Genex Power

June 2016

DISCLAIMER

- *This document has been prepared by Genex Power Limited ("Genex" or "Company") for the purpose of providing a company and technical overview to interested analysts/investors. None of Genex, nor any of its related bodies corporate, their respective directors, partners, employees or advisers or any other person ("Relevant Parties") makes any representations or warranty to, or takes responsibility for, the accuracy, reliability or completeness of the information contained in this document to the recipient of this document ("Recipient") and nothing contained in it is or may be relied upon as, a promise or representation, whether as to the past or future.*
- *The information in this document does not purport to be complete nor does it contain all the information that would be required in a disclosure statement or prospectus prepared in accordance with the Corporations Act 2001 (Commonwealth). It should be read in conjunction with Genex's other periodic releases*
- *This document is not a recommendation to acquire Genex shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction. Except to the extent prohibited by law, the Relevant Parties disclaim all liability that may otherwise arise due to any of this information being inaccurate or incomplete. By obtaining this document, the Recipient releases the Relevant Parties from liability to the Recipient for any loss or damage that it may suffer or incur arising directly or indirectly out of or in connection with any use of or reliance on any of this information, whether such liability arises in contract, tort (including negligence) or otherwise.*
- *This document contains certain "forward-looking statements". The words "forecast", "estimate", "like", "anticipate", "project", "opinion", "should", "could", "may", "target" and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. You are cautioned not to place undue reliance on forward looking statements. Although due care and attention has been used in the preparation of forward looking statements, such statements, opinions and estimates are based on assumptions and contingencies that are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.*
- *Recipients of the document must make their own independent investigations, consideration and evaluation. By accepting this document, the Recipient agrees that if it proceeds further with its investigations, consideration or evaluation of investing in the Company it will make and rely solely upon its own investigations and inquiries and will not in any way rely upon this document.*
- *This document is not and should not be considered to form any offer or an invitation to acquire Genex shares or any other financial products, and neither this document nor any of its contents will form the basis of any contract or commitment. In particular, this document does not constitute any part of any offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of any "US person" as defined in Regulation S under the US Securities Act of 1993 ("Securities Act"). Genex shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration.*

CAPITAL RAISING

OFFER STRUCTURE: PLACEMENT OF NEW ORDINARY SHARES

- Issue Price : $0.16 per new share
  - Discount to last close (8 June) : 27%
  - Discount to 10 Day VWAP: 20%
- New Shares: 12.5 million*
- Amount Raised (up to) : $2.0 million*
- Shares on issue post raise: 170.9 million*

*Genex reserves the right to accept up to $2 million

SOURCE & APPLICATION OF FUNDS

Source of Funds	$M
Current Cash	1.9
R&D Rebate	2.2
Arena (undrawn Hydro facility)	2.0
Placement*	2.0
Total	**8.1**

Use of Funds	$M
Solar Capital Costs (before Financial Close)	2.5
Solar DD costs to Financial Close	0.5
ARENA Solar Bid Bond	0.5
Hydro Feasibility	2.0
Working Capital	2.6
Total	**8.1**

* Numbers subject to rounding. Placement proceeds applied to WC

INVESTMENT HIGHLIGHTS

Genex Power
- Exposure to renewable energy sector
- Leveraging existing infrastructure for low cost development
- Positive macro outlook
- Government support

50MW Solar Project
- All permits and approvals received
- Construction to commence Q4 2016
- First cash flow Q4 2017

450 MW Pumped Storage Hydro
- Advanced Feasibility stage
- Strategic peak generator / energy storage

TIMETABLE

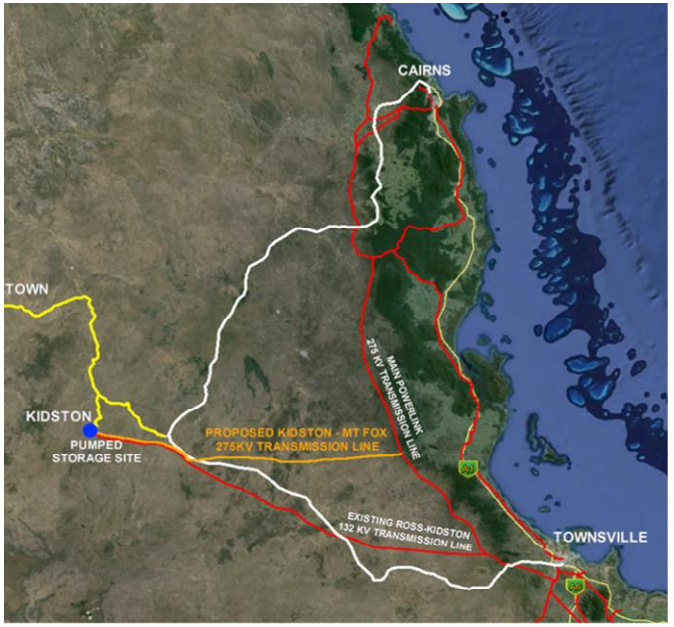
Trading halt / capital raising : Thursday 9 June 2016

