

Renewable energy. Sustainable investments.

New Energy Solar¹ (**NEW**, the **Business**) is an award-winning sustainable investment business focused on investing in large-scale solar power plants that generate emissions-free power. As Australia's first ASX-listed solar infrastructure business, NEW has invested more than A\$1 billion in solar plants across the United States (US) and Australia, helping investors generate positive social impact alongside attractive financial returns.

To learn more about New Energy Solar, visit www.newenergysolar.com.au.

Summary

Highlights during the quarter included:

- Organ Church Solar Power Plant (**Organ Church**) reached Commercial Operation² in February
- Beryl Solar Power Plant (**Beryl**) changed its module supplier, resulting in an increase in the plant's capacity and expected generation, cash yield and project value
- Construction of Beryl and the Mount Signal 2 Solar Power Plant (**Mount Signal 2**) remains on track for completion during 2019
- NEW paying a 4.0 cents per stapled security distribution, bringing the total distributions paid to investors since listing in December 2017 to 11.75 cents per stapled security

NEW had a steady start to the year, underpinned by the continued growth of its portfolio of operational assets. As at 31 March 2019, NEW was the fifth largest listed pure-play investor in solar power plants globally.

During the quarter, Organ Church in North Carolina reached Commercial Operation. Eight of the solar plants acquired from Cypress Creek Renewables (**CCR**) are now generating revenue under their respective long-term Power Purchase Agreements (**PPA**).

With respect to plants under construction, NEW is pleased with the progress on its two solar plants. Both the 200 megawatt (**MW_{DC}**) Mount Signal 2 and the 111MW_{DC} Beryl remain on track to achieve Commercial Operation during 2019.

During February 2019, NEW paid a distribution of 4.0 cents per stapled security in respect of the six-month period ended 31 December 2018, after distributing more than \$25 million to its securityholders in 2018.

NEW's 14 operational solar power plants (the **Operating Portfolio**) generated approximately 152,000 megawatt hours (**MWh**)³ of electricity during the quarter.

FINANCIAL SUMMARY (31 MARCH 2019)

Market Capitalisation	A\$485m
Stapled Security Price	\$1.39
2018 Distribution per Stapled Security	7.75 cents
2018 Distribution Yield	5.6% ⁴

The plants located in the western region of the US – Oregon, California, and Nevada – performed well, however, their production was collectively below original expectations due to the adverse weather conditions during the Northern Hemisphere winter but above the Investment Manager's weather adjusted forecasts. NEW's solar plants located in North Carolina and Australia also experienced lower-than-expected generation, due also to weather conditions and to post-commissioning and maintenance activities at a number of the plants.

The size of the Operating Portfolio is expected to grow materially to 772MW_{DC} by the end of 2019 once Mount Signal 2 and Beryl reach Commercial Operation.

NEW INVESTMENT STRATEGY RECEIVES STRONG ENDORSEMENT

New Energy Solar's Investment Manager successfully launched a US\$200m solar investment vehicle (**US Solar Fund**) on the London Stock Exchange on 16 April 2019.

The initial public offering of US Solar Fund was supported by over 30 of the UK's leading institutional investors, US Solar Fund will invest in utility-scale solar plants primarily in the US.

There are positive implications for NEW stapled securityholders from this success:

- US Solar Fund's success is a strong endorsement of the investment strategy that NEW has been implementing since inception and of the capabilities of NEW's Investment Manager;
- Co-investment arrangements between NEW and US Solar Fund will provide opportunities for NEW to expand the range of projects in which it can invest; and
- Economies of scale achieved from managing NEW and US Solar Fund means there will be an immediate reduction in NEW's Base Management Fee of 7.5 basis points per annum.

For additional information see:
[US Solar Fund announcement](#)

PORTFOLIO SUMMARY⁵

OREGON PLANTS

Name	Capacity (MW _{DC})	Offtaker
● Bonanza	6.8	PacifiCorp
● Pendleton	8.4	PacifiCorp
Total	15.2	

CALIFORNIA PLANTS

Name	Capacity (MW _{DC})	Offtaker
● Stanford	67.4	Stanford University
● TID	67.4	Turlock Irrigation District
● Mount Signal 2	199.6	Southern California Edison
Total	334.4	

