Half Year Report
31 December 2017

Release Statement

ReNu Energy Limited, Level 1, 9 Gardner Close, Milton, QLD 4064
Phone: +61 7 3721 7500 | Fax: +61 7 3721 7599 | Email: info@renuenergy.com.au
ABN: 55 095 006 090

CORPORATE DIRECTORY

Directors	**Steve McLean** *Non-Executive Chairman* **Christopher Murray** *Managing Director and Chief Executive Officer* **Richard Brimblecombe** *Non-Executive Director* **Anton Rohner** *Non-Executive Director*
Secretary	**Damian Galvin**
Principal registered office in Australia	Level 1, 9 Gardner Close, Milton, QLD, 4064 Telephone: +617 3721 7500 Facsimile: +617 3721 7599
Postal Address	PO Box 2046, Milton, QLD, 4064
Internet	www.renuenergy.com.au info@renuenergy.com.au
Share registry	Link Market Services Limited Level 21, 10 Eagle Street, Brisbane, QLD, 4000 Telephone Australia: 1300 554 474 Telephone International: +617 3237 2100 Facsimile: +617 3229 9860
Auditor	BDO Audit Pty Ltd Level 10 12 Creek Street Brisbane, QLD, 4000
Solicitors	Thomson Geer Level 16, Waterfront Place 1 Eagle Street Brisbane, QLD, 4000
Securities exchange listings	ReNu Energy Limited shares are listed on the Australian Securities Exchange. The home branch is Sydney, Ticker: RNE.

APPENDIX 4D

HALF YEAR REPORT

Name of entity

RENU ENERGY LIMITED

ABN	Half year ended
55 095 006 090	31 December 2017

Previous corresponding period: 31 December 2016

Results for announcement to the market

Results			
Revenues from ordinary activities	Up	104% to	$333,667
Loss from ordinary activities after tax attributable to members	Up	23% to	$2,927,972
Net loss for the period attributable to members	Up	23% to	$2,927,972

Dividends

The Directors do not propose to recommend the payment of a dividend in respect of the period.

Net Tangible Asset Backing	**As at 31 December 2017**	**As at 31 December 2016**
Net tangible asset backing per ordinary security (cents per share)	$0.013	$0.024

Brief explanation of any of the figures reported above:

The increased loss from ordinary activities reflects additional costs associated with establishing the solar energy business and arranging financing facilities for the acquisition and construction of new solar generation assets.

The increased revenue for this half year is from bioenergy operations which have enjoyed increased generation reliability following the installation of new generation equipment. Additional revenues from new bioenergy and solar assets are expected to be recognised as the assets are commissioned in the 2nd half of the financial year.

The Group has cash reserves of $7.3 million at 31 December 2017.

Please refer to the attached Directors Report for a full commentary on the results and activities for the period and refer to the attached Half Year Financial Statements for the detailed financial statements.

Details of entities over which control has been gained or lost during the period:

NIL

DIRECTORS' REPORT

Your Directors submit their report for the half year ended 31 December 2017.

DIRECTORS

The names of the Directors of ReNu Energy Limited in office during the half year and until the date of this report are as follows.

Steve McLean (Non-executive Chairman)

Christopher Murray (Managing Director & CEO)

Richard Brimblecombe (Non-executive Director)

Anton Rohner (Non-executive Director)

Directors were in office for this entire period unless otherwise stated.

COMPANY SECRETARY

Damian Galvin

CORPORATE STRUCTURE

ReNu Energy Limited is a company limited by shares, incorporated and domiciled in Australia. It listed on the Australian Securities Exchange on September 2002 under code GDY. The company changed its name from Geodynamics Limited to ReNu Energy Limited (ASX: RNE) on 30 November 2016. Its registered office and principal place of business is Level 1, 9 Gardner Close, Milton QLD 4064.

PRINCIPAL ACTIVITIES

ReNu Energy Limited 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.

The Company is building a portfolio of projects which utilise proven technologies such as solar PV, typically operating under long term contracts generating sustainable cash flows and creating shareholder value. The projects either generate electricity at our customer's premises and deliver directly to the customer behind the meter, or export electricity under long term power purchase agreements, feed in tariffs or for sale to the National Electricity Market. ReNu Energy also provides solar PV and embedded networks to multi tenanted properties such as shopping centres, allowing property owners and tenants to receive the benefits of lower cost renewable energy.