Books open : Thursday 9 June 2016

Allotment and trading date: Friday 17 June 2016

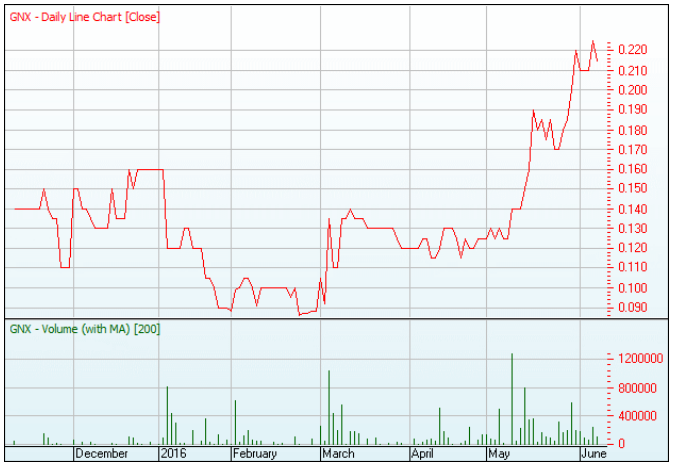
OVERVIEW

Company Summary	
Focus	Renewable Energy and Energy Storage
Location	North Queensland
ASX Code	GNX
Shares on Issue	158,393,750
Market Cap	$34 million



	Pumped Storage	Solar
Project Status	Feasibility due 3Q 16	Feasibility Q2
Generation Capacity (up to)	450MW	Stage 1 – 50MW Stage 2 – 100MW
Target Generation	2019	2017

Major Shareholders	
Board & Management	36%
Zhefu Hydropower	20%
Institutional	9%
Other	35%



Source: ASX, 6 June 2016

WHY WAS GENEX ESTABLISHED?

GROWTH OF RENEWABLE ENERGY GENERATION

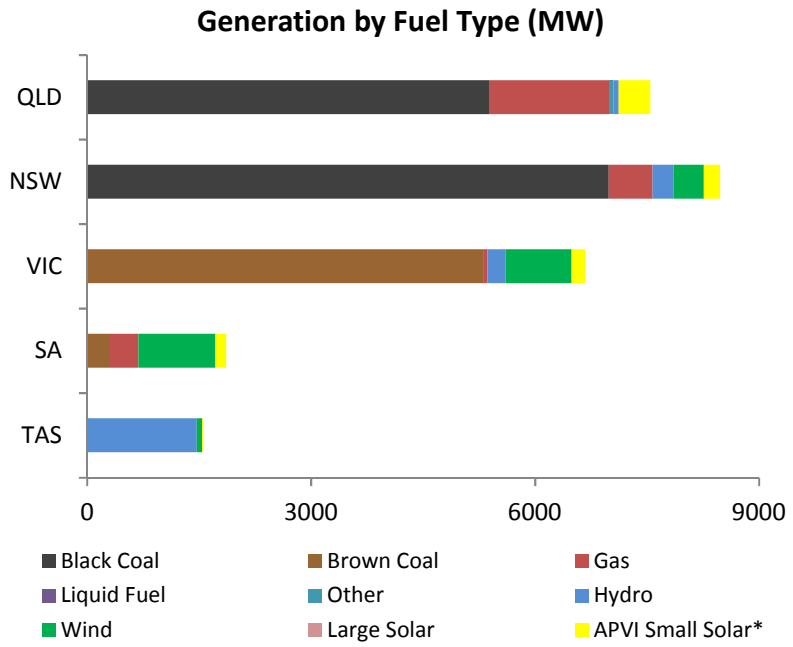
- Intermittent Generation
- Excess generation during low demand
- Need for large scale energy storage
- Pumped storage integration with renewable generation (ie Kidston Solar Project)
- Increasing gas prices in Queensland

Royalla Solar Farm

Cathedral Rocks Wind Farm

UNIQUE ENERGY GENERATION MIX IN QUEENSLAND

- Coal fired Baseload
- Gas Peaking
- Effect of rising gas prices on OCGT & CCGT
- Opportunity for low cost/low emission peaking generation



Renewable Energy Hub

Kidston Solar PV– Near Term Cash flow

- 50MW AC Solar Farm
- Located in Far North Queensland
- Highest solar resource in Australia connected to the NEM
- One of the lowest $ per MWh solar projects in Australia
- Strong local community support
- Project Approvals in place (Development and Environmental Approval)
- Targeting first generation 4Q 2017
- Co located with large scale hydroelectric energy storage

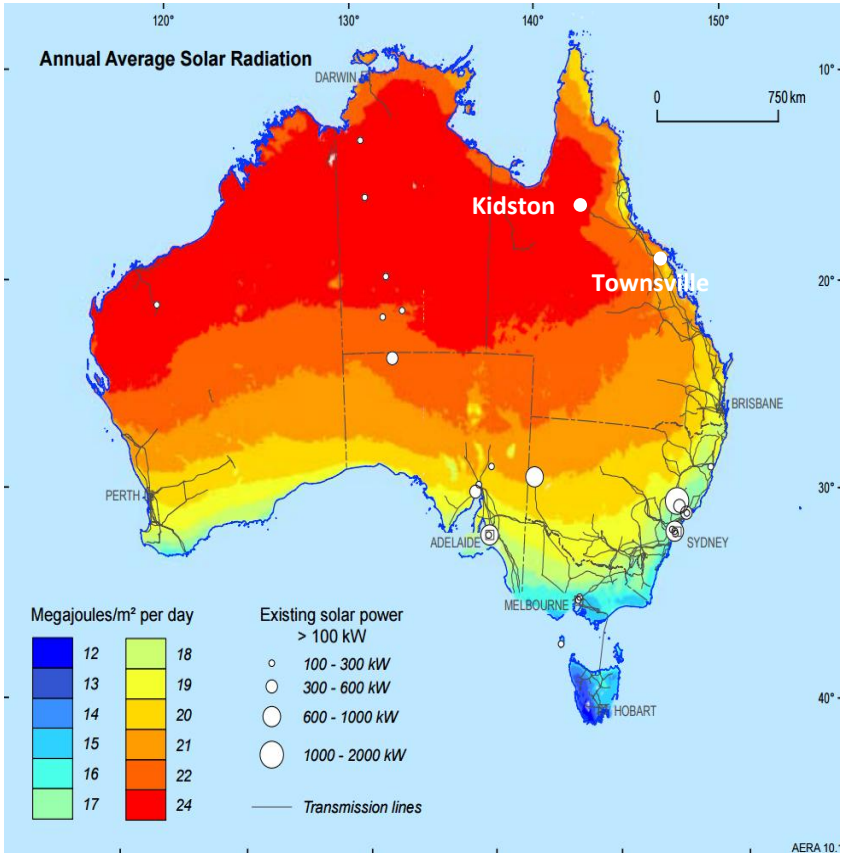
Key Project Parameters	
AC System Capacity	50 MW
DC System Capacity	67 MW
Annual Generation	>140,000 MWh
Capacity Factor (Tracking)	>32%
MLF	1.07

