

23 February 2017

ASX Announcement

THE OFFICIAL GROUND-BREAKING CEREMONY OF THE KIDSTON SOLAR PROJECT (PHASE ONE 50MW)

22 February 2017 marked the Official Ground-Breaking Ceremony for the Kidston Solar Project Phase One 50MW (**KSP1** or **Project**) for Genex Power Limited (**ASX: GNX**) (**Genex** or **Company**), with support from the Queensland Government, the Australian Renewable Energy Agency (**ARENA**) and the Clean Energy Finance Corporation (**CEFC**).

Genex hosted the ceremony on-site in Kidston, Queensland, with Queensland's Energy Minister Mark Bailey and ARENA CEO Mr. Ivor Frischknecht initiating the first sod-turning for the Project.

The Queensland Government awarded Genex a 20-year Revenue Support Deed as part of the Large-Scale Solar 150 Program. The Deed consists of a one-way price contract between Genex and the Queensland Government, guaranteeing the sale of electricity above a set floor price for 20 years.

Managing Director of Genex, Michael Addison commented on the contribution the Queensland Government have made to KSP1; *"The revenue support deed was crucial to the success of the project's financing. The guarantee of a long-term stable price contract mitigates any risk associated with fluctuating energy prices over the 20-year period. The signing of this deed can give our shareholders complete reassurance that we will have strong and steady cashflow throughout the lifespan of the project."*



From left to right: Queensland Energy Minister Mark Bailey, Genex Chairman Dr. Ralph Craven, and CEO of ARENA Ivor Frischknecht.

ARENA is supporting KSP1 with \$8.9 million as part of its Large-Scale Solar Competitive Round. The program saw a total of \$91.7 million awarded to twelve large-scale solar projects across Australia, which are set to triple the nation's large-scale solar capacity.

The CEFC is also supporting KSP1 with approximately \$54 million in debt finance as part of its \$250 million Large-Scale Solar Program.

Commenting on the significance of the finance, Executive Director for Genex Power Simon Kidston stated, *"The support provided by ARENA and the CEFC for our first solar project, was a key component of the success to the project financing requirements. Genex wishes to thank ARENA and the CEFC for the strong support they have provided for our 50MW solar project."*



The Kidston Renewable Energy Hub: 50MW Solar Project and the 250MW Pumped Storage Hydro Project

Genex announced project financial close for KSP1 on 14 February 2017 after finalising a debt equity agreement of approximately \$100M million with the CEFC and Societe Generale (**SG**), with \$8.9 million provided as a funding grant by ARENA.

After the initiation of construction for KSP1, Genex has now turned its focus towards the planning of the co-located 250MW pumped storage hydro project and an additional 270MW solar project (which will become the largest solar project in Australia). ARENA has provided \$4 million in funding for the completion of technical feasibility studies for the hydro-storage project. ARENA and the CEFC have also committed to further funding and financial support for storage and flexible capacity projects, in line with a request from the Office of the Prime Minister and the Hon. Josh Frydenberg MP (Federal Minister for Energy and the Environment)

Project Summary

KSP1 will produce approximately 145,000MWh each year, providing enough energy to power 26,484 Australian homes entirely with renewable energy, offsetting 120,000t of CO₂ per annum, equivalent to removing up to 33,000 cars off Australian roads. Genex has entered into a 20-year Revenue Support Deed with the Queensland State Government, as part of its Solar 150 Program. The program guarantees a minimum energy floor price (*refer ASX announcement 8 September 2016*). All energy produced will be supplied directly into the National Electricity Market (**NEM**). Genex has selected UGL Ltd (a member of CIMIC Group) as the Engineering, Procurement and Construction contractor and the Operation and Maintenance Contractor for the Project.

UGL Managing Director Juan Santamaria said, *“UGL is pleased to be working with Genex Power to deliver the Kidston Solar Project, and playing its role in the contribution of renewable energy to meet the Queensland electricity market. Renewable energy projects are delivering important innovations and are a key growth area for the Australian energy sector, and for UGL.”*

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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. Genex is currently pursuing a number of unique energy development opportunities across Australia. The Company's current focus is on the development of its 250MW Kidston Pumped Storage Hydro Project and the Kidston Solar Project Phase One 50MW located at the Kidston Renewable Energy Hub, in Northern Queensland.

About ARENA:

ARENA was established by the Australian Government to make renewable energy technologies more affordable 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 always looks for at least matched funding from the projects it supports and to date has committed \$1.1 billion in funding to more than 270 projects. For more information, visit www.arena.gov.au.

About the Clean Energy Finance Corporation:

The Clean Energy Finance Corporation invests, applying commercial rigour, to increase the flow of finance into the clean energy sector. Our mission is to accelerate Australia's transformation towards a more competitive economy in a carbon constrained world, by acting as a catalyst to increase investment in emissions reduction. We do this through an investment strategy focused on cleaner power solutions, including large and small-scale solar, wind and bioenergy; and a better built environment, with investments to drive more energy efficient property, vehicles, infrastructure, and industry. The CEFC also invests with co-financiers to develop new sources of capital for the clean energy sector, including climate bonds, equity funds, aggregation facilities and other financial solutions. The CEFC operates under the Clean Energy Finance Corporation Act 2012. For more information, visit cleanenergyfinancecorp.com.au.

About Societe Generale:

Societe Generale is one of the largest European financial services groups. Based on a diversified universal banking model, the Group combines financial solidity with a strategy of sustainable growth, and aims to be the reference for relationship banking, recognised on its markets, close to clients, chosen for the quality and commitment of its teams.

Societe Generale has been playing a vital role in the economy for 150 years. With more than 145,000 employees, based in 66 countries, we serve on a daily basis 31 million clients throughout the world. Societe Generale's teams offer advice and services to individual, corporate and institutional customers in three core businesses:

- Retail banking in France with the Societe Generale branch network, Credit du Nord and Boursorama, offering a comprehensive range of multi-channel financial services at the leading edge of digital innovation;
- International retail banking, insurance and financial services to corporates with a presence in developing economies and leading specialised businesses;
- Corporate and investment banking, private banking, asset management and securities services, with recognised expertise, top international rankings and integrated solutions.

Societe Generale is currently included in the main sustainability indices: DJSI (World and Europe), FTSE4Good (World and Europe), Euronext Vigeo (World, Europe and Eurozone), Ethibel Sustainability Index (ESI) Excellence Europe, 4 of the STOXX ESG Leaders Indices, MSCI Low Carbon Leaders Index.

About UGL Limited:

UGL Limited is a wholly owned subsidiary of Australian publicly listed company CIMIC Group Limited (ASX:CIM).

CIMIC Group Limited is one of the world's leading international contractors and the world's largest contract miner. CIMIC Group has operations that have been in existence since 1934, was listed on the Australian Securities Exchange in 1962 and has its head office in Sydney, Australia. CIMIC provides construction, mining, mineral processing, engineering, concessions, and operation and maintenance services to the infrastructure, resources and property markets. It operates in more than 20 countries throughout the Asia Pacific, the Middle East, North and South America and Sub-Saharan Africa and, as at 31 December 2016, employed approximately 50,500 people directly and through its investments.

UGL is a leading provider of end-to-end engineering, construction and maintenance services, UGL is active across rail and transport, communications and technology systems, oil and gas, power and resources, water and defence markets. UGL Limited is headquartered in Sydney, Australia and operates across Australia, New Zealand and South East Asia.