

# QUARTERLY UPDATE

PERIOD ENDING 31 December 2018

**ASX CODE:**

RNE

**SHARES ON ISSUE**

110.95 million

**MANAGING DIRECTOR AND CEO**

Mr Craig Ricato

**COMPANY SECRETARY**

Mr Damian Galvin

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## HIGHLIGHTS

Activities for the quarter were centred around the ongoing development of the Company's bioenergy & solar project development pipelines, execution of agreements for the of solar and bioenergy Power Purchase Agreement (PPA) projects and corporate development activities.

**FOLLOWING IS A SUMMARY OF KEY ACTIVITIES FROM THE QUARTER:**

- Electricity supplied increased 30% from the September quarter to 2,998MWh.
- Execution of a Heads of Agreement (HOA) with GrainCorp for the evaluation and development of three solar pilot projects.
- Completion of 2nd bioenergy alliance investment, with Resonance Industrial Water Infrastructure Fund acquiring a 70% interest in the Company's existing AJ Bush bioenergy operations.
- Signed a term sheet with WAMMCO for the development of an integrated solar & bioenergy project totalling 3.1MW in Western Australia.
- Completed a share consolidation.

**The Company's cash position at the end of the quarter stood at \$2.46 million.**



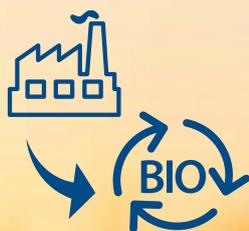
**3,679 tonne**  
of CO<sub>2</sub> abated



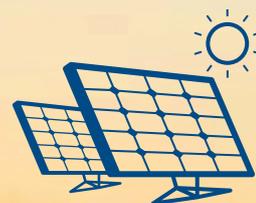
**191 homes**  
CO<sub>2</sub> emission for  
one year



**380 cars**  
off the road for  
one year



**1,905 MWh**  
from bioenergy  
operations



**1,094 MWh**  
from solar  
operations

## Quarterly Report to Shareholders

Dear Shareholders

It is my pleasure to reintroduce the quarterly Company Update and present you with a brief overview and summary of the highlights and key operational and corporate activities undertaken by the Company this past quarter.

As presented at the Annual General Meeting in November, ReNu Energy is focussed on four strategic growth areas across our bioenergy, solar and our energy retail business units. Over the past quarter we have been focused on securing further business growth opportunities in these key areas and adding further generation to our portfolio of 'behind the meter' assets.

The announcement of a HOA with GrainCorp for the evaluation and development of solar PV pilot projects and the Term Sheet with WAMMCO for the development of an integrated 3.1MW bioenergy and solar PV facility at its Katanning abattoir in Western Australia, are two significant milestones towards achieving the scale and growth we are aiming for.

On the operational side, we have been pleased with the output and performance of our solar and bioenergy assets over the past quarter, with total electricity supplied increasing 30% from the previous quarter. Our projects supplied 2,998MWh of electricity to customers in the December quarter, with 2,272MWh of renewable power generated from our solar and bioenergy facilities, equating to approximately 3,679t of avoided CO<sub>2</sub> emissions (tCO<sub>2</sub>-e) through displaced grid electricity use and abated tCO<sub>2</sub>-e of methane emissions.

The development of our Embedded Network operations also continued during the last quarter. Whilst all solar PV installation works have been completed and common areas are now being supplied with renewable energy, we are continuing to work through the regulatory approval process for the establishment of our embedded networks so that our energy retailing to tenants at the Murray Bridge and Mount Gambier shopping centres can commence. ReNu Energy has been working with tenants in the Murray Bridge and Mount Gambier Marketplace shopping centres to fulfil the Australian Energy Regulator (AER) regulatory requirements and in the December quarter we lodged the applications for the conversion of the networks. Once the approval for the network conversions are received from the AER we will complete the final wiring and supply those tenants who have elected to take up ReNu Energy's retail offer with renewable energy from the onsite solar PV.