ReNu Energy has completed the acquisition of the Amaroo Solar PV Project, a 600 kW solar PV project in the ACT, and is developing 2.2 MW of solar PV embedded network projects across four regional shopping centres. The Company owns and operates a 1.1 MW bioenergy project in Queensland and the recently-completed 1.6 MW Goulburn Bioenergy Project in NSW and has a pipeline of project opportunities across the National Electricity Market.

The Company has continued to progress activities required for the remediation of its geothermal tenements in the Cooper Basin in accordance with the relevant state regulations and environmental requirements.

DIRECTORS' REPORT (Continued)

REVIEW AND RESULTS OF OPERATIONS

Operational review

During the period to 31 December 2017, ReNu Energy has taken significant steps towards realising its strategic targets outlined in the 2016/17 Annual Report, and achieving its goal of $2 million EBITDA from operating assets by 30 June 2018 (on an annualised run-rate basis).

ReNu Energy has developed a strong portfolio of project opportunities, announcing agreements or term sheets for 11.3 MW (DC) of solar PV projects during the six months to December 2017 period. These include:

- Purchase of the 600kW (DC) Amaroo Solar PV Project (Amaroo Project), which is underpinned by a 20 year ACT Government Feed-in Tariff scheme. The acquisition was completed in February 2018, post the period in review;
- Agreement to own and operate a total of 2.2 MW (DC) of solar PV and embedded network systems across four shopping centres in the SCA Property Group (SCA Projects), for a period of 10 years with an additional three, five year options for ReNu Energy;
- Heads of Agreement for a portfolio of recently constructed projects located throughout the National Electricity Market with a total solar PV installed capacity of 340 kW DC, each having existing Power Purchase Agreements (PPAs) in place;
- Heads of Agreement for an 800 kW DC solar PV development project in western New South Wales, underpinned by a 25-year PPA for approximately 40% of generation capacity. It is anticipated that this project could be completed in the second half of 2018; and
- Heads of Agreement for the development of a 7.4 MW DC (4.99 MW AC) solar farm located near Boggabilla in northern NSW.

Significant operational milestones during the period were:

- Construction of the 360 kW solar PV project at Griffin Plaza, Griffith NSW - the first of four solar PV embedded network sites; and
- Construction of the Goulburn Bioenergy Project. The Project includes an anaerobic digester, which is supplied with waste water from the adjacent abattoir, biogas treatment plant, two 800 kW dual fuel Caterpillar generators and electrical interconnection to the abattoir. The Project achieved practical completion post the reporting period, in February 2018.

Along with identified reductions in overheads and improvements in efficiency to deliver a reduction in corporate overheads to $2.0 million (on an annualised run-rate basis), ReNu Energy has secured funding and capital to continue to support the deployment of its solar PV and bioenergy projects. During the period the Group has:

- Secured a debt mandate with the Infradebt Ethical Infrastructure Debt Fund (Infradebt), leading to:
  - A $1.4 million debt facility for the Amaroo Project (subsequently drawn-down on 9 February 2018), and
  - A credit-approved facility of up to $3.0 million for the SCA Projects.
- Completion of a Share Purchase Plan in December 2017, raising $2.3 million before costs.

DIRECTORS' REPORT (Continued)

Developments after the end of the period

On 5 February 2018, the Company announced the practical completion and commencement of commercial operations at the Goulburn Bioenergy Project. The Project, which is located at the site of the Southern Meats Pty Ltd abattoir, in Goulburn, NSW, will supply approximately 4,000 MWh of energy annually to the abattoir, representing over 50% of the facility's power consumption. ReNu Energy will also benefit from the sale of Large Scale Generation Certificates (LGCs) and Australian Carbon Credit Units (ACCUs) created by the project.

The settlement of the 600 kW (DC) Amaroo Solar PV Project acquisition was announced on 12 February 2018. The Amaroo Project is the first operating solar PV asset in the Group's growing portfolio of renewable energy assets. ReNu Energy has drawn on its debt facility with Infradebt, to fund $1.39 million of the total purchase price of $2.38 million. The Amaroo project has been operating since December 2015 and is registered as a power station with the Clean Energy Regulator, entitling ReNu Energy to create Large Scale Generation Certificates (LGCs) for all eligible electricity generated. The Amaroo Project is expected to generate approximately 900 LGCs annually.