Project Status

- ✓ *Development Approval*
- ✓ *Freehold land acquired*
- ✓ *Environmental Approval*
- ✓ *Feasibility Study completed*
- ✓ *EPC Contractor shortlisted*
- ✓ *Grid Connection secured (25 years)*

Kidston Solar PV – Near Term Cash flow

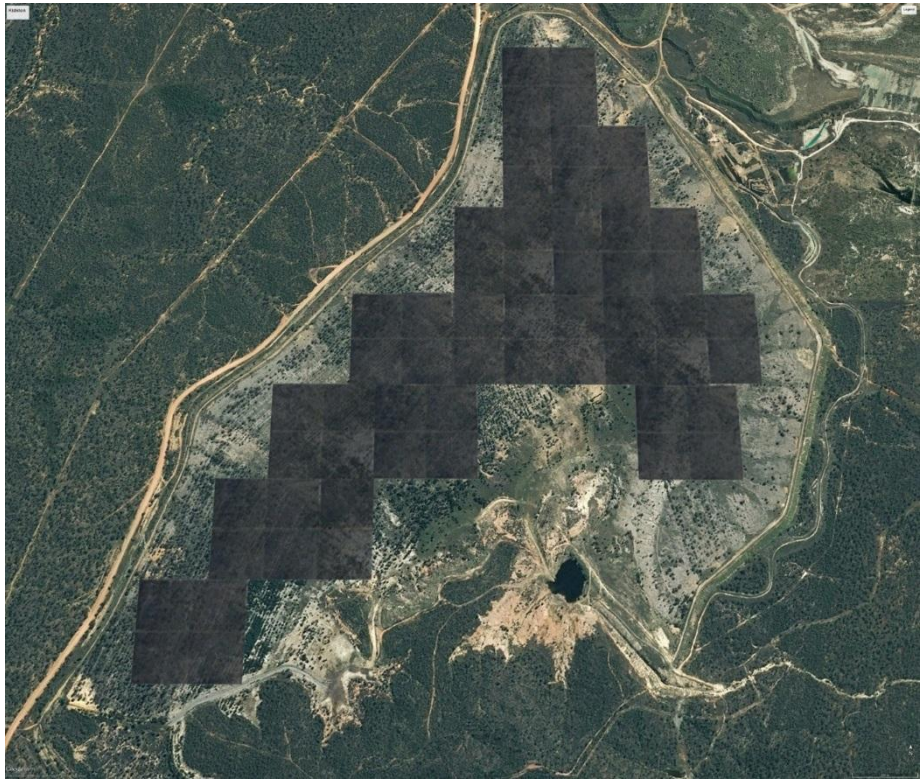
- Located at the old Kidston Gold Mine
- 300km north west of Townsville
- The site was selected for a number of reasons
  - ✓ *One of the highest solar radiation areas in Australia*
  - ✓ *The only solar project located in the "red zone" which is also connected to the NEM*
  - ✓ *Consistent strong solar exposure throughout the year*
  - ✓ *Accessible by highway from Townsville and Cairns*
  - ✓ *Onsite accommodation camp suitable for construction needs*
  - ✓ *Good condition access road throughout the site*
  - ✓ Co located with large scale hydroelectric energy storage project
- Existing substation and transmission line located adjacent to plant
- Remote community in need of development to drive economic growth
- No adverse impact on local community



Source: Bureau of Meteorology

Kidston Solar PV – Project Advantages

- Project will be constructed on the tailings storage facility (TSF) of the former Kidston Gold Mine
- TSF well suited for solar PV installation
  - *Flat, dry and compacted surface*
  - *Sparse vegetation easily removed*
  - *Elevated 25m above natural ground level*
  - *Consistent ground conditions throughout TSF*
- Geotechnical analysis indicates ground is amenable for PV installation
- Independent site analysis completed by EPC tenderers
- Good vehicle access with ramp and road way all around the site
- Minimal environmental issues
  - *Solar farm will reduce existing leaching issues of the TSF*
- No alternative land use



Kidston Solar PV – Grid Connection

- Connection to NEM via existing substation on site
- Substation connected to the main grid via existing 132kV transmission line
- Transmission line and substation owned by Ergon
- Minimal load currently on the line
- Connection agreement in place with Ergon

