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7 September 2018

ASX Announcement

GENEX ACQUIRES 50MW JEMALONG SOLAR PROJECT IN NSW

Genex Power Limited (**ASX: GNX**) (**Genex** or **Company**) is pleased to announce that it has today entered into a Sale and Purchase Agreement for the acquisition of the 50MW Jemalong Solar Project development (**JSP** or **Project**), located near Forbes in the central west region of NSW (the **Acquisition**).

The Acquisition is complementary to Genex's existing solar and hydro power projects in North Queensland and reflects the Company's aim to become one of the market leaders in renewable energy and storage development. Genex's longer-term strategy is to expand its portfolio of assets and diversify into other regions within the National Electricity Market.

The Project is well-advanced, with all necessary land and development planning approvals secured and significant progress made towards finalising the grid connection works.

The Acquisition remains subject to a number of Conditions Precedent (**CPs**) including achieving satisfactory Generator Performance Standard (**GPS**) approvals from the Australian Electricity Market Operator (**AEMO**) for the Project. Under the terms of the Acquisition, the vendor will continue to progress the development of the Project including finalising the grid connection negotiations with Essential Energy and AEMO. The Acquisition is contingent upon all CPs being met by the vendor by the end of February 2019.

During the due diligence process, Genex has consulted with several financiers to inform its financing strategy for the Project. As a result, Genex intends to finance construction either on a solely merchant basis given the strong NSW price forecasts, or under a potential offtake arrangement with the final financing decision to be made closer to financial close.

It is the Board's objective to maximise value for existing shareholders and preserve cash with the main focus on fast tracking the Kidston Stage 2 projects to financial close. As such, whilst the majority of the construction funding for the Project will be provided via project finance debt, similar to the 50MW Kidston Stage 1 project, Genex is also considering a range of funding options to fund the balance (including a sell down in project-level interest).

Given the Project's advanced status, Genex anticipates reaching financial close in H1 2019 following the completion of the Kidston Stage 2 project financing which remains the top priority.

NAB acted as Adviser to Genex for the Acquisition.

Commenting on the announcement, CEO of Genex Power, James Harding stated:

*"As a result of the strong revenues earned to date from the Company's 50MW Kidston Solar Project (**KS1**), we are able to utilise our cash reserves to diversify our project portfolio into NSW and create a stronger revenue pipeline. The Kidston Stage Two Pumped Storage Hydro and Solar Project remains the principal focus of the Company, and we continue to make significant progress towards finalising the remaining components necessary to achieve financial close. The Jemalong Solar Project offers a good opportunity to create a step change up in revenue and both expand and diversify the Company's portfolio as we complete the development of Stage 2 at Kidston.*

"On behalf of Genex, we wish to thank the vendor, Vast Solar Pty Ltd, and their adviser, Energy Estate, for the progress to date on JSP and look forward to working with them to achieve the final conditions precedent necessary for financial close".

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About Genex Power Limited:

Genex Power is a power generation development company listed on the ASX. The Company is focused on innovative clean energy generation and electricity storage solutions which deliver attractive commercial returns for shareholders. The Company has a development pipeline of up to 770MW of renewable energy generation and storage projects within its portfolio, underpinned by the Kidston Renewable Energy Hub in far-north Queensland (**Kidston Hub**). The Kidston Hub is comprised of the operating 50MW Stage 1 Solar Project (**KS1**), the 250MW Pumped Storage Hydro Project (**K2-Hydro**) and the multi-staged integrated Solar Project of up to 270MW (**K2-Solar**) under development and the Kidston Stage 3 Wind Project of up to 150MW under feasibility. In addition, the Company has acquired the 50MW Jemalong Solar Project (**JSP**), located near Forbes in NSW, which is also under development.

Genex continues to acknowledge the support from the Federal Government, through the Australian Renewable Energy Agency (**ARENA**), which provided \$8.9 million in funding to support the construction of KS1 Project, in addition to their support of up to \$9 million in funding to support the development of the stage 2 projects. Genex also acknowledges the support of the Queensland State Government through providing a 20-year revenue support deed and designating the Hub as 'Critical Infrastructure' to the State.