In February 2018, the Company announced that it had signed a ten year extension (to January 2031) of its existing bioenergy PPA for its 1.1 MW operating bioenergy project in Queensland. The Company also signed a term sheet with the same customer for the development of an 850 kW (DC) solar PV project at the site.

Results

The Group's loss before tax of $2,928,000 (2016: $2,378,000) for the financial period was higher than in the previous corresponding period due to the costs of establishing the solar business and related loan facilities. The underlying Group EBITDA (loss) of $2,653,000 (2016: $2,371,000) included formation costs of $748,000 for the solar PV and embedded network business. The first revenues from these operations will be realised in the second half of the year when the Amaroo Project acquisition is completed and the SCA Projects begin commercial operations. Additional projects are being assessed at the date of this report as outlined above in the Operational Review.

The Group's bioenergy operations benefitted from the installation of a new generator at the AJ Bush Bioenergy Project near Beaudesert, Queensland and ongoing rectification work on legacy projects. The bioenergy business is expected to generate positive EBITDA following the commissioning of the Goulburn Bioenergy Project in February 2018.

Corporate administration costs were steady, and the benefits of significant cost-cutting initiatives are expected to be realised in the second half of the year.

DIRECTORS' REPORT (Continued)

	6 months ended 31 December 2017 $000	6 months ended 31 December 2016 $000
EBITDA – by business segment		
Bioenergy	(167)	(981)
Solar, including start-up and business development costs	(748)	-
Geothermal	(102)	240
Corporate	(1,636)	(1,630)
Total Group EBITDA	**(2,653)**	**(2,371)**
Depreciation	(135)	(6)
Borrowing transaction costs	(134)	-
Interest expense	(6)	(1)
Loss after tax	**(2,928)**	**(2,378)**

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (unless otherwise stated) under the option available to the Company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which the Instrument applies.

AUDITOR INDEPENDENCE DECLARATION

The Directors have obtained an independence declaration from our auditors, BDO, which can be found on page 19 of the Half Year Report.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, BDO, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify BDO during or since the financial year.

