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ASX: GNX

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GENEX EXECUTES CONNECTION AGREEMENT WITH POWERLINK FOR KIDSTON PUMPED STORAGE HYDRO PROJECT

Highlights:

- Execution of Generator Connection and Access Agreement (**GCAA**) with Powerlink; and
- GCAA secures \$147M in funding from the Queensland State Government.

Genex Power Limited (**ASX:GNX**) (**'Genex'** or **'Company'**) is pleased to advise that it has finalised its negotiations with Powerlink Queensland (**'Powerlink'**) in relation to the connection arrangements for the 250MW Kidston Pumped Storage Hydro Project (**'K2-Hydro'** or **'Project'**). This has culminated in the special purpose vehicle incorporated to own and operate the Project (**'Project SPV'**) having executed a Generator Connection and Access Agreement (**'GCAA'**) with Powerlink. The GCAA has been the subject of extensive negotiation since the initial announcement of the Queensland Government co-contribution of funding for the Transmission Line in September 2019 (*refer ASX Announcement dated 4 September 2019*).

The GCAA provides for the construction of a new single circuit 275kV transmission line from Kidston to a new switching station at Mt Fox, which will connect the Project to the National Electricity Market (**'Connection Assets'**).

The terms of the GCAA provide for a total construction cost of \$258M for the Connection Assets, which will be funded by way of:

- \$111M from the Project SPV of; and
- \$147M from the Queensland Government directly to Powerlink (*refer ASX Announcement dated 5 February 2021*).

The ongoing operations and maintenance charges will be payable by the Project SPV from its cash flows.

In addition to K2-Hydro, the Connection Assets will have spare capacity for the connection of other generation projects, including the Kidston Stage 3 Wind Project and Kidston Stage 2 Solar Project. To both support the terms of the GCAA for the Project and secure this important transmission infrastructure for the Kidston Clean Energy Hub, Genex has also executed a Transmission Support Charges Deed (**'TSCD'**) with Powerlink. Under the TCSD, Genex will commit to support the balance of the operating costs of the Connection Assets while its other projects complete their development.

Commenting on the execution of the GCAA with Powerlink, Genex CEO James Harding stated:

“Genex is delighted to have executed these agreements with Powerlink to connect the Kidston Pumped Storage Hydro Project to the National Electricity Market. This marks the culmination of a process of close cooperation and deep engagement which commenced four years ago, and which has resulted in an innovative commercial arrangement which will support not only our flagship pumped hydro project, but the broader Kidston Clean Energy Hub including the Kidston Stage 3 Wind Project and the Kidston Stage 2 Solar Project.

We would like to thank the Queensland Government for their support and we look forward to working together to deliver this exciting new piece of electricity infrastructure which, together with the pumped hydro project, will deliver over 800 new jobs in North Queensland.”

This announcement was approved by the full Board of Genex Power Limited

For more information about this announcement:**CONTACT:****Simon Kidston**

Executive Director

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Genex Power Limited is focused on developing a portfolio of renewable energy generation and storage projects across Australia. The Company's flagship Kidston Clean Energy Hub, located in north Queensland, will integrate large-scale solar generation with pumped storage hydro. The Kidston Clean Energy Hub is comprised of the operating 50MW stage 1 Solar Project (**KS1**) and the 250MW Kidston Pumped Storage Hydro Project (**K2-Hydro**) with potential for further multi-stage wind and solar projects. The 50MW Jemalong Solar Project (**JSP**) is located in NSW and provides geographical diversification to the Genex Power Limited portfolio. JSP was energised in early December 2020 and commissioning is now underway. Genex is further developing its energy storage portfolio via the early stage development of a 50MW/75MWh standalone battery energy storage system at Bouldercombe in Queensland. With over 400MW of renewable energy & storage projects in development, Genex is well placed as Australia's leading renewable energy and storage company.

Genex continues to acknowledge the support of key Federal and State Government stakeholders such as the Australian Renewable Energy Agency (**ARENA**), the Northern Australia Infrastructure Facility (**NAIF**) and the Queensland State Government.