In November I had the privilege of presenting at my first ReNu Energy AGM and sharing the Company's long-term Goals and Strategic Direction with our shareholders. Our immediate focus for FY19 is the rapid growth of our portfolio of assets in order to generate positive cash flow. To achieve this, we will be working hard to finalise the agreements on hand and continue discussion to secure and fund further renewable opportunities.

We are currently evaluating several new bioenergy and solar opportunities and are very pleased with the growing interest in bioenergy developments in Australia. Operationally, our bioenergy team is focused on completion of site-specific due diligence and front-end engineering and design (FEED) studies for the Katanning bioenergy project and finalising arrangements with AJ Bush regarding the additional bioenergy development on their Beaudesert site in Queensland in the next quarter.

I welcome your comments and feedback and look forward to continuing these updates next quarter.

Yours Sincerely

A handwritten signature in blue ink, appearing to read "C. Ricato".

Craig Ricato

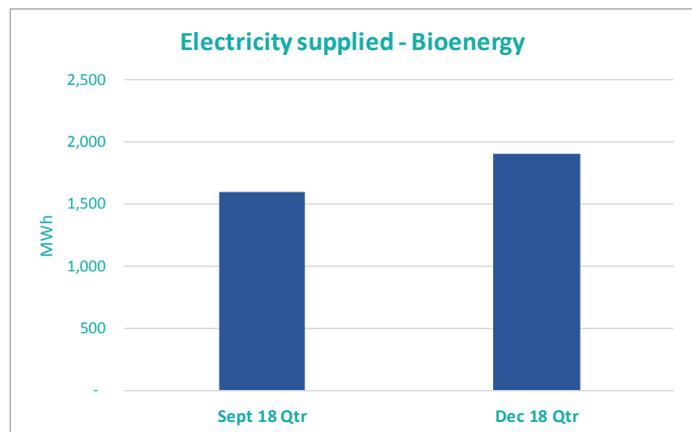
*Managing Director and Chief Executive Officer*

## Bioenergy

### Operations

ReNu Energy's two bioenergy facilities operated throughout the quarter until the Christmas shutdown. Gas production benefited from warmer conditions, with electricity generated from site-produced biogas increasing by 23% from the September quarter.

Total electricity supplied in the quarter increased 19% to 1,905MWh.



### WA Integrated 3.1MW bioenergy & solar PV facility

In October, ReNu Energy announced the execution of a Term Sheet with Western Australian Meat Marketing Co-operative Limited (WAMMCO) to develop an integrated 3.1MW bioenergy and solar PV facility at WAMMCO's Katanning WA abattoir.

The Term Sheet for the Katanning site follows on from ReNu Energy's successful delivery of the 1.6MW bioenergy facility at WAMMCO's Southern Meats site in Goulburn NSW earlier in 2018. While similar in size to Goulburn the, Katanning project will seek to integrate 2.5MW of solar with 600kW of biogas generation to deliver approximately 50% of the site's energy demand.

ReNu Energy is currently working with WAMMCO to complete detailed project site due diligence, front end engineering & design (FEED) and to finalise binding contracts.

### 2nd Bioenergy Investment Completed

Following the completion of the first Bioenergy Alliance investment through the sale of a 70% interest in Goulburn Bioenergy Project in June, ReNu Energy and Resonance Industrial Water Infrastructure Fund (RIWIF) completed the second investment this November. The second investment involved the acquisition of a 70% interest by RIWIF in ReNu Energy's existing power generation assets at the AJ Bush bioenergy facility for a consideration of A\$700,000.

We are currently evaluating several new bioenergy opportunities with RIWIF and are very pleased with the growing interest in bioenergy developments in Australia.

