

10 June 2016

**Company Announcements Office**  
**Australian Securities Exchange**

**Via: Electronic Lodgement**

### **GENEX ANNOUNCES SUCCESSFUL CAPITAL RAISING OF \$3.5M**

Genex Power Limited (**ASX: GNX, Genex or Company**) is pleased to announce the successful completion of a significantly oversubscribed Share Placement of \$3.5m (**Placement**) to both existing and new institutional and retail shareholders to fund continuing work in relation to the project financing costs, project design, early capital works and working capital costs for the 50MW first phase of Genex's Kidston Solar Project (**Project**) in North Queensland.

Genex initially targeted a raise of up to \$2m. However, due to strong demand the Company has decided to increase the Placement to accommodate a number of new institutional shareholders on the register and to allow Genex to remain well capitalised as it undertakes project financing activities with the aim of reaching financial close in Q4 this year potentially without the need for any further share issue. Genex is now in a position of strength to conclude discussions with potential project equity partners.

The shares under the Placement will be issued at an issue price of \$0.16 per share, with Morgans Corporate Limited acting as the sole lead manager to the Placement. The Placement price represents a 20% discount to the 15 trading day VWAP prior to the Company's trading halt on 9 June.

The funds from the Placement will predominantly be used for the purposes of:

- Project financing costs including due diligence through to financial close;
- Detailed design and early works associated with substation construction;
- Costs associated with the Placement; and
- Working capital.

**Details of Placement**

Pursuant to the terms of the Placement, the Company has agreed to issue 21,875,000 new fully paid ordinary shares in the Company at an issue price of \$0.16 per share to raise \$3.5m before costs. The Placement was undertaken to professional and sophisticated investors as well as other investors to whom disclosure is not required under the provisions of the *Corporations Act 2001 (Cth.)*. Completion of the Placement is expected to occur in the week commencing 13 June 2016, with trading of the new shares expected to occur on Friday 17 June 2016.

Shareholder approval will not be sought as the Placement comes within the Company's existing capacity pursuant to ASX listing rules 7.1 and 7.1A. All shares issued under the Placement will rank equally with existing shares on issue. A breakdown of the share issue is as set out below:

Listing Rule	Available Capacity	Capacity Used	Capacity remaining
7.1	13,789,822	10,000,000	3,789,822
7.1A	15,839,375	11,875,000	3,964,375

The Company resolved to issue a total of 10,000,000 shares under Listing Rule 7.1 thus leaving a capacity thereunder of 3,789,822 shares to ensure that as funds are received from ARENA in respect of the Federal Government funding announced on 18 December 2015, there will be sufficient capacity retained for any future conversion of the convertible notes issued to ARENA before shareholder approval would be required.

Pursuant to Listing Rule 3.10.5A the Company provides the following information:

- (a) Details of the dilution to the existing holders of ordinary securities caused by the Placement;

Shares on Issue:	Number of Shares	Expanded Share Capital	Dilution Effect
Prior to Placement	158,393,750	158,393,750	100%
Issued pursuant to Listing Rule 7.1	10,000,000	168,393,750	6.31%
Issued pursuant to Listing Rule 7.1A	11,875,000	180,268,750	7.05%

*\*The above table does not take into account the effect of options or convertible notes.*

- (b) The Company resolved to undertake a Placement of shares pursuant to Listing Rules 7.1 and 7.1A in preference to a rights issue, share purchase plan or other type of issue in which existing shareholders could participate due to the significant progress made by the Company in recent months and the need to ensure the quickest manner in which funds could be delivered to the Company while minimising dilution and broadening the Company's institutional shareholder support base;
- (c) Not applicable. There was no underwriter to the issue; and
- (d) Morgans, acting as lead manager, were paid a fee of 5% in association with the Placement.

Commenting on the capital raising, Genex Power's Managing Director Michael Addison said

*"The successful capital raising and the significantly strong demand is a good outcome for the Company. I would like to thank the existing shareholders who participated in the Placement for their continued support as well as welcoming a number of new shareholders into the Company. The level of interest shown by investors is a testament to the achievements the Company has made in a relatively short period of time.*

*The funding will allow Genex to maintain its momentum as it seeks to fast-track project financing activities and reach financial close for the Kidston Solar Project and the commencement of construction activities in Q4 2016. The current capital raising together with ARENA's funding for the Hydro project allows us to continue development of both projects at a brisk pace and deliver on our vision of transforming the former mine site into a true, large scale renewable energy hub."*

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**About Genex Power Limited:**

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 energy development opportunities across Australia.

The Company's current focus is on the development of its large-scale Kidston hydroelectric pumped storage generation project and its large-scale solar PV project located in Northern Queensland.