



Level 6,
28 O'Connell Street
Sydney NSW 2000
GPO Box 4626, Sydney NSW 2001
t. + 61 2 9048 8850
e. info@genexpower.com.au
w. www.genexpower.com.au

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ASX Announcement

GENEX SIGNS A\$25M SHARE SUBSCRIPTION AGREEMENT WITH J-POWER

Genex Power Limited (ASX: **GNX**) (**Genex** or **Company**) is pleased to announce that it has signed a Share Subscription Agreement (**SSA** or **Agreement**) with Electric Power Development Co Ltd trading as J-POWER (**J-POWER**).

The Agreement provides for a conditional investment of up to A\$25m by way of a subscription for ordinary shares in Genex, with the proceeds to be principally applied towards Genex's equity funding component for the construction of the Kidston Pumped Storage Hydro Project (**K2-Hydro**).

Key terms of the SSA are as follows:

- Investment of up to a maximum of A\$25 million;
- Subscription to occur at the higher of the 5-day volume weighted average price (**VWAP**) of Genex shares at financial close, or the date that is 5 days following financial close;
 - This is subject to a subscription price cap which would result in a minimum investment of 15.00% of Genex's enlarged share capital; and
 - Subject to a maximum of 19.99% of Genex's enlarged share capital;
- Provides for the appointment of a J-POWER nominee director to the Board of Genex;
- The Agreement is subject to several conditions precedent, including:
 - Approval of Genex shareholders at an extraordinary general meeting (**EGM**);
 - Execution of a Facility Agreement to be entered into between the K2-Hydro project entity and the Northern Australia Infrastructure Facility (**NAIF**); and
 - Financial close for K2-Hydro occurring prior to 31 December 2019.

As a further condition precedent under the SSA, Genex has also agreed to enter into a Technical Services Agreement (**TSA**) with J-POWER wherein J-POWER will provide certain professional technical advisory services to Genex in relation to the development and operational stages of K2-Hydro.

As noted above, the Agreement is subject to the approval of Genex shareholders at an EGM. Full details of the SSA and TSA will be outlined in an Explanatory Memorandum to accompany a Notice of EGM to be sent to shareholders in the very near future.

Commenting on the Agreement with J-POWER, James Harding, CEO of Genex said:

“Genex is pleased to announce this exciting partnership with J-POWER. J-POWER are a global expert in hydroelectric projects, including pumped storage, and as such they bring significant experience and technical expertise to Genex to support in the delivery of the K2-Hydro project.”

The investment by J-POWER is an important milestone, as it secures the funding required for Genex’s equity component for K2-Hydro, which is being developed in a 50:50 partnership with EnergyAustralia. We are continuing to progress the final stages of the project financing with all relevant stakeholders, with financial close remaining on track for mid-2019.”

CONTACT:

Simon Kidston

Executive Director

Tel: +61 2 9048 8852

Email: sk@genexpower.com.au

About J-POWER:

J-POWER is a Japanese public utility company listed on the Tokyo Stock Exchange with a market capitalisation of approximately JPY 494Bn (as of 29 March 2019, A\$6.5 billion). J-POWER has a significant portfolio of hydroelectric, coal-fired power and wind power generation assets in Japan totalling 17.9 GW. It is the largest provider of coal-fired power in Japan, and the second largest provider of hydro electric and wind power. J-POWER also owns and maintains a nationwide network of distribution facilities covering over 2,400km of transmission lines.

Outside of Japan, J-POWER has pursued a strategy of applying the knowledge and technical capabilities developed through its domestic operations to actively seek out and develop commercial power generation projects overseas. As of 31 March 2019, it had 36 facilities in operation in six countries, representing a combined generation capacity of 21.8 GW (6.9 GW net capacity).

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. The Company has a development pipeline of up to 770MW of renewable energy generation and storage projects within its portfolio, underpinned by the Kidston Renewable Energy Hub in far-north Queensland (**Kidston Hub**). The Kidston Hub is comprised of the operating 50MW Stage 1 Solar Project (**KS1**), the 250MW Pumped Storage Hydro Project (**K2-Hydro**) and the multi-staged integrated Solar Project of up to 270MW (**K2-Solar**) under development and the Kidston Stage 3 Wind Project of up to 150MW under feasibility. In addition, the Company has acquired the 50MW Jemalong Solar Project (**JSP**), located near Forbes in NSW, which is also under development.

Genex continues to acknowledge the support from the Federal Government, through the Australian Renewable Energy Agency (**ARENA**), which provided \$8.9 million in funding to support the construction of the KS1 Project, in addition to their support of up to \$9 million in funding to support the development of the stage 2 projects. Genex also acknowledges the support of the Queensland State Government through providing a 20-year revenue support deed and designating the Hub as 'Critical Infrastructure' to the State.

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