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ASX: GNX

22 December 2020

KIDSTON HYDRO PROJECT – GENEX POWER FINAL INVESTMENT DECISION

Highlights:

- NAIF Board makes refreshed Investment Decision for long term concessional loan facility of up to \$610m that reflects close to final terms;
- Signing of Energy Storage Services Agreement (**ESSA**) Amendment Deed with EnergyAustralia to extend Financial Close Sunset Date to 28 February 2021;
- Signing of Share Subscription Agreement (**SSA**) and Technical Services Agreement (**TSA**) Amendment Deed with J-POWER to extend Financial Close Sunset Date to 28 February 2021;
- Genex Power Board delivers a positive Final Investment Decision for the Kidston Pumped Storage Hydro Project; and
- Execution of project documents and satisfaction of remaining conditions precedent anticipated early in the new year.

Genex Power Limited (**ASX: GNX**) (**Genex** or the **Company**) is pleased to provide the following update in relation to the development and financing activities for the 250MW Kidston Pumped Storage Hydro Project (the **Project**).

Refreshed Investment Decision of NAIF Board

Genex has been advised that the Board of the Northern Australia Infrastructure Facility (**NAIF**) has made an Investment Decision to provide a long-term concessional loan for purposes of financing the Project, for an amount of up to \$610m with a tenor of 15 years. The Investment Decision is based on the final terms of the ESSA which was signed with EnergyAustralia Pty Ltd (**EnergyAustralia**) on 29 March 2020 (*refer ASX Announcement dated 30 March 2020*).

The Investment Decision is subject to the negotiation and execution of the final finance documentation, and to the satisfaction or waiver by NAIF of the conditions precedent within that documentation including the finalisation of the Queensland Government's consideration of the project and the finalisation of negotiation and funding arrangement of the transmission infrastructure for the project. The NAIF's Investment Decision is also subject to the Minister's legislative consideration period.

Signing of ESSA Amendment Deed with EnergyAustralia

Genex is pleased to advise that it has signed an Amendment Deed in relation to the ESSA executed with EnergyAustralia on 29 March 2020 (**ESSA Amendment Deed**). One of the key terms of the ESSA was the requirement for the Project to achieve financial close by 31 December 2020, and therefore the ESSA Amendment Deed extends this date to 28 February 2021. The ESSA Amendment Deed also includes a number of changes to the terms of the ESSA to provide alignment with the fully negotiated project documents to ensure the Project operating risks are appropriately mitigated.

Signing of SSA and TSA Amendment Deed with J-POWER

Genex is also pleased to advise that it has signed an Amendment Deed in relation to the SSA and TSA with Electric Power Development Co. Ltd (**J-POWER**) executed on 3 August 2020 (*refer ASX Announcement dated 3 August 2020*) (**SSA and TSA Amendment Deed**). The original SSA and TSA had conditions that required the Project to achieve financial close by 31 December 2020, and therefore the SSA and TSA Amendment Deed extends this date to 28 February 2021.

Genex also notes that its shareholder approval to issue shares to J-POWER under the SSA expired on 18 December 2020. Genex has applied to the ASX for a waiver of Listing Rule 14.7 by way of granting an extension of this approval for a further 3 months to 18 March 2021. In the absence of this waiver being granted, Genex has existing placement capacity which was approved by shareholders at its Annual General Meeting on 18 November 2020.

Positive Final Investment Decision of Genex Board

Following the NAIF Investment Decision and based on the advanced nature of the limited number of outstanding investment approvals, financing and project documentation, the Genex Board has formally resolved to proceed with the financing and construction of the Project through a positive Final Investment Decision.

Genex is now working with all stakeholders to finalise documentation and conclude the project financing activities early next year with a view to commencing construction within Q1 2021. To support this timetable, Genex has successfully secured pricing and offer validity extensions from all Project stakeholders, including EnergyAustralia and J-POWER as per today's announcement. Genex will continue to update the market as and when the project and financing documentation is finalised and executed with its various project stakeholders, as the Project rapidly advances toward financial close.

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

“Genex is now in a position to close out the remaining workstreams necessary to reach Financial Close of the Kidston Pumped Storage Hydro Project. We highly appreciate the ongoing support of NAIF with its updated Investment Decision to support the Project with a concessional debt facility of up to \$610m. This development, alongside the advanced nature of documentation and the other limited outstanding investment approvals, has enabled the Genex Board to make a positive Final Investment Decision to proceed with the Project. The Project delivers a step change in scale for Genex and cements relationships with globally respected energy market leaders.

We are also pleased with the ongoing support of EnergyAustralia and J-POWER, with the extensions to the existing agreements with these parties enabling us to now push on with financial close early in the new year.

The Kidston Pumped Storage Hydro Project is a complex project involving multiple stakeholders, contractors and project financiers. Whilst a number of delays have been experienced in moving the project towards financial close, management has been working tenaciously, diligently and consistently on the many workstreams, including legal and contract documentation, permitting and funding arrangements to bring the project to conclusion in the fastest possible time. I am delighted to say that we are now moving rapidly towards anticipated financial close of the project in February 2021.”

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

For more information about this announcement:**CONTACT:****Simon Kidston**

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Genex Power Limited is focused on developing a portfolio of renewable energy generation and storage projects across Australia. The Company's flagship Kidston Clean Energy Hub, located in north Queensland, will integrate large-scale solar generation with pumped storage hydro. The Kidston Clean Energy Hub is comprised of the operating 50MW stage 1 Solar Project (**KS1**) and the 250MW Kidston Pumped Storage Hydro Project (**K2-Hydro**) with potential for further multi-stage wind and solar projects. The 50MW Jemalong Solar Project (**JSP**) is located in NSW and provides geographical diversification to the Genex Power Limited portfolio. JSP was energised in early December 2020 and commissioning is now underway. Genex is further developing its energy storage portfolio via the early stage development of a 50MW/75MWh standalone battery energy storage system at Bouldercombe in Queensland. With over 400MW of renewable energy & storage projects in development, Genex is well placed as Australia's leading renewable energy and storage company.

Genex continues to acknowledge the support of key Federal and State Government stakeholders such as the Australian Renewable Energy Agency (**ARENA**), the Northern Australia Infrastructure Facility (**NAIF**) and the Queensland State Government.