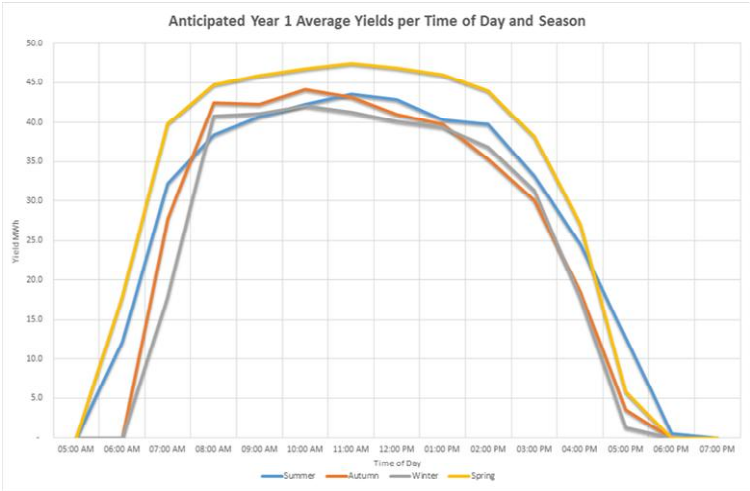
132kV transmission line to Townsville

Kidston substation

Australian Solar Project Comparison

	Kidston	Royalla	Moree	Nyngan	Broken Hill
MWac	**50**	24	56	102	53
Capacity Factor	**>32%**	18%	30%	26%	27%
Annual Generation (MWh)	**>140,000**	37,000	146,180	233,000	126,000
CAPEX (A$m)	**TBC**	$155m	$164m	$290m	$150m
CAPEX/MWh	**TBC**	$4,189	$1,122	$1,245	$1,190
CAPEX/MWac	**TBC**	$6.46	$2.93	$2.84	$2.83
Racking	**Tracking**	Fixed	Tracking	Fixed	Fixed
Household supplied	**17,000**	4,400	17,500	33,000	17,000