Signed in accordance with a resolution of the Directors

C Murray
Managing Director
Brisbane
23 February 2018

Half Year Financial Report
ended 31 December 2017

ABN 55 095 006 090

Contents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2017	Note	6 months ended 31 December 2017 $'000	6 months ended 31 December 2016 $'000
Site income		334	37
Project income		-	127
Total operating income		**334**	**164**
Interest income		78	150
Other income	3A	52	282
Total income		**464**	**596**
Personnel expenses	3B	(1,092)	(1,376)
Other operating expenses	3C	(895)	(158)
General & administrative expenses	3D	(1,265)	(1,440)
Finance costs	3F	(140)	-
Total expenses	3E	**(3,392)**	**(2,974)**
Profit/(Loss) before income tax		**(2,928)**	**(2,378)**
Income tax benefit / (expense)		-	-
Profit/(Loss) after income tax attributable to the owners of the parent		**(2,928)**	**(2,378)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss after tax			
Exchange differences on translation of foreign operations		-	4
Other comprehensive income for the period		-	4
Total comprehensive loss for the period attributable to the owners of the Parent		**(2,928)**	**(2,374)**
Basic and diluted loss per share (cents per share)	12	(0.40)	(0.42)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017	Note	31 December 2017 $'000	30 June 2017 $'000
Current Assets			
Cash and cash equivalents	4	7,272	10,890
Trade and other receivables	5	643	1,146
Inventories		30	30
Total current assets		**7,945**	**12,066**
Non Current Assets			
Property, plant and equipment	6	5,845	2,821
Deposit for property, plant and equipment		1,000	-
Intangible assets	7	-	-
Total non current assets		**6,845**	**2,821**
Total assets		**14,790**	**14,887**
Current Liabilities			
Trade and other payables	8	2,431	1,752
Provisions	9	1,070	1,162
Total current liabilities		**3,501**	**2,914**
Non Current Liabilities			
Provisions	9	297	269
Total non current liabilities		**297**	**269**
Total liabilities		**3,798**	**3,183**
Net assets		**10,992**	**11,704**
Equity			
Issued capital	10	355,316	353,129
Other reserves	11	89	60
Accumulated losses		(344,413)	(341,485)
Total equity		**10,992**	**11,704**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Note	6 months ended 31 December 2017 $'000	6 months ended 31 December 2016 $'000
Cash flows from operating activities			
Receipts from customers		333	316
Net Goods and Services Tax received		235	458
Payments to suppliers and employees		(2,679)	(3,687)
Interest received		113	169
Interest paid		(5)	-
Net cash outflows from operating activities		**(2,003)**	**(2,744)**
Cash flows from investing activities			
Proceeds from Government grants		1,400	-
Proceeds from R&D Tax Incentive		311	-
Purchase of property, plant & equipment		(5,376)	(652)
Payments for rehabilitation expenditure		(175)	(954)
Proceeds from joint venture recoveries		-	241
Proceeds from sale of property, plant & equipment		-	97
Payments for rectification expenditure		(108)	-
Net return of cash held as security		74	-
Net cash outflows from investing activities		**(3,874)**	**(1,268)**
Cash flows from financing activities			
Proceeds from issue of shares		2,299	-
Transaction costs share issues		(30)	-
Transaction costs of loans and borrowings		(10)	-
Net cash inflows from financing activities		**2,259**	**-**
Net decrease in cash and cash equivalents		**(3,618)**	**(4,012)**
Add: Opening cash and cash equivalents carried forward		10,890	14,406
Closing cash and cash equivalents carried forward	4	**7,272**	**10,394**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2017	Issued Capital $'000	Employee Equity Benefits Reserve $'000	Foreign Currency Translation Reserve $'000	Accumulated Losses $'000	Total Equity $'000
At 1 July 2017	**353,129**	**48**	**12**	**(341,485)**	**11,704**
Loss for the period	-	-	-	(2,928)	(2,928)
Other comprehensive income	-	-	-	-	-
Total loss for the period	-	-	-	(2,928)	(2,928)
Transactions with owners in their capacity as owners:					
Shares issued	2,299	-	-	-	2,299
Share issue costs	(112)	-	-	-	(112)
Cost of share-based payment - recognition of SARs	-	29	-	-	29
At 31 December 2017	**355,316**	**77**	**12**	**(344,413)**	**10,992**

FOR THE HALF YEAR ENDED 31 DECEMBER 2016	Issued Capital $'000	Employee Equity Benefits Reserve $'000	Foreign Currency Translation Reserve $'000	Accumulated Losses $'000	Total Equity $'000
At 1 July 2016	**351,908**	**-**	**8**	**(334,778)**	**17,138**
Loss for the period	-	-	-	(2,378)	(2,378)
Other comprehensive income	-	-	4	-	4
Total loss for the period	-	-	4	(2,378)	(2,374)
Transactions with owners in their capacity as owners:					
Cost of share-based payment - recognition of SARs	-	32	-	-	32
At 31 December 2016	**351,908**	**32**	**12**	**(337,156)**	**14,796**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – CORPORATE INFORMATION

The condensed consolidated financial statements of ReNu Energy Limited and its subsidiaries (collectively the Group or Consolidated Entity) for the half year ended 31 December 2017 were authorised in accordance with a resolution of the Directors on 22 February 2018.

ReNu Energy Limited is a Company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. Its registered office and principal place of business is Level 1, 9 Gardner Close, Milton QLD 4064.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation

This general purpose condensed financial report for the half year ended 31 December 2017 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001. The half year financial report has been prepared on a historical cost basis and going concern basis and is presented in Australian dollars. All values are rounded to the nearest $1,000 (unless otherwise stated). For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the full financial report.

It is recommended that the half year report be read in conjunction with the Annual Report for the year ended 30 June 2017 and considered together with any public announcements made by ReNu Energy Limited during the half year ended 31 December 2017 in accordance with the continuous disclosure obligations of the ASX listing rules. The half year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2017.

B. Going Concern

Due to the formative nature of the bioenergy and solar businesses in the Group, the ability of the Group to continue as a going concern is uncertain and dependent on its ability to secure appropriate projects and related funding for project investment, and to manage cash resources effectively. In the event that appropriate projects and funding is not secured, the entity may not be able to realise the value of its assets and extinguish its liabilities in the ordinary course of business as a going concern.

