

## ASX Announcement

27 January 2016

### QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED 31 DECEMBER 2015

#### HIGHLIGHTS

##### December 2015 Quarter:

- Feasibility Study Commenced on newly identified large-scale 150MW Solar Project at the Kidston "Energy Hub"
- Up to \$4m of Federal Government Funding Secured from ARENA for the Kidston Pumped Storage Hydro Project (PSHP) Bankable Feasibility Study (BFS)
- Significant Progress continues to be made on the Kidston PSHP BFS
- Presentation to the Melbourne All Energy Conference
- Genex holds its first AGM as a Listed Company

##### Subsequent to the Quarter:

- Through to the Final Round of ARENA Large-Scale Solar Funding Award Program
- Grant of Freehold Ownership of the Kidston "Energy Hub" Site

Genex Power Limited (**ASX: GNX, Genex** or the **Company**) is pleased to provide shareholders with an update on its activities during its first full quarter since its listing on the ASX in early July 2015. The December quarter was a busy one for Genex with the Company achieving some significant milestones along the path to delivering a Bankable Feasibility Study (**BFS**) by the end of Q3 2016

#### Kidston Solar Project:

During the December quarter Genex identified a new opportunity for the development of a 150MW large-scale solar photovoltaic project (**Solar Project**) adjacent to the proposed Kidston Pumped Storage Hydro Project (**PSH Project**) (*refer ASX announcement of 8 October*). The feasibility study into the Solar Project is now well underway with the appointment of AECOM as feasibility study manager. If successful, the Solar Project will not only become Australia's largest solar project but will enable the Kidston site to develop as an important energy hub for the state of Queensland.

The identification of the Solar Project together with the PSH Project, both at Kidston, is a significant step towards Genex's goal of becoming a multi-faceted power generation development company focussed on innovative clean energy generation and electricity storage solutions.

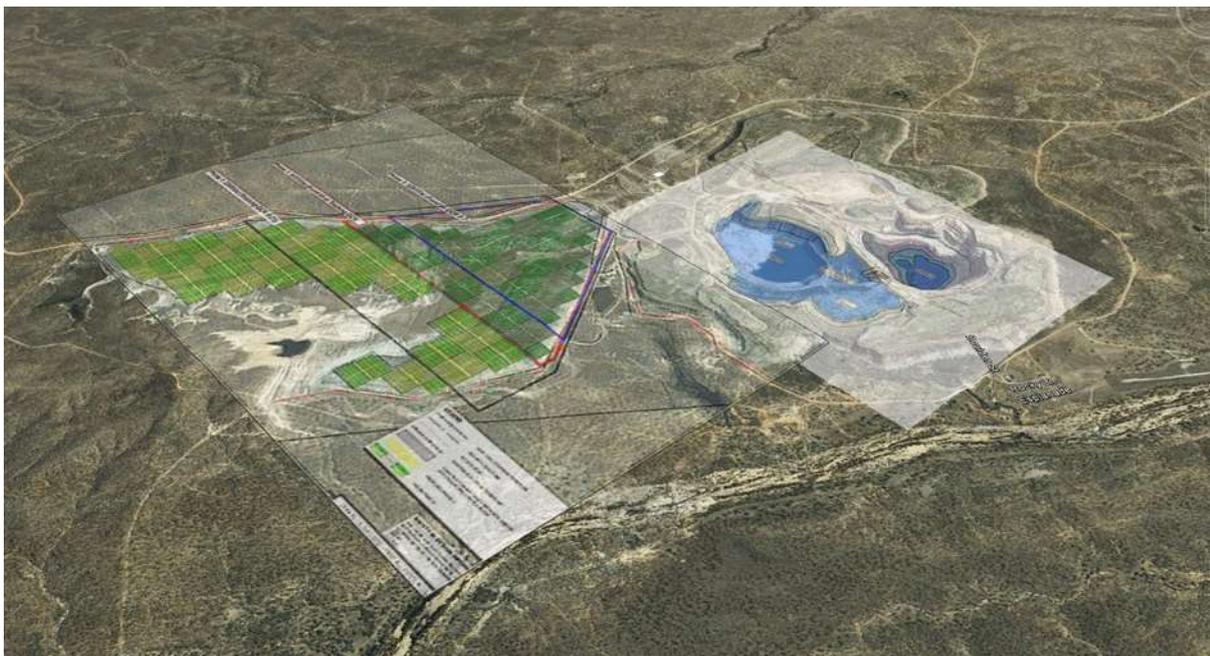
Commenting on the commencement of the solar feasibility study at the time of the announcement on 8 October 2015, Genex Power's Managing Director Michael Addison said:

