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ASX Announcement

GENEX SECURES DEVELOPMENT APPROVAL FOR KIDSTON STAGE 2 SOLAR AND MOVES TOWARDS FINANCIAL CLOSE

- **Genex secures Development Approval for Kidston Stage 2 Solar**
- **Contract negotiations with EPC contractors including EPC pricing well advanced**
- **Financial close on track for 2018**

Genex Power Limited (**ASX: GNX**) (**Genex** or **Company**) is pleased to provide shareholders with an update in relation to the development of the Company's Kidston Stage 2 (**K2**) projects, comprising the Pumped Storage Hydro (**K2-Hydro**) project and the Stage 2 Solar (**K2-Solar**) project, at the Kidston Renewable Energy Hub in North Queensland.

K2-Solar Development Approval

Genex is pleased to advise that it has received Development Approval (**DA**) from the Etheridge Shire Council in respect of the K2-Solar project. The DA is for a maximum of 270MW but Genex has the potential to build K2-Solar in stages to match energy offtake and energy transfer capabilities. This represents a significant milestone for the K2 projects. As with KS1, K2-Solar will benefit from being located within the highest solar radiation zone in Australia.

Early Contractor Involvement (ECI) process

Genex continues to advance the ECI process toward agreeing full fixed price Engineering, Procurement and Construction (**EPC**) wrap contracts with UGL for K2-Solar and with McConnell Dowell/John Holland Joint Venture (**JV**) for K2-Hydro. EPC contracts are expected to be finalised by the end of June.

As part of the ECI process for K2-Hydro, the JV has selected ANDRITZ, an international tier-one supplier and global leader in hydraulic power generation, as the preferred electromechanical equipment supplier (including the reversible Francis pump-turbines). The JV, together with

ANDRITZ, has continued to optimise the design for K2-Hydro as the EPC contracts are finalised, with a selection of 3D images of the optimised design detailed below.

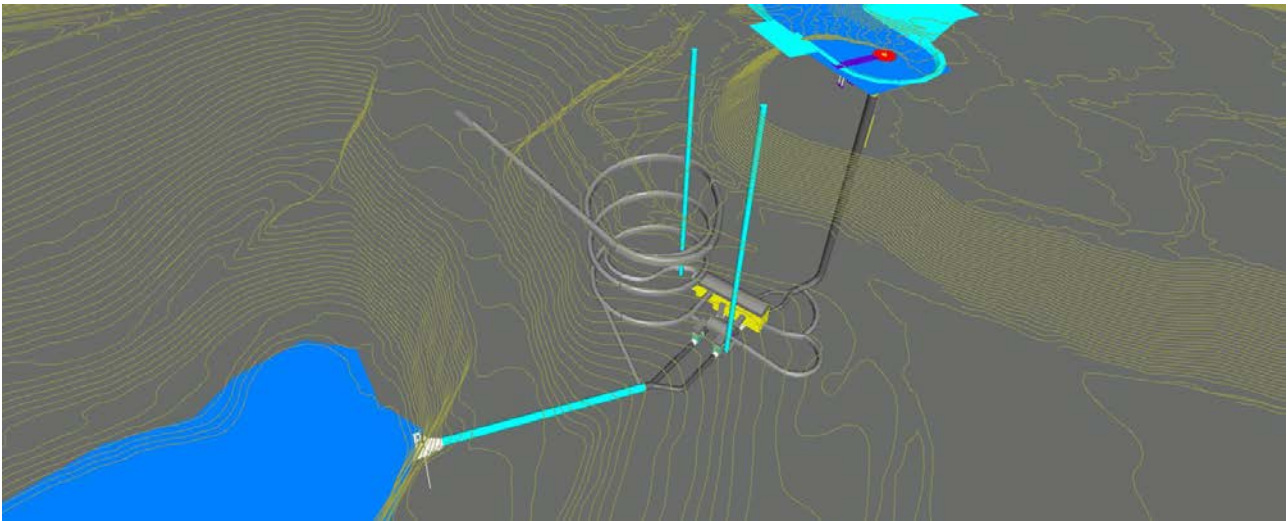


Figure 1: Overhead design of the internal structure between the two reservoirs showing the axis spiral decline, intake shaft (far right), cable shaft (middle) and emergency egress (left) and the tailrace tunnel at the bottom.