A major focus of the Board and management is on ongoing cash flow management to ensure that the Group always has sufficient funds to cover its planned activities and any ongoing obligations. At 31 December 2017, the Directors are satisfied that the Group has access to sufficient funds to extinguish creditors and liabilities in the ordinary course of business for at least the next 12 months from the date of signing this report. At 31 December 2017, ReNu Energy had available cash of $7,272,000, a loan facility of $1,391,000 to cover the acquisition cost of the Amaroo solar assets, Government grant contributions of $700,000 pending, and was finalising the terms of a loan facility of up to $3,000,000 for the construction of the SCA Projects. Revenues from the existing bioenergy asset and new projects expected to commence operation in the first half of 2018 (Goulburn Bioenergy Project, Amaroo Project and SCA Projects) will also contribute to the cash resources available to the Group in the future.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

In addition to these projects which are expected to commence operation in the first half of 2018, the Group has identified a pipeline of new projects and is actively progressing their evaluation and planning. The Group will only commit to new projects if it believes that it can access the necessary funding. To date the Group has been successful in funding new projects through a combination of borrowings, Government grants and equity from new and existing shareholders. The Directors and management believe that the Group will be able to continue to access funding necessary to support its current and future obligations and accordingly have applied the going concern basis of accounting in preparing the financial statements.

C. Share-based Payments

Share Appreciation Rights

On 10 November 2017, the Company issued 4,061,958 share appreciation rights ("SARs") to Mr Christopher Murray (Managing Director and Chief Executive Officer). The issue of the SARs was approved by shareholders at the Company's Annual General Meeting on 9 November 2017 in accordance with the Company's Share Appreciation Rights Plan.

A SAR is a right to receive either or both, a cash payment or shares in the Company, as determined by the Board, subject to the Company satisfying certain conditions including performance conditions.

The SARs have been issued in two tranches. The first tranche totalled 2,030,979 SARs with a fair value of $0.0067 per share and with the earliest vesting date being 11 January 2018. The second tranche totalled 2,030,979 SARs with a fair value of $0.0077 and with the earliest vesting date being 11 January 2019.

The performance conditions are based on growth in the Company's share price.

Loan Share Plan Shares

On 10 November 2017, the Company issued 43,024,500 ordinary shares (LSPS) to executives of the Company pursuant to a Loan Share Plan approved by shareholders at the Annual General Meeting.

The LSPS will only vest if the executive has been employed for 12 months from the grant date and the Company's volume-weighted average share price has been at least $0.04 per share for 30 trading days.

The executives were provided with limited recourse, interest-free loans to fund the acquisition of the LSPS. The loans are repayable after 10 years or earlier in specific circumstances, including if the executive ceases employment or sells the shares. The executive may return the shares instead of repaying the loan.

The issue price of the shares was $0.0172 each with a loan value of $740,000.

As the Company has no right to receive cash settlement for the loan (the executive can elect to forfeit the shares), no loan receivable has been recognised by the Company. The effect of the contractual arrangements is equivalent to an option exercisable at the time of loan repayment at an exercise price of $0.0172 per share. As a result, the grant of LSPS has been valued using an option pricing model and the fair value recognised in profit and loss over the expected vesting period.

D. Business Combinations and Goodwill

Business combinations are accounted for by applying the acquisition method of accounting, whereby the identifiable assets, liabilities and contingent liabilities (identifiable net assets) are measured on the basis of fair value at the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

E. Impairment of Assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount of the cash generating unit, it is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for a cash-generating unit (CGU). In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

F. Comparative Figures

When required by Accounting Standards, comparative figures are adjusted to conform to changes in presentation for the current financial year. Certain comparative financial information presented in the Statement of Comprehensive Income, and Statement of Cash Flows has been reclassified in this financial report to improve the presentation of information. The reclassification results in no net change to loss or cash flows for the comparative period.

