale projects as rapidly as energy market conditions permit, has the potential to deliver 20 percent of this target.

"PARF is a major step forward in helping to unlock growth in renewable generation – but other challenges remain, first and foremost addressing Australia's over-supplied energy generation market.

"An orderly exit of aged, high carbon emitting plant is integral to creating sustainable conditions for further investment in new renewables and Australia's pathway to decarbonisation. We look forward to working with energy industry participants, the government and the community to address this," said Mr Vesey.

QIC CEO Damien Frawley said: "By bringing together institutional capital with a key industry player in AGL, this innovative platform can help to unlock the level of investment required to meet the RET.

"PARF enables QIC to provide its investor clients with strong risk-adjusted returns by developing a pipeline of large scale renewable energy generation in Australia."

QIC on behalf of its managed clients including the Future Fund will provide \$800 million in equity funding to PARF. AGL, which is Australia's largest privately-owned operator and developer of renewable energy projects and has 1,920 MW of renewable generation, will provide \$200 million.

It is anticipated that AGL's proposed wind farms in Silvertown (up to 200 MW) in New South Wales and Coopers Gap (up to 350 MW) in Queensland will be the first two projects offered to the Fund.

The PARF expects to acquire AGL's existing 102 MW Nynghan and 53 MW Broken Hill solar plants as seed assets and to commit to its first new build project by March 2017.

¹ [EY Renewable energy country attractiveness index, May 2016 Issue 47, p17](#)



AGL Chief Financial Officer, Brett Redman, said: "The PARF enables the appropriate allocation of risk amid a rapidly-changing energy landscape by bringing like-minded organisations together to share that risk over the medium to long term.

"The balance of the PARF's funding will be raised through debt on a project-by-project basis. From feedback we've received from our lending group, we are confident of securing strong debt-market support to participate in this innovative project," said Mr Redman.

Mr Vesey concluded: "AGL is proud to be leading the energy sector with innovative solutions to helping transform Australia's generation mix."

Background information:

Generation from PARF will be approximately >3,000GWh

- This will abate circa 2.7 million tonnes of greenhouse gas emissions
- Is enough power to power circa 530,000 homes
- Is equivalent to removing circa 800,000 cars from the road

Note to Editors: B-roll video footage of AGL wind and solar plants is available upon request.

Further inquiries:

Investors

Nicole Rizgalla, Investor Relations Manager
Direct: +61 2 9921 2691
Mobile: +61 400 488 836
email: nrizgalla@agl.com.au

Media

Kathryn Lamond, Media Manager
Direct: +61 2 9921 2170
Mobile: +61 424 465 464
e-mail: klamond@agl.com.au

About AGL

AGL is one of Australia's leading integrated renewable energy companies and is taking action to gradually reduce its greenhouse gas emissions while providing secure and affordable energy to its customers. Drawing on over 175 years of experience, AGL serves its customers throughout eastern Australia with their energy requirements, including gas, electricity, solar PV and related products and services. AGL has a diverse power generation portfolio including base, peaking and intermediate generation plants, spread across traditional thermal generation as well as renewable sources including hydro, wind, solar, landfill gas and biomass.

About Future Fund

The Future Fund is Australia's sovereign wealth fund, investing for the benefit of future generations of Australians. The Future Fund was established in 2006 to accumulate financial assets to offset the Australian Government's unfunded superannuation liability from 2020. The role of the Future Fund is to generate high, risk adjusted returns over the long-term. It operates independently from Government. As at 31 March 2016, the value of the Future Fund was A\$117.38bn. Read more at www.futurefund.gov.au.

About QIC:

QIC is a global diversified alternative investment firm offering infrastructure, real estate, private equity, liquid strategies and multi-asset investments. It is one of the largest institutional investment managers in Australia, with AUD75.8 billion² in funds under management, offering infrastructure, real estate, private equity, liquid strategies and multi-asset investment services. QIC has over 500 employees and serves more than 90 clients including governments, pension plans, sovereign wealth funds and insurers, spanning Australia, Europe, Asia, Middle East and the US. Headquartered in Brisbane, Australia, QIC also has offices in New York, San Francisco, Los Angeles, London, Sydney, and Melbourne. For more information, please visit: www.qic.com.

² As at 30 June 2016