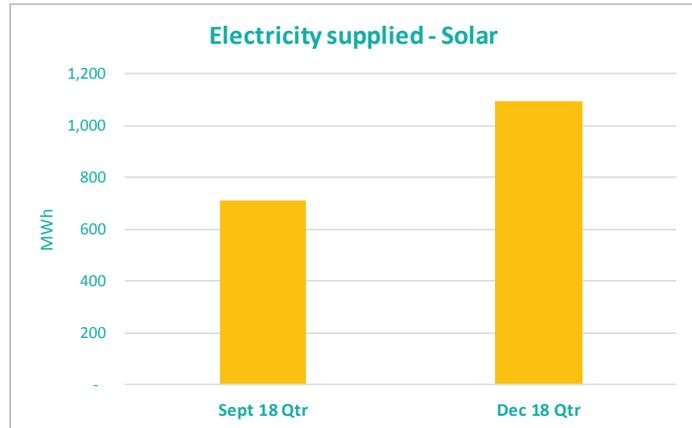
### 2018 Bioenergy Innovation Awards

The Australian Bioenergy Innovation Awards were held in Brisbane in October last year and coincided with the Australian Bioenergy Conference. ReNu Energy was pleased to be awarded a Commendation for the Goulburn Bioenergy Project in the Small-Scale Award category. ReNu Energy wishes to thank and acknowledge the team at Southern Meats and the support it has received from ARENA through the Advancing Renewables Program grant funding contribution.

# Solar

## Operations

ReNu Energy is now supplying electricity to all four of its shopping centre embedded network projects, although supply to the tenants at the Murray Bridge and Mount Gambier Marketplace sites has been delayed while awaiting finalisation of the required regulatory approvals. The common areas of these two South Australian centres have benefitted from ReNu Energy’s lower-cost renewable power throughout the quarter and the Lismore Central centre’s solar panels were commissioned in December. The Lismore Central solar output is well-sized for the common area of the centre and a wider embedded network will not be rolled-out to other tenants at this time.



ReNu Energy is ready to complete the final wiring required to establish the embedded network at the two South Australian centres as soon as AER approval is received.

The solar operations, including the Amaroo site, benefitted from the higher-yielding spring months, with total electricity output from the solar facilities up 80% from the September quarter to 703MWh.

When complimented with grid-sourced power to the embedded network customers, total electricity supplied increased by 54% to 1,094MWh.

## HOA with GrainCorp

In November, ReNu Energy executed a Heads of Agreement (HOA) with GrainCorp Operations Limited (GrainCorp), for the evaluation and development of solar PV projects within GrainCorp’s east coast facilities network. Under the agreement ReNu Energy will build, own, operate and maintain solar assets on GrainCorp properties and sell the electricity to GrainCorp under power purchase agreements.

ReNu Energy and GrainCorp have entered an exclusivity period to 30 June 2019, during which both parties will work together to identify and develop three pilot project solar PV sites. At the time of writing three sites one in each of NSW, Victoria and Queensland had been identified. ReNu Energy is currently awaiting the execution of final Power Purchase Agreements specific to the sites, before commencing the approvals process for the PV installations.

The agreement with GrainCorp strongly aligns with ReNu Energy’s strategy of delivering behind the meter solar PV installations, which are supported by long-term power purchase agreements. The Australian agribusiness sector in particular, represents significant opportunities for the delivery of both solar and bioenergy projects and is a key target market for ReNu Energy.

## *Corporate*

### *Appointment of Director*

ReNu Energy welcomed Mr Tony Louka to its Board of Directors in October. Mr Louka has a strong background in energy retailing through experience on Board and Advisory Councils in the utilities, renewables and sustainability sectors. He has more than 20 years of industry experience in Board, executive and management roles in the energy and retail sectors. Mr Louka was Head of Energy and Services at Woolworths Group Limited for 10 years and has previously held management roles at Ergon Energy and Emerson Network Power. He has also recently served as a Board Member of the Energy Users Association of Australia and the Transgrid Advisory Council.

### *Share Consolidation*

Following shareholder approval at the AGM, ReNu Energy undertook a 10 for 1 consolidation of capital, reducing the number of shares on issue from 965,270,797 to 96,529,741. The Consolidation which took effect on 12 December, applied equally to all of the Company's shareholders. Individual shareholdings were reduced in the same ratio as the total number of the Company's shares (subject only to the rounding of fractions).