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ASX Announcement

**GENEX WELCOMES QUEENSLAND GOVERNMENT FUNDING PACKAGE FOR THE
KIDSTON PUMPED STORAGE HYDRO TRANSMISSION LINE**

Genex Power Limited (**ASX: GNX**) (**Genex** or **Company**) welcomes the announcement from the Queensland Government in relation to the multi-million-dollar electrical infrastructure funding package for the Kidston Pumped Storage Hydro project (**K2-Hydro** or **Project**) transmission line.

The announcement states that the Queensland Government will provide up to \$132M in funding towards the construction of the 186km single-circuit transmission line from Kidston to Mount Fox (**Transmission Line**), which will be built, owned and operated by State-owned transmission network service provider Powerlink Queensland (**Powerlink**).

The announcement follows Powerlink's Offer to Connect which secures the Project's rights to connect to and operate using the Transmission Line, and approval by the Australian Energy Market Operator (**AEMO**) via Powerlink of the Project's Generator Performance Standards in June 2019 (*refer ASX announcement 14 June 2019*).

As part of the announcement, Hon. Anastacia Palaszczuk, Queensland State Premier, stated in respect of the Kidston Hub:

"This infrastructure will support the development of a clean energy hub in the North, providing jobs, investment and energy security."

Hon. Dr. Anthony Lynham, Minister for Natural Resources and Energy of the Queensland Government, stated:

"The Genex project itself will have a peak construction workforce of about 500 people per annum for the first two years, 250 in the final year and 30 permanent operational jobs... And connecting 250MW of pumped hydro capacity will help make the North Queensland electricity network more reliable."

Commenting on the announcement, Chief Executive Officer of Genex, James Harding said:

"Genex is delighted with the Queensland Government's announcement of a significant funding package to enable the construction of the Kidston Pumped Storage Hydro Project Transmission

Line. This complements the project loan extended by the Northern Australia Infrastructure Facility (refer ASX announcement 11 July 2019) and represents the key external funding requirement necessary to complete the project financing and commence construction.

Further, the Transmission Line will now unlock additional stages for the Kidston Clean Energy Hub, including up to 270MW of additional solar and up to 150MW of wind.

We would like to thank the Queensland Government for their support and look forward to continuing to work together over the coming weeks to finalise arrangements for this important increment to a stable electricity network in North Queensland, which will secure power supply to local communities and unlock further clean energy generation in the region.”

A copy of the Queensland Government Media Release is appended to this ASX Announcement.



Figure 1. Kidston Pumped Storage Hydro Project.

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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 Clean 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, as well as their support of up to \$9 million in funding to support the development of the stage 2 projects. In addition to this, Genex acknowledges the Northern Australia Infrastructure Facility (**NAIF**) and their Investment decision to offer finance to K2-Hydro through the provision of a long-term concessional NAIF debt facility for up to \$610 million. Genex also recognises 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.

Media Release

JOINT STATEMENT



Queensland Government

Premier and Minister for Trade

The Honourable Anastacia Palaszczuk

Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships

The Honourable Jackie Trad

Minister for Natural Resources, Mines and Energy

The Honourable Dr Anthony Lynham

Power package fires up NQ renewables

Work will start early next year on a multi-million dollar electrical infrastructure package to fire up hundreds of potential jobs in North Queensland renewable energy projects.

Premier Anastacia Palaszczuk said the Queensland Government would support Genex's project at Kidston with up to \$132 million supporting 500 construction jobs.

Publicly-owned Powerlink will build a single circuit transmission line from Genex's Kidston site to Mount Fox near Ingham, linking the hinterland to the National Electricity Market.

"North Queensland has high quality wind and hydro-electric resources and providing transmission connection is the key to sparking investment in these resources," the Premier said.

"This investment unlocks access to more energy generation for North Queensland.

"This infrastructure will support the development of a clean energy hub in the North, providing jobs, investment and energy security."

Deputy Premier and Treasurer Jackie Trad said the government's investment in Kidston reinforced the growing role that renewable energy is playing in meeting electricity demand right across Eastern Australia.

"The evidence from the market is clear – industry sees the benefits of renewable energy and is putting its money on the table.

"What's needed now is the means to connect these emission-free projects to the grid and get the power to where it's needed.

"In the absence of a Federal energy policy, Queensland is once again doing the heavy lifting by backing projects like Genex at Kidston."

Energy Minister Dr Anthony Lynham said detailed planning was expected to start soon, with work to start on site early next year after the wet season.

“Building this breakthrough 186 kilometre transmission line and associated infrastructure will create 400 jobs over two years,” he said.

“The Genex project itself will have a peak construction workforce of about 500 people per annum for the first two years, 250 in the final year and 30 permanent operational jobs.

“And connecting 250MW of pumped hydro capacity will help make the North Queensland electricity network more reliable.”

The Government has also invested \$1.18 million for further feasibility work on the Copperstring proposal.

The Copperstring proposal is for a privately-owned electricity transmission line connecting Mount Isa and the North West Minerals Province’s processing and mining projects to the grid.

Today’s announcement flows from the Government’s *Powering North Queensland Plan*, which commits to investing in strategic transmission infrastructure to encourage renewable energy in North and North West Queensland.

The announcement comes following the announcement that the Palaszczuk Government would invest \$16 million to progress to the detailed business case for raising the Burdekin Falls Dam wall as part of the next stage of the Burdekin Hydro project.

North and Far North Queensland currently have 1700 megawatts of operational renewable energy generation capacity, and another 60 megawatts to begin exporting at the Kennedy Energy Park near Hughenden.

Other potential projects in early stages of development include:

- Equis’ solar farm near Collinsville North
- Infigen’s solar farm near Bowen
- Pacific Hydro’s Houghton Solar Farm Stage 2.

The Queensland Government’s contribution is subject to agreement on final conditions with Genex to ensure value for money for taxpayers and the timely delivery of the Kidston project to support jobs in North Queensland.