



Helio Energia

Nickelore Limited

ABN 13 086 972 429

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UPDATE ON NICKELORE'S ACQUISITION OF SOLAR ENERGY COMPANY



HIGHLIGHTS

- ☺ Helio has continued to grow its operations since the Acquisition was announced, with four projects totalling 1.8MW already operating, including a 1MW system, which is the largest private commercial operating system in Brazil under the net metering law.
- ☺ Four additional projects totalling 2.1MW are under construction, with additional signed contracts totalling 3.8MW, which would bring Helio's total installed capacity to 7.7MW upon completion.
- ☺ Helio's growth pipeline has been bolstered by commitments for up to US\$8 million in pre-Acquisition growth capital funding undertaken via a convertible note offer. Helio has received cash injections of growth capital (see Funding below) of US\$3 million, and is in the process of finalising other commitments for an additional US\$5 million.
- ☺ Key conditions of the Acquisition have been satisfied, with a meeting of Nickelore shareholders anticipated to take place before 30 June 2016 prior to a proposed A\$5 million minimum capital raising.

Nickelore Limited (ASX:NIO) (**NIO** or the **Company**) is pleased to provide an update on its proposed acquisition (the **Acquisition**) of fast-growing Brazilian solar energy company Helio Energia Holdings S.A. (**Helio**). Helio has made strong progress operationally and secured substantial new funding as it delivers on its growth pipeline since NIO's announcement of the proposed acquisition in February 2016.

HELIO BUSINESS UPDATE

Helio has expanded its solar energy projects operating for commercial and industrial energy customers in Brazil, with ongoing interest in Helio's ability to provide a single-source, reliable, and predictable energy offering. Helio is an early leader in the rapidly expanding Brazilian roof top solar energy market and has quickly established itself with a significant operating base and development pipeline in this high growth sector.

Helio now has four projects operating, delivering an installed capacity of 1.8MW which is generating revenue for the company. Helio's most recent project to enter operations (pictured above) is for a furniture manufacturer customer, Grupo TubForm, which is one of the largest furniture manufactures in the region and is currently the largest private operating commercial solar system in Brazil.

In addition, Helio has four projects under construction, which will deliver a further 2.1MW of installed capacity, and an additional 3.8MW to start construction soon, bringing Helio's total installed capacity to 7.7MW upon completion.

The pipeline for additional solar rental agreements remains solid, with more than 18.8MW in signed proposals and over 173MW of identified pipeline under development. This pipeline is supported by ongoing supply constraints and strong demand for electricity in Brazil, resulting in high retail prices from existing energy sources.

FUNDING

As part of a process that commenced prior to announcement of the Acquisition and in line with Helio's initial funding model, Helio has received cash injections of growth capital of US\$3 million, and is in the process of finalising other commitments for up to an additional US\$5 million, all as part of an expected US\$8 million convertible note facility. This facility will convert to equity automatically upon the closing of the acquisition.

Helio Chief Executive Officer, Dale Vander Woude, said funds from the convertible notes support Helio's project pipeline growth.

"We are pleased to have closed the first part of this facility, which demonstrates the confidence investors have shown in Helio's business opportunity and team," Mr Vander Woude said. "These funds will help increase the velocity of Helio's Brazilian solar projects as we further grow the business whilst completing the reverse takeover with Nickelore."

TRANSACTION UPDATE

Since the Acquisition was announced on 10 February 2016, Nickelore and Helio have made considerable progress on a number of conditions precedent. Nickelore has successfully completed an Entitlement Offer raising \$527,540 (before costs), as announced on 24 March 2016, while both parties have completed due diligence on each other.

Furthermore, an Independent Expert's Report has been commissioned to determine whether the acquisition is "fair and reasonable" and in the best interests of shareholders. The Independent Expert's Report is expected to be completed shortly, with a Notice of Meeting then to be sent to Nickelore shareholders ahead of a shareholder meeting to take place prior to 30 June 2016.



Helio and Nickelore will replace two existing directors on Nickelore's board, as contemplated under the Acquisition agreement, one of which will be Dale A. Vander Woude, Helio's CEO. Helio and NIO are also in advanced discussions with candidates for the other director position and may expand the board to include additional membership commensurate with the combined company's profile. The appointments are expected to be announced prior to the meeting of Nickelore shareholders.

As announced previously, Nickelore also intends to conduct a Principal Raising for a minimum of A\$5 million with oversubscriptions of up to an additional A\$20 million. The funds raised will provide additional capital for Helio to capture pipeline opportunities as it targets 50MW of capacity within two years of conclusion of the fundraising. As Helio grows its installed capacity, it is expected debt and alternate forms of infrastructure funding, such as asset portfolio level equity structures will be utilised to expand Helio's operations.

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CONTACT

Investors

Robert Gardner / Jay Stephenson
Nickelore Limited
P: +61 8 9215 6300

Media

Adrian Watson
FTI Consulting
P: +61 8 9485 8888

Helio contacts

Dale A. Vander Woude / Tamara Barreto Cidade
dale@helioenergia.net / tamara@helioenergia.net
Rua Vicente Linhares 500, 11th floor, Fortaleza/CE
P: +55 (85) 3077-3045 or +55 (85) 3077-3044

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this document, are "forward-looking information" within the meaning of applicable securities laws. Forward-looking information is necessarily based on a certain number of estimates and assumptions, which while considered plausible by the management when they are made, are inherently subject to significant commercial, economic and competitive risks and uncertainties. We advise investors not to rely unduly on forward-looking information. The Company further declines any intention or obligation to publicly update this forward-looking information, whether due to new information, or future or other events, unless required by applicable law.