Source: Company websites

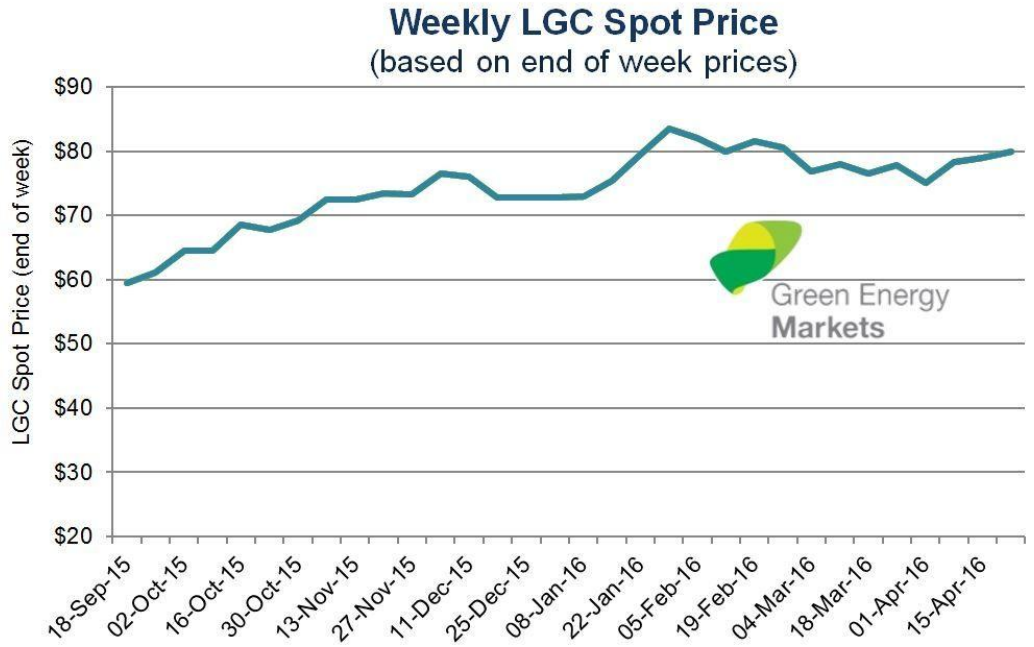


Kidston Generation Profile

Solar monitoring station at Kidston

WHOLESALE ELECTRICITY PRICES

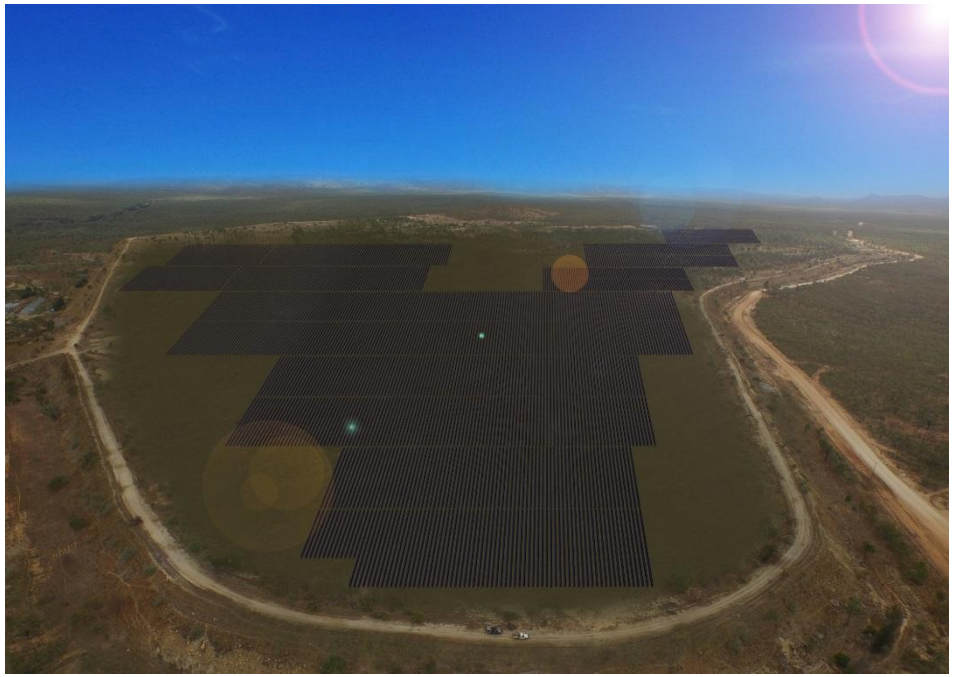
- Queensland has significantly higher peak prices and more volatility compared with other states in the NEM
- Pricing volatility due to generation mix and principal reliance on gas for peak and shoulder power generation (increasing gas prices due to Gladstone LNG exports)
- Queensland wholesale electricity prices expected to increase significantly over the next decade, driven by increasing generation fuel prices, increasing electricity demand and changing generation mix
- Peak and Off-Peak price differential expected to remain significant going forward
- LGC prices have increased significantly following the government decision on the Renewable Energy Target (RET) in 2015



Source: Green Energy Markets as at 9 May 2016

Kidston Solar PV - Project Benefits

- ✓ Genex cash flow anticipated from 2017
- ✓ Long life project (over 25 years)
- ✓ High solar yield and low project costs
- ✓ Potential to expand to 150MW over time
- ✓ Significant contributor to Australia's Renewable Energy Target
- ✓ Significant greenhouse gas reductions of approximately 120,000 tonnes per year
- ✓ Investment and jobs for far north Queensland
- ✓ Co location with large scale hydroelectric energy storage

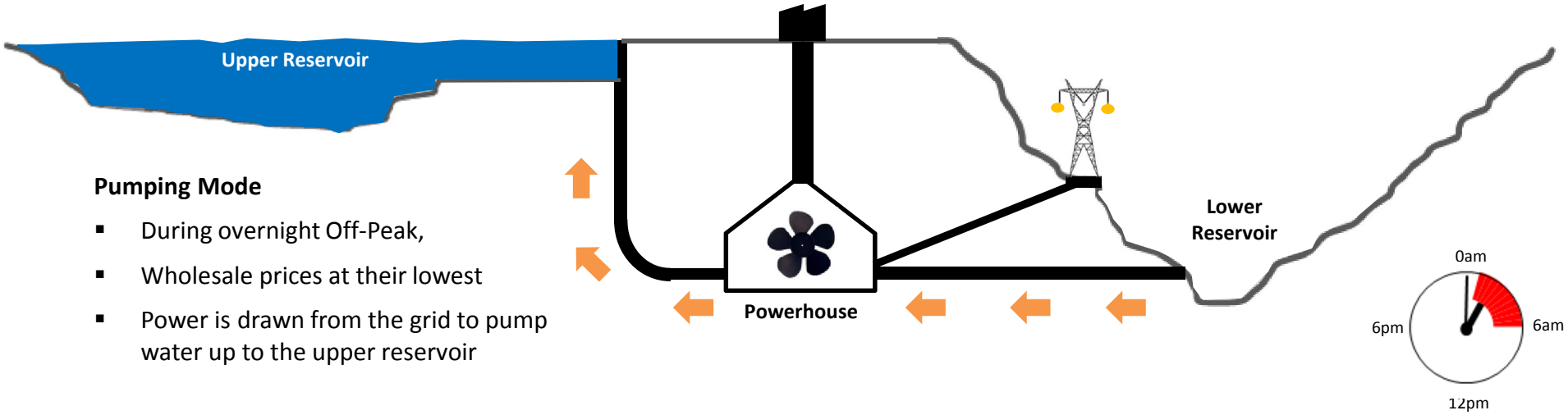


KIDSTON PUMPED STORAGE (FLAGSHIP PROJECT)

