

ASX Announcement

12 April 2019

Company Update

ReNu Energy Limited (ASX: RNE) is pleased to provide an update on the Company's activities. A Quarterly Report including an operations update will be provided later this month.

The Company's continued focus remains on becoming cash flow positive. The results from the first half of FY19 show that the Company's financial performance has improved significantly:

- Revenues steady at \$0.95m from the previous half year and up 104% from 1H FY18
- EBITDA improved by 30% from the previous half year to \$1.45m (loss) and by 45% from 1H FY18
- Gain/Loss after tax improved by 40% from the previous half year to \$1.37m (loss) and by 53% from 1H FY18

The Company's cash position as at 31 March stood at \$1.5 million.

Our engagement with investors continues to show that there is strong demand for exposure to renewable energy generation assets as end-user demand grows. ReNu Energy has a demonstrated capability to attract and collaborate with international financial, commercial and strategic partners and provides investors with an established, unique and scalable renewable energy platform with the ability to deliver incremental increases in earning margins per additional MWh of new generation.

2019 Target

As previously stated, the Company is targeting a 9MW increase in installed generation in 2019 to increase revenue and move the Company to cash flow positive earnings.

To achieve this, we intend to aggressively grow the generation portfolio within our Solar and Bioenergy operations through continued growth of our development pipeline and acquisition of complimentary assets and/or operations.

Commercial Opportunities

In addition to the agreements already announced, and with a target to achieve a 9MW increase in our installed generation in 2019, we have identified and are currently evaluating a number of potential near-term commercial opportunities including:

- Strategic investment opportunities with companies offering operational synergies; and
- Large scale Solar PV and Bioenergy generation asset acquisitions

Discussions on the above commercial opportunities will continue to progress during the current quarter and ReNu Energy will keep the market updated on any material developments.

Bioenergy

In November 2018, KPMG released a report which noted that Australia's Bioenergy development was behind that of all other OECD countries, with an estimated \$3.5-\$5bn of investment opportunity¹.

ReNu Energy, through its recent co-operation agreement with bioenergy technology and engineering partner AGO Bioenergy GmbH (**AGO**) and partnership with the Resonance Industrial Water Infrastructure Fund is now strongly positioned to take advantage of these opportunities. ReNu Energy is uniquely positioned to offer technology, equipment, servicing and bioenergy solutions to customers and project partners in Australia and New Zealand.

AGO Bioenergy GmbH

ReNu Energy and AGO have commenced engaging with and identifying opportunities within the Australian and New Zealand bioenergy market. Over the coming months, ReNu Energy will be working with AGO representatives to promote our combined ability to provide bioenergy solutions in the region.



Signing of Cooperation Agreement in Germany (L-R) Günther Hein (AGO CEO), Warren Leitao (ReNu Energy COO), Thorsten Winkler (AGO, Managing Director Bioenergy)

WA Integrated 3.1MW bioenergy & solar PV facility

Since signing the 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 in October last year, ReNu Energy and WAMMCO have progressed the detailed project site due diligence and front end engineering & design (**FEED**) study. ReNu Energy has now submitted connection agreement applications with Western Power and anticipates finalising the FEED study this quarter, with detailed engineering and a final investment decision expected in Q3 2019.

AJ Bush Bioenergy Project

ReNu Energy is currently undertaking a biogas engine replacement and upgrade at the AJ Bush facility. The original Shandong engine has been decommissioned, having reached the end of its operating life, and is being replaced with a 770kW CAT engine, to mirror the engine that was

¹ The 'State of the Nation Report' prepared by KPMG for Bioenergy Australia, November 2018 can be accessed at <http://newsroom.kpmg.com.au/bioenergy-australia-state-of-the-nation-fnl-november-web/>.

installed during the upgrade in early 2017. The facility will continue to operate under the existing Power Purchase Agreement (**PPA**) until 2031.



Second CAT 770kW engine in position for installation.

The FEED study and proposal for the construction of a fourth covered anaerobic lagoon (**CAL**) “G4”, refurbishment of the existing CALs G1 and G2, and upgrades to the biogas collection infrastructure were completed and provided to AJ Bush in late Q3 2018. Discussions are continuing as AJ Bush is yet to make a final decision on the G4 Project whilst it finalises its long-term development plans for the site.

Solar

Embedded Networks

Approval from the Australian Energy Regulator to convert the Murray Bridge and Mount Gambier shopping centres to embedded networks was received in late February this year. Immediately following the approval, ReNu Energy commenced signing tenants to its retail offer, and we have received strong signup to date. Solar power has been supplied to the common areas of both shopping centres since August 2018 and, subject to SA Power Networks processes, ReNu Energy expects to finalise the conversions and commence renewable energy retailing to tenants at both centres in late April / early May 2019.

Following the successful roll out of the first four solar PV embedded networks with Shopping Centres Australasia (**SCA**), ReNu Energy and SCA are currently discussing further project opportunities within the SCA portfolio.



Murray Bridge SA, 980kW



Mount Gambier, SA 628kW

GrainCorp Solar Pilot Projects

The pilot project sites for solar PV installation in Queensland, NSW and Victoria have now been selected and preliminary designs completed. ReNu Energy and GrainCorp are currently finalising the PPA for each site prior to seeking connection and development approvals. Both parties are working towards completion of PPA negotiations, securing the necessary approvals and commencing pilot project installation by the end of Q2 2019.

Cooper Basin remediation

The Company has continued to undertake activities required to complete the remediation of its geothermal tenements in the Cooper Basin. Necessary monitoring of the last two geothermal wells has continued, with ReNu Energy working with the responsible South Australian Government Department and their independent experts to finalise the plug and abandon procedure in accordance with the relevant state regulations and environmental requirements. The timing of the execution of the final abandonment programme remains subject to regulatory approval and the availability of the required equipment in the Cooper Basin. At this time, the Company does not anticipate that the work would be undertaken before Q4 2019.

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About ReNu Energy

ReNu Energy Limited (ASX: RNE) is an independent power producer which delivers clean energy solutions 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 many 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.*