NOTE 3A – OTHER INCOME	6 months ended 31 December 2017 $'000	6 months ended 31 December 2016 $'000
Recoupment of rehabilitation costs from former joint venture participant	52	271
Other income	-	11
	52	**282**

NOTE 3B – PERSONNEL EXPENSES

Employee expenses	981	1,344
Share based payments expense	29	32
	1,010	**1,376**

NOTE 3C – OTHER OPERATING EXPENSES

Business development costs	523	-
Depreciation of operational plant and equipment	132	-
Facility operating costs	171	171
Impairment of other receivables	63	-
Project rectification costs	6	(13)
	895	**158**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 3D – GENERAL AND ADMINISTRATIVE EXPENSES	6 months ended 31 December 2017 $'000	6 months ended 31 December 2016 $'000
Governance and investor relations	315	278
External advisory	365	534
Facility, IT and communications	272	208
Travel	78	108
Insurance	185	90
Depreciation of plant and equipment	3	6
Other	47	216
	1,265	**1,440**

NOTE 3E – OTHER EXPENSES AND LOSSES/(GAINS)

Loss before income tax has been determined after charging/(crediting) the following specific items (amounts may be included above in notes 3B, 3C and 3D):		
Depreciation	135	6
Operating lease rentals paid	53	77
Foreign exchange loss/(gain)	(1)	1
Impairment of other receivables	63	-

NOTE 3F – FINANCE COSTS

Transaction costs of loans and borrowings	134	-
Interest expense	6	-
	140	**-**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 4 – CASH AND CASH EQUIVALENTS	31 December 2017 $'000	30 June 2017 $'000
Cash at bank	1,825	1,523
Short-term deposits	5,447	9,367
	7,272	**10,890**

Non-cash financing activities

On 10 November 2017 the Company issued shares to Key Management Personnel under the Loan Share Plan (LSP) approved at the Annual General Meeting held on 9 November 2017. Under the terms of the LSP, non-recourse, interest-free loans were provided to fund the acquisition price of the shares. The value of the loans provided was $740,000.

NOTE 5 –TRADE AND OTHER RECEIVABLES	31 December 2017 $'000	30 June 2017 $'000
Cash held as security	204	278
Trade receivables	144	66
GST receivable	-	97
Interest receivable	11	47
R&D Tax Incentive receivable	109	420
Other receivables and deposits	184	201
Less provision for impairment – other receivables	(63)	-
Prepayments	54	37
	643	**1,146**

Accounts receivable, GST receivable, interest receivable and sundry receivables are non-interest bearing. The fair values of trade and other receivables approximate their carrying values due to their short-term nature.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 6 – PROPERTY, PLANT & EQUIPMENT	31 December 2017 $'000	30 June 2017 $'000
Plant and Equipment at cost	29,108	25,948
Less: accumulated depreciation and impairment	(23,263)	(23,127)
Total Property, Plant and Equipment	**5,845**	**2,821**
Reconciliation of Plant & Equipment		
Carrying amount at beginning of the period	2,821	28
Additions	4,559	2,895
Proceeds of grant	(1,400)	-
Depreciation/Amortisation expense	(135)	(102)
Carrying amount at the end of the period	**5,845**	**2,821**

NOTE 7 – INTANGIBLE ASSETS

Intangibles (including goodwill) at cost	5,096	5,096
Less: accumulated amortisation and impairment	(5,096)	(5,096)
Total Intangibles	**-**	**-**
Reconciliation of Intangibles (including goodwill)		
Opening balance (Goodwill)	-	1,000
Impairment	-	(1,000)
Carrying amount at the end of the period	**-**	**-**

At 31 December 2017, all intangible assets had been fully-amortised or impaired.

NOTE 8 – TRADE AND OTHER PAYABLES

Current		
Trade creditors	1,615	502
Accrued and other liabilities	776	1,250
GST payable	40	-
	2,431	**1,752**

The fair values of trade and other payables approximate their carrying values due to their short-term nature.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 9 – PROVISIONS

	Employee Entitlements $'000	Rehabilitation Provision $'000	Rectification Provision $'000	Total Provisions $'000
At 1 July 2017	**192**	**1,125**	**114**	**1,431**
Arising during the year	167	117	6	290
Utilised	(146)	(117)	(91)	(354)
At 31 December 2017	**213**	**1,125**	**29**	**1,367**
Current - December 2017	116	925	29	1,070
Non current - December 2017	97	200	-	297
	213	**1,125**	**29**	**1,367**
Current - June 2017	123	925	114	1,162
Non current - June 2017	69	200	-	269
At 30 June 2017	**192**	**1,125**	**114**	**1,431**

The rehabilitation provision relates to the remaining rehabilitation of the Cooper Basin site including the wells and surface rehabilitation.