The Kidston Site

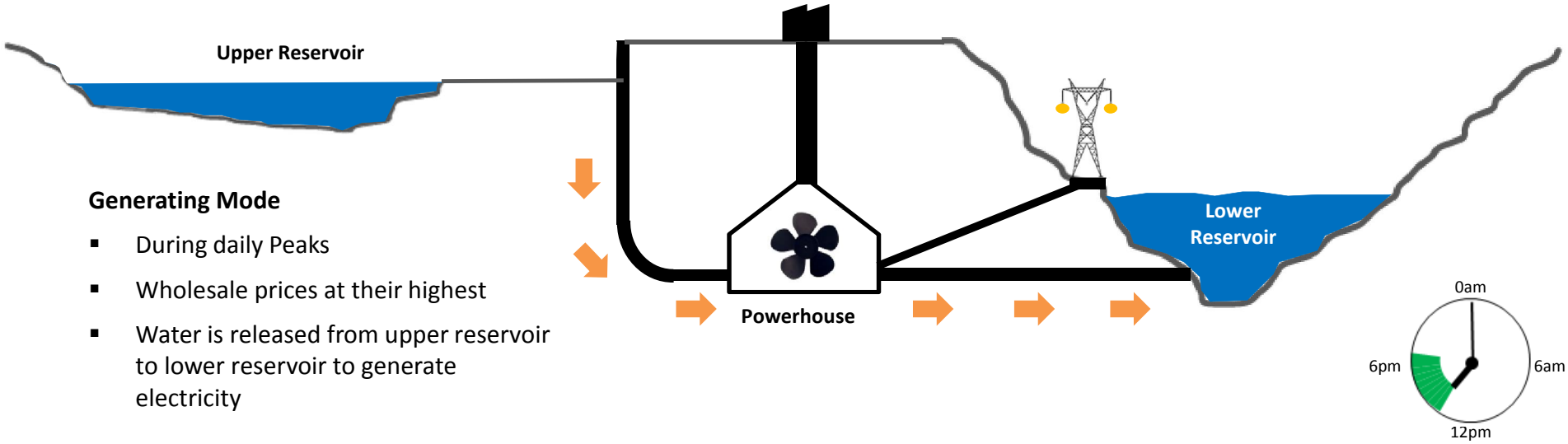
- Two large adjacent pits and elevated waste rock dump
  - *52ha and 54ha respectively*
  - *Lower Reservoir 270m deep*
  - *Approximately 400m apart at surface*
  - *30m waste rock dump*
- Site substantially rehabilitated since mine closure in 2001
- Water license in place for top up water
- Site 100% held by Genex Power
- Site covers 1,237ha
- Feasibility completion due Q3 2016

KIDSTON PUMPED STORAGE



Pumping Mode

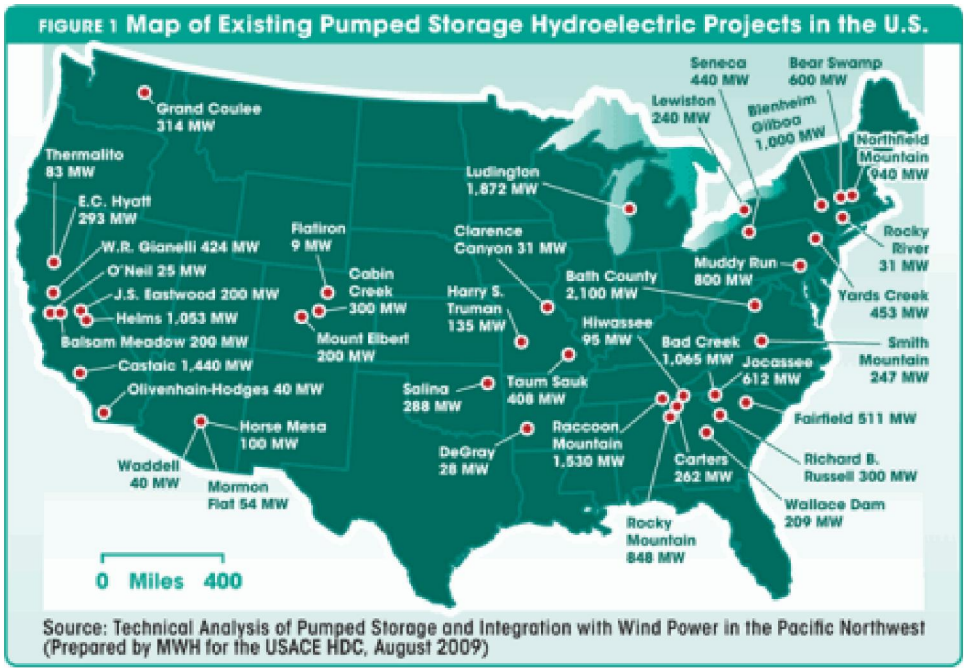
- During overnight Off-Peak,
- Wholesale prices at their lowest
- Power is drawn from the grid to pump water up to the upper reservoir



Generating Mode

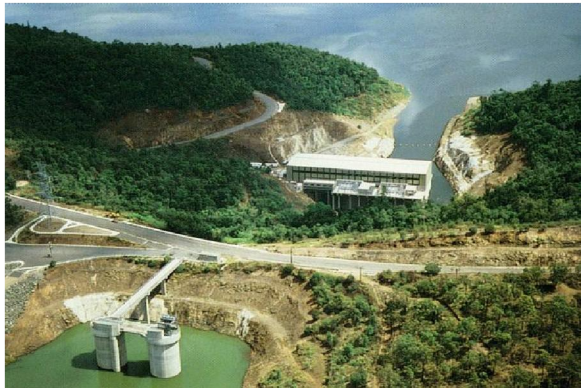
- During daily Peaks
- Wholesale prices at their highest
- Water is released from upper reservoir to lower reservoir to generate electricity

KIDSTON PUMPED STORAGE



- Pumped Storage is an established technology since 1890s
- Hundreds of installed schemes around the world
- Three pumped storage schemes in Australia
    1. *Tumut 3 – 1,500MW*
    2. *Wivenhoe – 500MW*
    3. *Shoalhaven – 240MW*