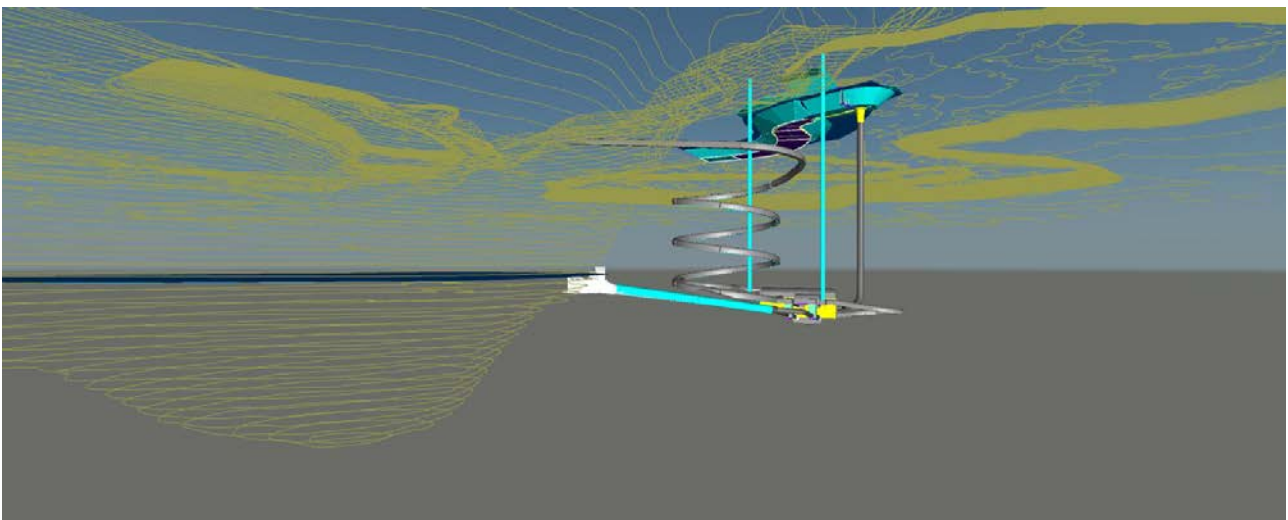


Figure 2: Side on elevation of the internal structure between the two reservoirs as described in Figure 1.

National Energy Guarantee

Genex recently provided a submission in response to the draft design consultation paper published by the Energy Security Board (**ESB**) relating to the proposed National Energy Guarantee (**NEG**). Genex is supportive of the NEG, which it believes should deliver on Australia's emissions reduction targets while maintaining the security of the National Electricity Market through promoting investment in low emissions and dispatchable capacity. Importantly, Genex believes that the Reliability Guarantee being considered by the ESB should embrace dispatchability, availability,

synchronous capabilities and the ability to ramp up & down (responsiveness). Genex looks forward to contributing further on the consultation process.

A copy of the Company's submission can be found on the [Company' website](#).

Commenting on today's announcement, Managing Director of Genex Power, Michael Addison stated:

"After several months of detailed market engagement, we are now in negotiations in regards to securing debt funding for our Kidston Stage 2 projects with a select group of partners. Genex's main focus remains on progressing the Kidston Stage 2 projects to financial close in calendar year 2018. Concurrently, Genex continues to consider further renewable opportunities to broaden its project pipeline, as the Company evolves into a broader renewable energy generation and storage developer."

ARENA

The Federal Government, through the Australian Renewable Energy Agency (**ARENA**), has provided \$8.9 million in funding to support the construction of Genex's KS1 Project, and up to \$9 million in funding to support the development of K2-Solar and K2-Hydro.

Queensland State Government

The Queensland State Government has continued to support the development of the Kidston Renewable Energy Hub, providing a 20-year revenue support deed for KS1 through the Solar 150 Program, and designating the Hub as 'Critical Infrastructure' to the State.

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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. Following the commencement of commissioning and operation of KS1, the Company's focus is on the development of its K2-Hydro Project and the integrated K2-Solar Project located at the Kidston Renewable Energy Hub, in Northern Queensland.

About ANDRITZ:

ANDRITZ is one of the leading global suppliers of electromechanical equipment for hydropower plants. With over 175 years of accumulated experience and more than 31,000 turbines installed, totalling approximately 430,000 megawatts output, the business area provides the complete range of products, including turbines,

pump-turbines, generators, motor/generators with fixed speed and variable speed solutions and additional equipment of all types and sizes – “from water to wire” for small hydro applications to large hydropower plants with outputs of more than 800 megawatts per turbine unit. ANDRITZ has a leading position in the growing modernisation, refurbishment, and upgrade market for existing hydropower plants. Pumps (for water transport, irrigation of agricultural land, and applications in various industries) and turbogenerators for thermal power plants are also assigned to this business area.

About ARENA:

ARENA was established by the Australian Government to make renewable energy technologies more competitive and increase the supply of renewable energy in Australia. Through the provision of funding coupled with deep commercial and technical expertise, ARENA provides the support needed to accelerate the development of promising new solutions towards commercialisation. ARENA invests in renewable energy projects across the innovation chain and is committed to sharing knowledge and lessons learned from its portfolio of projects and information about renewable energy. ARENA has committed \$1.1 billion in funding to more than 270 projects.