The rectification provision relates to the remaining rectification of the legacy Quantum Power projects.

NOTE 10 – ISSUED CAPITAL

	31 December 2017 $'000	30 June 2017 $'000
Authorised Shares		
887,840,346 (June 2017 – 717,074,558) fully paid ordinary shares	**355,316**	**353,129**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 10 – ISSUED CAPITAL (Continued)

MOVEMENT IN ORDINARY SHARE CAPITAL:		NUMBER OF SHARES	ISSUE PRICE $ PER SHARE	$'000
30/06/16	**Balance end of financial year**	**563,368,990**		**351,908**
20/03/17	Shares issued pursuant to share placement	84,505,348	0.0095	803
26/04/17	Shares issued pursuant to rights issue	69,200,220	0.0090	623
	Share issue costs			(205)
30/06/17	**Balance end of financial year**	**717,074,558**		**353,129**
10/11/17	Shares issued pursuant to share loan plan(1)	43,024,500		-
22/12/17	Shares issued pursuant to share purchase plan	127,741,288	0.0180	2,299
	Share issue costs			(112)
31/12/17	**Balance**	**887,840,346**		**355,316**

1. Shares issued pursuant to a share loan plan have been accounted for as an option. Further details are set out in note 2C.

Terms and conditions of contributed equity

Ordinary Shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Share appreciation rights (SARS)

In addition to the ordinary shares, the Company has issued Share Appreciation Rights (SARs) to Key Management Personnel. The SARs can convert into ordinary shares upon the satisfaction of certain vesting conditions. Further details are set out in note 2C.

MOVEMENT IN SHARE APPRECIATION RIGHTS:		NUMBER OF SARs
30/06/16	**Balance end of financial year**	**-**
16/12/16	SARs issued	20,000,000
30/06/17	**Balance end of financial year**	**20,000,000**
10/11/17	SARs issued	4,061,958
31/12/17	**Balance**	**24,061,958**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 11 – OTHER RESERVES	31 December 2017 $'000	30 June 2017 $'000
Employee Equity Benefits Reserve	77	48
Foreign Currency Translation Reserve	12	12
	89	**60**
Reconciliation of Reserves		
Carrying amount at beginning of period	60	8
Recognition of SARs expense	29	48
Recognition of Foreign Currency Translation Reserve	-	4
	89	**60**

Nature and purpose of reserves

Employee Equity Benefits Reserve

The Employee Equity Benefits Reserve is used to record the value of share appreciation rights granted to employees, including key management personnel, as part of their remuneration.

Foreign Currency Translation Reserve

This reserve records the differences arising as a result of translating the financial statements of subsidiaries recorded in foreign currencies to the presentational currency.

NOTE 12 - EARNINGS PER SHARE	6 months ended 31 December 2017	6 months ended 31 December 2016
Basic and diluted earnings/(loss) per share attributable to the equity holders (cents per share)	**(0.40)**	**(0.42)**
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net loss attributable to equity shareholders ($'000)	**(2,928)**	**(2,378)**
Weighted average number of ordinary shares used in calculation of basic earnings per share	**735,248,042**	**563,368,990**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 13 - SEGMENT INFORMATION

The Group operates in three segments, being solar, bioenergy and geothermal exploration and evaluation. The geothermal segment is no longer operational and exists only to complete remediation activities. There is no difference in the basis of segmentation to those disclosed in the annual financial statements for year ended 30 June 2017.

Operating segments are identified on the basis of internal reports that are regularly reviewed and used by the Managing Director and Board of Directors (chief operating decision makers) in order to allocate resources to the segment and assess its performance. The financial information presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and the Consolidated Statement of Financial Position is the same as that presented to the chief operating decision makers. Group assets and liabilities are not presented by segment to the chief operating decision makers.

Unless otherwise stated, all amounts reported to the Managing Director and Board of Directors as the chief operating decision makers are in accordance with the Group's accounting policies.