Tumut 3, Snowy Hydro Scheme, NSW Australia



Wivenhoe PSP Scheme, Queensland Australia

Shoalhaven Scheme, NSW Australia

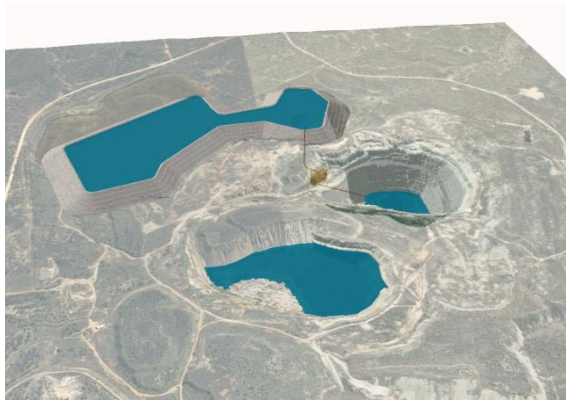
KIDSTON PUMPED STORAGE PROJECT

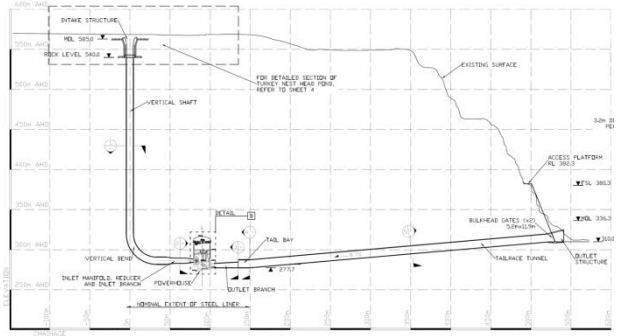
Key metrics

- Nameplate capacity (up to) 450 MW
- Continuous generation 5 hours
- First Generation planned 2019

Feasibility study

- Design optimisation stage
- Focusing on capital efficiency per installed MW
- Optimised design uses waste rock dump and existing reservoirs
  - reduction in the water level variance during the generation
  - increase in the average water head
  - elimination of water seepage
  - enables the Wises Pit to be utilised for excess water storage and water balancing
- Ongoing support from Australian Renewable Energy Agency (ARENA) under the funding agreement
- Meaningful support from the Queensland State Government as a "Prescribed Project"
- Feasibility Study on track for completion Q3 2016





KIDSTON PROJECT

Fixed Assets	Licenses and Permits	Data and Information
✓ Existing Reservoirs	✓ Ownership of freehold land over Kidston Mine Site	✓ Water Quality
✓ Onsite building materials and infrastructure	✓ Pastoral Lease extinguished	✓ Rainfall/Runoff
✓ Existing 132kV transmission line (for Kidston Solar Project and Pumped storage construction power supply)	✓ Native Title extinguished	✓ Geological/Historical Drilling
✓ Ergon substation on site	✓ Environmental Authority (EA) in place	✓ Surveys and mapping
✓ In-situ water in pit	✓ Water License in place with allocation of 4,650ML p.a.	✓ Hydrology
✓ Access to Copperfield Dam (water top up)		
✓ Genex owned water pipeline from Copperfield Dam		

Top Up Dam – connected to site by Genex pipeline (overflowing in 2015 wet season)