*"Whilst our Kidston pumped storage project remains our principal focus, the tailings storage facility at the Kidston site presents itself as an obvious and ideal solar generation platform.*

*Developing the Kidston Solar Project is a natural next step for the Company as we seek to leverage our existing physical and intangible assets and recognise the potential of the Kidston site as a large-scale energy hub co-location.*

*Our solar initiative will be pursued in conjunction with solar PV funding initiatives currently being promoted in the market and in parallel with power purchase agreement discussions with electricity retailers and end users."*

**Figure 1: Kidston Solar Project co-location with the Kidston Pumped Storage Project**



ARENA Federal Government Funding:

On 18 December 2015 Genex announced that it had secured federal government funding of up to \$4m via a funding agreement with the Australian Renewable Energy Agency (**ARENA**). The ARENA funding will be applied towards detailed feasibility work associated with the Company's Kidston PSH Project. In particular, the funding from ARENA will allow Genex to explore a number of new and exciting design concepts that have been uncovered in the BFS process.

Genex believes the partnership with ARENA is a testament to the innovative nature of the Company's PSH Project and recognises the need for large-scale energy storage to support renewable energy developments, as renewable energy becomes an increasingly important part of the electricity network.

The additional ARENA funding has strengthened Genex's balance sheet and enables the Company to continue to de-risk the PSH Project, which includes undertaking a level of detailed engineering required to reach financial close.

Commenting on the funding agreement at the time of the announcement, Acting ARENA CEO Ian Kay said:

*"This feasibility study aims to pave the way for the first new pumped hydro storage development in Australia in more than 40 years.*

*"Energy storage is becoming increasingly important as more renewables are connected to Australia's electricity grids. Pumped hydro storage can provide a cost-effective alternative to large-scale battery storage and concentrating solar thermal storage."*

The December quarter was also marked by a number of other corporate milestones including:

- The Company's first presentation as a listed company to the All Energy Conference in Melbourne; and
- The holding of the first AGM as a listed company with all resolutions put to shareholders being passed.

Subsequent to the Quarter:

Subsequent to the end of the December quarter Genex has made a strong start to 2016 with two major milestones already achieved.

ARENA Solar Funding Award Program:

On 14 January 2016 Genex announced that it had been advised by ARENA that it had been invited to submit a full application to ARENA pursuant to ARENA's large-scale solar photovoltaics competitive funding round. The full application will be in respect of the first 50MW phase of the Company's 150MW large-scale Kidston solar project.

The first round of the ARENA competitive program, which included Genex's proposal, exceeded expectations, attracting a total of 77 expressions of interest for approximately \$1.1 billion in funding, for projects across Australia worth more than \$5.5 billion. Full applications are due by 15 June 2016.

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Freehold Conversion of Kidston Site:

On 18 January 2016, Genex announced it had successfully concluded the conversion of the Kidston energy project site in North Queensland from crown leasehold status to freehold ownership by Genex.

Genex advised at the time of the announcement that this key milestone gives the Company the advantage of being able to match the long-term nature of its infrastructure assets with the tenure of its site land holding and that this is one of the key elements in being able to secure the necessary project finance required to bring its projects into production.

Progress on the Company's two projects remains on track and Genex looks forward to providing further updates in the near future.

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**About Genex Power Limited:**

Genex Power is a power generation development company listed on the ASX. The Company is focussed 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 large-scale Kidston hydroelectric pumped storage generation project and its large-scale solar PV project located in Northern Queensland.