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## **ASX Announcement**

### **GENEX SIGNS BINDING ENERGY STORAGE SERVICES AGREEMENT WITH ENERGYAUSTRALIA FOR THE KIDSTON HYDRO PROJECT**

#### **Highlights:**

- Binding Energy Storage Services Agreement signed with EnergyAustralia Pty Ltd
- Full dispatch rights contract with a term of up to 30 years
- Significant step towards achieving financial close of the Kidston Hydro Project

Genex Power Limited (**ASX: GNX**) (**Genex** or the **Company**) is pleased to announce that it has today finalised its offtake arrangements for the 250MW Kidston Pumped Storage Hydro Project (**K2-Hydro** or the **Project**) with the signing of a binding Energy Storage Services Agreement (**ESSA**) with EnergyAustralia Pty Ltd (**EnergyAustralia**). A summary of the key terms of the ESSA is below:

- A term of up to 30 years, with an initial term of 10 years and two options (at EnergyAustralia's election) to extend for a further 10 years each (**Extension Options**);
- Genex will provide the full operational dispatch rights for the K2-Hydro plant (including P&L responsibility) to EnergyAustralia in exchange for a fixed annual rental payment, escalating over the total term;
- Following the expiry of the full 30-year term and therefore conditional on the exercise of the Extension Options, EnergyAustralia shall have the right to acquire Genex's shareholding in the Project for a fixed cash payment; and
- The ESSA is subject to a number of conditions precedent, including achieving financial close for the Project, which must be satisfied prior to the financial close sunset date of 31 December 2020.

Genex remains deeply engaged with the other Project stakeholders, including the Northern Australia Infrastructure Facility (**NAIF**) to complete the restructuring of the project financing on the basis of the agreed terms of the ESSA. Following today's announcement, and subject to agreeing suitable terms with NAIF and Queensland Government, Genex is now seeking to reach financial close on the Project in the third quarter of the 2020 calendar year. The

Company will continue to keep the market informed of developments in relation to this timetable as appropriate.

Commenting on today's announcement, Genex CEO, James Harding stated:

*“Since November 2019, Genex has been actively working with all of its project stakeholders, including EnergyAustralia, NAIF and the Queensland Government, to complete the restructuring of the project financing for K2-Hydro and progress to financial close as quickly as possible.*

*We have been extremely pleased with the support of our stakeholders and counterparties during this period and now believe, with today's signing of the ESSA with EnergyAustralia, that we have the basis to move forward to financial close of the Project.*

*The K2-Hydro project will be the first pumped storage hydro project in the National Electricity Market in almost 40 years, and the first to be developed under private ownership. It will create over 500 jobs during construction and deliver significant economic benefits to Queensland through providing reliable generation for the grid and applying downward pressure on wholesale electricity prices. We look forward to keeping the market informed as we progress toward financial close, and to commencing construction at Kidston later this year.”*

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

**For more information about this announcement:**

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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 Clean 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 successfully

acquired and financed the 50MW Jemalong Solar Project (**JSP**), located near Forbes in NSW, which is currently under construction.

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 the KS1 Project, as well as their support of up to \$9 million in funding to support the development of the stage 2 projects. In addition to this, Genex acknowledges the Northern Australia Infrastructure Facility (**NAIF**) and their Investment decision to offer finance to K2-Hydro through the provision of a long term concessional NAIF debt facility for up to \$610 million. Genex also recognises the support of the Queensland State Government through providing a 20- year revenue support deed for KS1 and designating the Hub as 'Critical Infrastructure' to the State.

**About EnergyAustralia Pty Ltd**

EnergyAustralia is one of Australia's largest energy companies with around 2.5 million electricity and gas accounts in New South Wales, Victoria, Queensland, South Australia, and the Australian Capital Territory. It also owns, operates and contracts a multi-billion-dollar energy generation portfolio across Australia, including coal, gas, battery storage, demand response, wind and solar assets in a generation portfolio representing over 5,000MW of capacity.