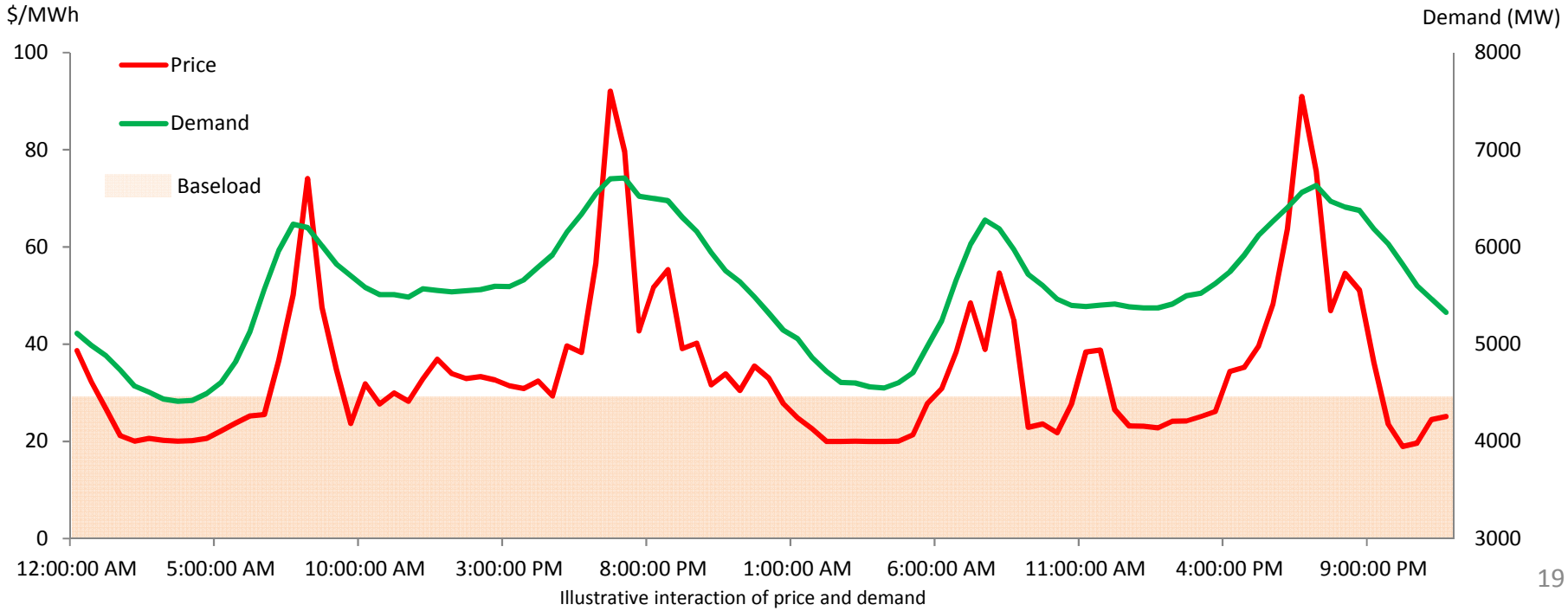
ELECTRICITY GENERATION

Peaking power generation is usually supplied by

Open Cycle Gas Turbines

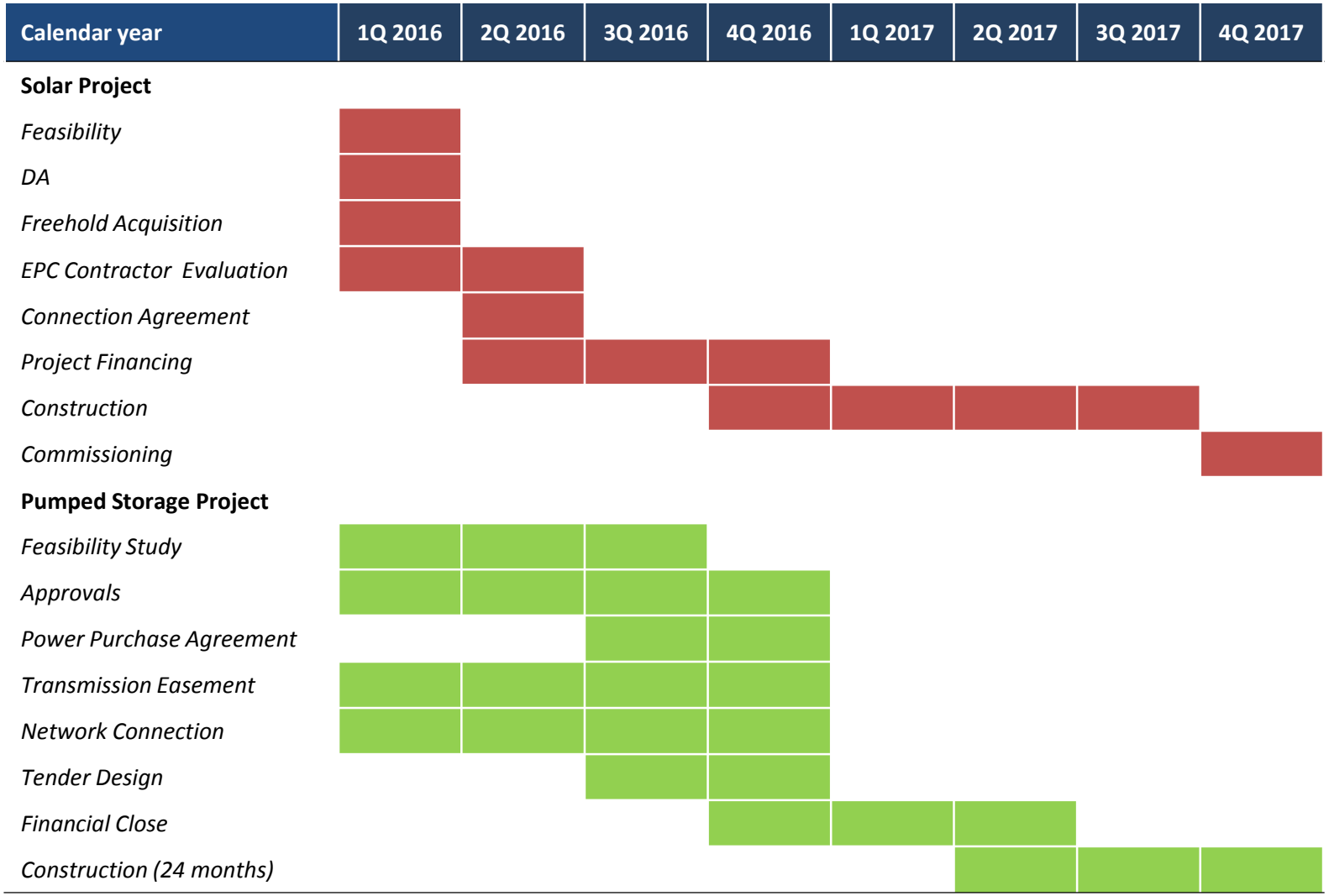
Diesel Generators

Pumped Hydro



Illustrative interaction of price and demand

DEVELOPMENT TIMELINE



BOARD & MANAGEMENT

Dr Ralph Craven
Non Executive Chairman

- Chairman of Stanwell Corporation
- Director of Senex and AusNet Services
- Former CEO and Chairman of Ergon Energy
- Former CEO of Transpower New Zealand

Michael Addison
Managing Director

- Founder of EndoCoal and Carabella
- Water engineer with extensive finance experience

Alan du Mée
Non Executive Director

- Former CEO of Tarong Energy
- Former Chairman of the Australian National Generators Forum

Yongqing Yu
Non Executive Director

- Engineering background with extensive global hydro experience
- Vice Chairman of Zhefu

Simon Kidston
Executive Director

- Founder of EndoCoal and Carabella
- Former banker with HSBC, Macquarie, Helmsec

Ben Guo
Finance Director

- 10 years experience with PWC, E&Y Helmsec and more recently with Carabella Resources

Arran McGhie
COO General Manager
B.Eng, GradDip (Applied Fins/Investment)

- 20 years experience in senior project management roles for underground excavation and civil construction projects

Justin Clyne
Company Secretary/ Legal Counsel

- Experienced lawyer & company secretary