

3 February, 2017

Company Announcements
Australian Securities Exchange

Via: www.asxonline.com

CLEANSING NOTICE – RIGHTS ISSUE

This notice is given by Genex Power Limited ACN 152 098 854 (**GNX**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**ASIC Instrument**).

On 1 February 2017, GNX announced a non-renounceable 1 for 14 rights issue of fully paid ordinary shares in GNX (**New Shares**) at an issue price of \$0.16 per new share. GNX shareholders registered at 7.00pm (Sydney time) on Thursday 9 February 2017 with a registered address in Australia or New Zealand will be entitled to participate in the Rights Issue (**Eligible Shareholders**).

The Rights Issue is underwritten by Morgans Corporate Limited (**Morgans**) and Canaccord Genuity (Australia) Limited (**Canaccord**) (together, the **Underwriters**).

Eligible Shareholders may also elect to participate in the Shortfall Facility to apply for new shares in excess of their pro-rata entitlement.

The Rights Issue will raise \$3,066,019.51 before costs, which will be used to:

- reach financial close in respect of GNX's Kidston Phase One 50MW Solar Project;
- provide general working capital;
- continue the development of Kidston 250MW Pumped Storage Hydro Project; and
- advance the development of the Kidston Phase Two Solar Project.

In accordance with section 708AA(2)(f) of the Corporations Act, GNX gives notice that:

- 1) the New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Corporations Act as modified by the ASIC Instrument;
- 2) this notice is being given under section 708AA(2)(f) of the Corporations Act as modified by the ASIC Instrument;

- 3) as at the date of this notice, GNX has complied with:
- a) the provisions of Chapter 2M of the Corporations Act as they apply to GNX; and
 - b) section 674 of the Corporations Act;
- 4) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act as modified by the ASIC Instrument; and
- 5) the issue of the New Shares pursuant to the Rights Issue is not expected to have any material effect or consequence on the control of GNX. If no New Shares are issued to shareholders under the Rights Issue other than the Underwriters, then Morgans and its associated entities will increase its total shareholding in GNX from 0% to 3.33% and Canaccord and its associated entities will increase its total shareholding in GNX from 0% to 3.33%. The Underwriters have indicated that it is their preference that the Rights Issue is taken up in full by all shareholders and that their respective total shareholdings in GNX do not increase. In the event that the Underwriters' total shareholdings do increase as a consequence of the Rights Issue, the Underwriters have confirmed that, by acting as underwriters to the Rights Issue, they are not seeking to exercise any control over GNX and they do not intend for their increase in shareholding to have any material effect or consequence on the control of GNX. If GNX becomes aware that these stated intentions of Morgans and Canaccord have changed, it will ensure shareholders are fully informed as required by law.

Justin Clyne

Company Secretary