

ASX Announcement

5 March 2018

ReNu Energy signs a term sheet for bioenergy expansion at AJ Bush

Highlights

- Term sheet for the construction of a new covered anaerobic lagoon at the AJ Bush rendering facility, with transfer of ownership to AJ Bush upon completion
- AJ Bush to receive all biogas produced, and pay a monthly consideration for a period of 10 years
- ReNu Energy to own the Australian Carbon Credit Units generated by the project
- The Project builds on ReNu Energy's strategic objectives and will make a significant contribution towards the Company achieving positive operating cash flow

ReNu Energy Limited (ASX: RNE) is pleased to announce the signing of a term sheet with A.J. Bush & Sons (Manufactures) Pty Ltd (AJ Bush), for the construction of a new covered anaerobic lagoon and upgrades to the existing biogas infrastructure and lagoons owned by AJ Bush (the Project).

The term sheet provides for an exclusivity period for ReNu Energy and AJ Bush to enter into a works agreement for the Project. It is proposed that the Project be constructed under a Build Own Transfer (BOT) model, whereby ReNu Energy designs, constructs and commissions the Project, transferring ownership to AJ Bush upon completion. AJ Bush will pay for the biogas produced from the new covered anaerobic lagoon via a fixed monthly charge for a 10 year term. The biogas generated will displace fossil fuel which is currently used to heat the rendering plant's boilers.

The new digester is eligible for Australian Carbon Credit Units (ACCUs) under the Carbon Farming Initiative. ReNu Energy has secured a contract with the Clean Energy Regulator for the delivery of 180,000 ACCUs from the new digester over a 7 year period.

The capital cost of the works is estimated to be \$3 million and ReNu Energy is considering a number of funding sources. The term sheet is subject to several conditions including relevant approvals, completion of due diligence and funding.

ReNu Energy Chief Executive Officer Mr Chris Murray said, "The addition of the new anaerobic lagoon to AJ Bush's existing biogas facility will reduce AJ Bush's energy costs and carbon footprint, and provide ReNu Energy with a stable 10 year cash flow. The BOT project works well for ReNu Energy and AJ Bush, as AJ Bush already operates and maintains the existing anaerobic lagoons,



and ReNu Energy can apply its expertise and experience to design and construct the Project and manage the delivery of the ACCU contract.

ReNu Energy and AJ Bush have been working together for over 10 years to generate renewable energy from the waste streams of the AJ Bush rendering facility at Beaudesert. To date this has been from existing biogas assets, which were recently upgraded to improve efficiency and increase output. In mid-February, ReNu Energy announced a 10 year extension (to 2031) to the power purchase agreement for this project and a Solar PV PPA term sheet for an 850kW (DC) solar installation to provide further renewable energy to AJ Bush under a long term agreement. The announcement of this additional biogas project further expands the successful renewable energy partnership that ReNu Energy and AJ Bush have developed over the past 10 years.

We are pleased to again be working with AJ Bush, to provide its rendering facility with more renewable energy, increasing the plant's self-sufficiency and decreasing its carbon footprint. Together with the recently announced solar PV project and existing biogas facility, AJ Bush is a real leader in the utilisation of renewable energy.”

The Project builds on ReNu Energy's strategic objectives and will make a significant contribution towards the Company achieving positive operating cash flow.

- End -

For more information please contact:

Christopher Murray
Chief Executive Officer &
Managing Director
+ 61 7 3721 7500

Friederike Graser
Investor Relations &
Communications Manager
+61 7 3721 7588

About ReNu Energy

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

Forward-looking Statements: *This ASX-announcement contains forward-looking statements. These statements are based on an assessment of present economic, market and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place that are subject to risks and uncertainties. Forward-looking statements are not a guarantees of future performance actual results, performance or achievements of ReNu Energy may be materially different from the statements in this announcement. ReNu Energy does not undertake to update or revise forward-looking statements.*