NEVADA PLANTS

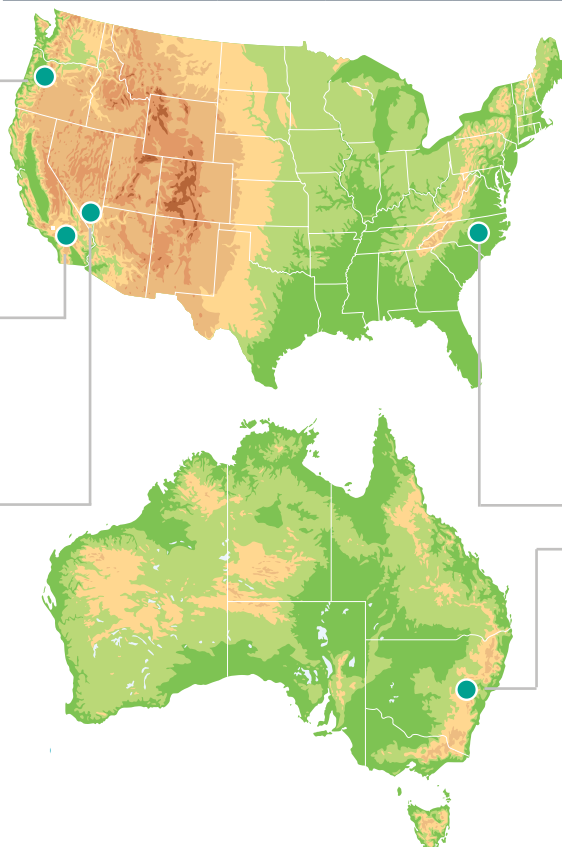
Name	Capacity (MW _{DC})	Offtaker
● Boulder Solar 1	124.8	NV Energy

KEY

- Operational
- Acquired/under construction
- Committed

ADDITIONAL COMMITTED US PLANTS

Name	Capacity (MW _{DC})	Location	Expected Offtaker
● Rigel Portfolio ¹¹	73.8	North Carolina and Oregon	Duke Energy Progress and PacifiCorp



NORTH CAROLINA PLANTS

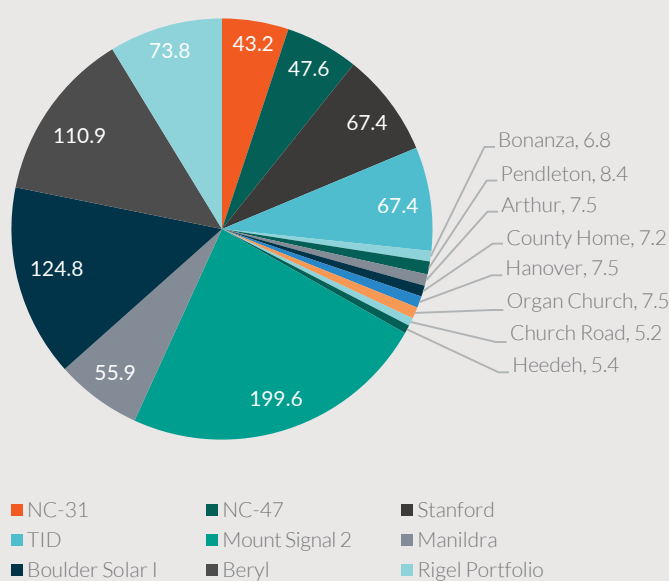
Name	Capacity (MW _{DC})	Offtaker
● NC-31	43.2	Duke Energy Progress
● NC-47	47.6	Duke Energy Progress
● Hanover	7.5	Duke Energy Progress
● Arthur	7.5	Duke Energy Progress
● Church Road	5.2	Duke Energy Progress
● Heedeh	5.4	Duke Energy Progress
● Organ Church	7.5	Duke Energy Carolinas
● County Home	7.2	Duke Energy Progress
Total	131.1	