Segment Information

The following table represents financial information for the Group's operating segments for the six months ended 31 December 2017.

Half Year Ended 31 December 2017	**Bioenergy**	**Solar**	**Geothermal**	**Corporate**	**Adjustments and Eliminations**	**Consolidated**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue and income						
- From external customers	334	-	52	-	-	386
- Interest income	3	-	-	75	-	78
Expenses	(504)	(748)	(154)	(1,711)	-	(3,117)
EBITDA	**(167)**	**(748)**	**(102)**	**(1,636)**	**-**	**(2,653)**
Depreciation	(132)	-	-	(3)	-	(135)
Borrowing transaction costs	-	(134)	-	-	-	(134)
Interest expense	-	-	(1)	(5)	-	(6)
Segment Profit/(Loss)	**(299)**	**(882)**	**(103)**	**(1,644)**	**-**	**(2,928)**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 13 - SEGMENT INFORMATION (Continued)

Half Year Ended 31 December 2016	Bioenergy $'000	Solar $'000	Geothermal $'000	Corporate $'000	Adjustments and Eliminations $'000	Consolidated $'000
Revenue and income						
- From external customers	178	-	268	-	-	446
- Interest income	-	-	1	149	-	150
Expenses	(1,159)	-	(29)	(1,779)	-	(2,967)
EBITDA	(981)	-	240	(1,630)	-	(2,371)
Depreciation	(2)	-	-	(4)	-	(6)
Interest expense	-	-	-	(1)	-	(1)
Segment Profit/(Loss)	(983)	-	240	(1,635)	-	(2,378)

NOTE 14 – BORROWINGS

On 6 December 2017, the Group signed a Secured Loan Facility Agreement for a $1,400,000 loan to fund the remaining acquisition cost of the Amaroo Solar PV Project in the ACT. No amounts had been drawn-down under the facility at 31 December 2017. The loan will be repayable through quarterly repayments of principal and interest and a $1,000,000 final repayment on 31 December 2022. $1,391,000 was subsequently drawn-down under the loan facility in February 2018.

NOTE 15 – CONTINGENT ASSETS AND LIABILITIES

Since the last annual reporting date there has been no material change in contingent liabilities or contingent assets.

NOTE 16 – RELATED PARTY DISCLOSURES

Transactions with Key Management Personnel

The Company's Chairman, Mr S McLean, has provided additional services to the Group during the period. Mr McLean was a key resource for FinClear Execution Limited which was engaged to provide corporate finance advisory services for four months from 1 May 2017 at $25,000 per month. From 1 October 2017 to 28 February 2018, Mr McLean was engaged through an associated company, 145 Fleet Pty Ltd, to provide corporate development advisory services at a rate of $8,333 per month.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 17 – SUBSEQUENT EVENTS

Commencement of commercial operations at the Goulburn Bioenergy Project

On 5 February 2018, the Goulburn Bioenergy Project reached practical completion and commenced commercial operations.

Completion of acquisition of the Amaroo solar facility

On 9 February 2018, ReNu Energy completed the acquisition of the Amaroo Solar PV Project for $2,380,000, partly funded by a $1,391,000 loan which is repayable over 5 years at a fixed rate of interest.

Extension of bioenergy PPA

On 15 February 2018, ReNu Energy secured a 10 year extension (to January 2031) of the existing Power Purchase Agreement at its 1.1 MW bioenergy project in Queensland. The Group also signed a term sheet with the same customer for the development of an 850 kW (DC) solar PV project at the site.

There has not arisen between 31 December 2017 and the date of this report any other item, transaction or event of a relevant and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of ReNu Energy Limited, I state that:

1. In the opinion of the Directors:

   (a) the financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:

      i. giving a true and fair view of the financial position as at 31 December 2017 and the performance for the half year ended on that date of the Consolidated Entity;

      ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.

C Murray
Managing Director
Brisbane
23 February 2018

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF RENU ENERGY LIMITED

As lead auditor for the review of ReNu Energy Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of ReNu Energy Limited and the entities it controlled during the period.

R M Swaby
Director

BDO Audit Pty Ltd

Brisbane, 23 February 2018

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of ReNu Energy Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of ReNu Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit Pty Ltd

BDO
R Swaby

R M Swaby
Director

Brisbane, 23 February 2018