



ASX Announcement

17 November 2017

ReNu Energy signs Heads of Agreement for 7.4 MW DC solar farm

ReNu Energy Limited (ASX: RNE) is pleased to advise that it has signed a Heads of Agreement to develop a 7.4 MW DC (4.99 MW AC) solar farm.

Highlights:

- Heads of Agreements for the development of the Boggabilla solar farm and a long term site lease
- Exclusivity to complete due diligence and to negotiate and enter into a Development Agreement and a Lease Option Agreement
- Project capital cost estimated at \$9 million to \$10 million including development fees. Capital will not be committed until the project reaches financial close, including securing funding
- Target equity IRR of 11% after debt and target 10 year equity yield greater than 12%
- First of a number of near term projects being evaluated and a significant step towards positive operating cash flow
- VivoPower Alliance Agreement delivering assets to ReNu Energy

ReNu Energy has signed a Heads of Agreement (Development HoA) with Kinelli Pty Ltd (Kinelli) for the development of a 7.4 MW DC (4.99 MW AC) solar farm located near Boggabilla in northern NSW (the Project). The opportunity was introduced to ReNu Energy by VivoPower under the VivoPower Alliance Agreement.

The Development HoA provides ReNu Energy with an exclusivity period of 90 days to conduct due diligence and to negotiate and enter into definitive legal agreements. ReNu Energy has also signed a separate Heads of Agreement with the land owner for an option to lease the land for the Project for a period of 25 years with two 5 year options.

ReNu Energy CEO and Managing Director Mr Chris Murray said, "The proposed Boggabilla Solar Farm is an exciting opportunity for ReNu Energy to expand its portfolio of renewable energy projects from 5.4 MW DC to 12.8 MW DC and will be a significant step towards our stated objective of achieving positive EBITDA on a run rate basis in 2018. The opportunity demonstrates the VivoPower Alliance agreement at work and is one of a number of projects in the near term pipeline.



ReNu Energy is pleased to have the opportunity to develop the project with Kinelli which has been involved in the development of a number of solar PV projects in Australia. The expertise gained in these projects significantly de-risks the Boggabilla Project”

The Project is expected to use approximately 27,000 solar panels in a fixed tilt configuration covering 10 ha. The solar panels will be linked to central inverter stations and the system will be designed to allow for the future installation of battery storage.

The Project is intended to connect to the Essential Energy network and export energy into the National Electricity Market at 22,000 V. It is projected to produce approximately 12,000 MWh per annum.

Kinelli has recently developed and commissioned the 4.7 MW DC Chillamurra solar farm and ReNu Energy has conducted technical due diligence on the Chillamurra project. The combination of Kinelli's recent experience on Chillamurra and ReNu Energy's diligence work is expected to materially de-risk the Boggabilla Project.

The Boggabilla Project capital cost including development fees is estimated to be \$9 million to \$10 million. Final capital cost will be determined throughout the due diligence period. Target equity IRR of 11% after debt and target 10 year equity yield greater than 12%.

Energy generated by the Boggabilla Project will be sold to the wholesale electricity market and / or under corporate power purchase agreements. Large Scale Generation Certificates generated will be sold on market or forward sold subject to prevailing market conditions.

ReNu Energy intends to fund the Project through a combination of debt and equity. ReNu Energy is working with specialist financier, Infradebt to finalise debt facilities for a number of its solar projects and ReNu Energy shareholders recently granted approval for a capital raise to fund its growing portfolio of energy projects.

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About ReNu Energy

ReNu Energy Limited (ASX: RNE) is an independent power producer which delivers clean energy products and services using a build, own, operate and maintain model. The Company provides its customers with renewable energy, at a lower price, with no upfront cost.

ReNu Energy is currently constructing a 360kW solar PV embedded network at the Griffin Plaza Shopping Centre in Griffith NSW, and completing design work for a further three centres totalling ~2MW. The Company owns and operates a 1.1MW bioenergy project in Queensland, is constructing a 1.6MW bioenergy project in NSW and has a pipeline of project opportunities across the National Electricity Market.

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Our Vision is to
Generate change

Our Mission is to
Deliver innovative clean energy products and services, creating sustainable value for our customers and shareholders