NEW SOUTH WALES PLANTS

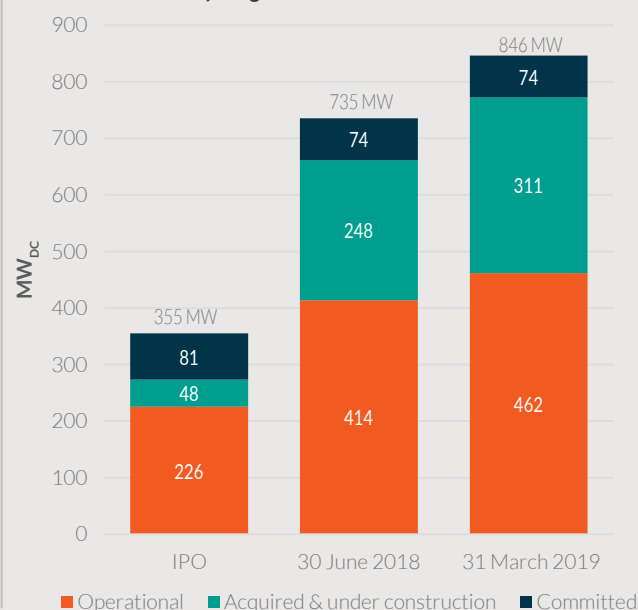
Name	Capacity (MW _{DC})	Offtaker
● Manildra	55.9	EnergyAustralia
● Beryl	110.9	Sydney Metro
Total	166.8	

NEW PORTFOLIO COMPOSITION (BY PLANT) AS AT 31 MARCH 2019

NEW Portfolio Composition (MW_{DC}⁵)



NEW Portfolio by Stage⁵



PORTFOLIO UPDATE



OPERATING PLANTS¹²

Interests in 14 solar power plants with 462MW_{DC}¹³ of capacity as at 31 March 2019.

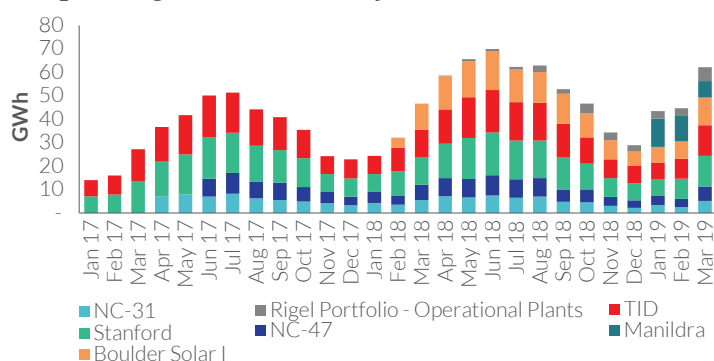
Organ Church reached Commercial Operation during the quarter, increasing the size of the Operating Portfolio to 14 operational plants (13 in the US and 1 in Australia).

Following the commissioning of 9 plants during 2018 and 2019 to date, NEW's Operating Portfolio is now diversified across four states in the United States (California, Nevada, North Carolina and Oregon) and Australia (New South Wales).

The Operating Portfolio produced approximately 152,000MWh¹² of electricity during the quarter. This represents enough energy to power approximately 19,900 equivalent US and Australian homes.

The Operating Portfolio also helped to generate material social benefits for NEW's securityholders, with production displacing the equivalent of 105,000 tonnes of CO₂ emissions during the quarter, which is comparable to removing approximately 27,400 cars from the road.

Operating Portfolio Monthly Production¹²



US PLANTS

During the quarter, NEW's Oregon, California and Nevada plants were impacted by adverse weather conditions but performed above the Investment Manager's weather-adjusted forecasts. Boulder Solar I in Nevada recorded a particularly strong operating performance during March.

NEW's North Carolina plants were impacted by weather conditions and post-commissioning and maintenance activities at a number of sites. While these activities detracted from the optimal performance of the plants, they were carried out during the first quarter of 2019 ahead of and in preparation for the upcoming higher production summer months.

NEW's US portfolio generated a total of 122,000MWh¹² of electricity during the quarter.

AUSTRALIAN PLANTS

Manildra achieved full Commercial Operation in December 2018 and generated 30,000MWh¹² of electricity during the quarter.

Manildra's performance was below the Investment Manager's expectations due to a combination of adverse weather conditions, post-commissioning activities and network maintenance.

PLANTS ACQUIRED AND UNDER CONSTRUCTION

Interests in two solar power plants totalling 311MW_{DC}¹³ of capacity still under construction as at 31 March 2019.

US PLANTS

Organ Church achieved Commercial Operation during February. Following this milestone, Organ Church commenced its 15-year PPA with Duke Energy Carolinas, a subsidiary of Duke Energy (NYSE: DUK).

Significant construction progress was achieved at Mount Signal 2 during the quarter, and it is anticipated to reach Commercial Operation during H2 2019 in line with the Investment Manager's expectations.

During the quarter, the engineering, procurement and construction contractor increased its workforce onsite to manage the delivery of inverters and the commencement of racking. The installation of the solar modules for this plant is ongoing. Mount Signal 2 will have nearly 470,000 solar modules installed by the completion of its construction.

AUSTRALIAN PLANTS

During the quarter, a variation to Beryl's engineering, procurement and construction contract was executed to change the modules being installed to modules manufactured by LONGi Green Energy Technology Co. Ltd (LONGi). The use of LONGi modules has allowed for a redesign of the site, which is expected to increase the project capacity from 108MW_{DC} to 111MW_{DC} and subsequently bolster annual electricity generation and cash yields.

The construction of Beryl advanced significantly during the quarter. At the peak of activity, 470 contractors were present on the site. Construction remains on track for the plant to achieve Commercial Operation by mid-2019.



Aerial photo of Beryl solar plant (under construction) – April 2019

COMMITTED PLANTS

Six solar power plants totalling 74MW_{DC}¹³ of capacity as at 31 March 2019.

Subject to meeting conditions precedent, NEW has committed to acquire a further six solar projects from CCR in North Carolina and Oregon as part of the Rigel Portfolio acquisition announced in October 2017.

Funding and construction of these plants remains delayed due to design and development issues. Under the terms of the Rigel Portfolio acquisition, NEW is not obliged to fund these projects until they achieve all relevant development milestones.



Did you know?

Holding 10,000 NEW securities is estimated to generate power equivalent to powering 6.7 US and Australian-equivalent homes for a year⁷.

Find out how the environment benefits from your New Energy Solar Investment by [clicking here](#)

ENDNOTES

- ¹ New Energy Solar Limited (**Company**), and Walsh & Company Investments Limited as responsible entity of New Energy Solar Fund (**Trust**), together **New Energy Solar**, the **Business** or **NEW**.
- ² Commercial Operation refers to the status of a plant when a PPA for the sale of electricity has commenced; the plant has achieved mechanical completion, and the electrical infrastructure required to connect the plant with the electricity grid has been completed. At this time the plant has been energised, operationally tested and commissioned.
- ³ Based upon NEW's equity interest in each plant.
- ⁴ Based on \$1.39 NEW stapled security price and 349.3 million stapled securities outstanding as at 29 March 2019.
- ⁵ Includes plants that are wholly or partly owned by NEW. Total portfolio of 846 MW_{DC} includes plants that are operational, acquired and under construction or committed.
- ⁶ Figure excludes Rigel Portfolio – Committed.
- ⁷ Estimates utilise the first year of each plant's electricity production once operational or acquired by the Investment Manager. Assumes all plants under construction and committed plants are fully operational and owned by NEW on a 100% basis.
- ⁸ US CO₂ emissions displacement is calculated using data from the US Environmental Protection Agency's "Avoid Emissions and generation Tool" (AVERT). Australian CO₂ emissions displacement is calculated using data from the Australian Government Department of the Environment and Energy.
- ⁹ Calculated using data from the US Energy Information Administration (principal agency of the US Federal Statistical System) and the Australian Energy Regulator.
- ¹⁰ Calculated using data from the US Environmental Protection Agency and the Australian Bureau of Statistics.
- ¹¹ Rigel Portfolio – Committed refers to the portfolio of solar power plants NEW has committed to acquire from Cypress Creek Renewables if certain conditions are met. Refer to 'Committed Plants' section of this update for further information.
- ¹² Production included for all solar power plants on a NEW equity interest basis.
- ¹³ Accounts for plants on a 100% basis.

Important Notice:

This Quarterly Update (Update) has been prepared by the Investment Manager (New Energy Solar Manager Pty Limited) of New Energy Solar. An investment in the Business is subject to various risks, many of which are beyond the control of the Investment Manager and the Responsible Entity of the Fund. The past performance of the Business is not a guarantee of the future performance of the Business. This Update contains statements, opinions, projections, forecasts and other material (forward-looking statements), based on various assumptions. Those assumptions may or may not prove to be correct. None of the Investment Manager and the Business, their officers, employees, agents, analysts nor any other person named in this Update makes any representation as to the accuracy or likelihood of fulfillment of the forward-looking statements or any of the assumptions upon which they are based. Unless otherwise specified, all references to currency are to Australian dollars.