

Company Update

January - May 2019

ASX CODE:

RNE

SHARES ON ISSUE

110.95 million

MANAGING DIRECTOR AND CEO

Mr Craig Ricato

COMPANY SECRETARY

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HIGHLIGHTS

Activities over the first four months of the year were focussed on the supply of electricity from our portfolio of renewable generation assets, the finalisation of our first four embedded network projects and business development activities to secure additional project opportunities which will allow the Company to rapidly grow its asset portfolio.

FOLLOWING IS A SUMMARY OF KEY ACTIVITIES FROM THE QUARTER:

- Supplied 2.55GWh of electricity from our portfolio of solar PV and bioenergy projects in the March quarter;
- Executed two Term Sheets for the acquisition of 2 x 5.8MW DC solar farm developments in South Australia, providing the Company with the opportunity to achieve its stated 2019 strategic growth target and become cash flow positive;
- Signed co-operation agreement with AGO Bioenergy GmbH (**AGO**) to unlock further waste-to-energy opportunities across the Australian and New Zealand markets;
- Commenced an upgrade of the AJ Bush bioenergy power generation facility;
- Commenced design and feasibility studies for the installation of a 750kW ground mounted solar PV project to compliment the generation from the Goulburn bioenergy project; and
- Commenced activities with AGO to roll out a fully containerized biogas and power generation plant product for the Australian & NZ markets.

The Company's cash position at the end of the March quarter stood at \$ 1.54 million.



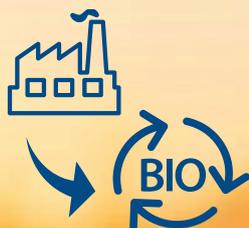
3,150 tonne**
of CO₂ abated*



172 homes**
CO₂ emission for
one year



305 cars**
off the road for
one year



1,481 MWh**
from bioenergy
operations



1,066 MWh**
from solar
operations

Report to Shareholders

Dear Shareholders

Our main focus during the first four months of the year has been on the identification and development of commercial opportunities, with the aim of achieving 9MW increase in installed generation in 2019.

Recent Activities

In late April we announced the signing of term sheets to acquire two 5.8MW DC solar farms in SA from Astronergy Solar Australia Pty Ltd (**Astronergy**). Over the coming weeks we will be working to complete due diligence, negotiate and enter into definitive legally binding agreements for each project. Both projects are expected to receive all approvals by 30 June and be operational by Q4, 2019.

The new solar farm investments have the potential to transform our Company by adding up to 11.6MW DC of capacity this year. Whilst the \$17m price tag may seem ambitious for a company of our size, over the coming months we will work to find a prudent financing solution, targeting debt financing for up to 50% of the purchase price, and potentially introducing a co-investor to share the remaining capital requirement if necessary.

Securing these two projects provides the Company with the opportunity to achieve our stated 2019 strategic growth target and become cash flow positive. Our preliminary due diligence indicates that both projects offer good returns, whilst also having a lower execution risk from current grid connection challenges due to their sub-5MW AC size. Further, as the projects are not yet subject to Power Purchase Agreements, ReNu Energy maintains the flexibility to enter into long-term energy contracts at the appropriate time to further de-risk the operations if we consider it prudent to do so.

In addition to securing the two project opportunities with Astronergy, we have also been busy working on the continued development of assets within our existing portfolio. We have good working relationships with all of our existing counterparties and, as a result, a strong pipeline of opportunities. The most recent example of this pipeline is the feasibility study which we have commenced for a new 750kW solar farm for WAMMCO's Southern Meats facility in Goulburn.

Entitlement Offer

Importantly, on 12 April we announced that the Company would be undertaking an Entitlement Offer to raise up to \$5.5 million. The capital raised from the Offer will be used to increase the portfolio of generating assets within the Company's bioenergy and solar businesses, and for working capital. This includes the preliminary costs to secure the two Astronergy projects, further development of the WAMMCO Katanning project, increased generation at the AJ Bush and WAMMCO Southern Meats facilities, and development of additional embedded network operations and behind the meter solar installations.

Raising capital at this stage is extremely important for ReNu Energy if we are to continue our growth and transform into a cash flow positive renewable energy company in 2019.

Many of our shareholders have supported the Company for over a decade. That has not been an easy journey for many as the Company transitioned away from its original geothermal research & development focus into solar and bioenergy operations. For this reason, the Board made the decision to undertake this capital raise by providing all of our existing shareholders with the first right to participate under an Entitlement Offer at a significant discount to the market price.

Your continued support is important to the Company and I sincerely ask all shareholders to take the time consider the Entitlement Offer.

I welcome your comments and feedback. If you have questions or require further information you may also direct your enquiries to Friederike Graser, on +61 7 3721 7588 or via info@renuenergy.com.au.

A handwritten signature in black ink, appearing to read 'C. Ricato', is positioned above the typed name.

Yours Sincerely

Craig Ricato

Managing Director and Chief Executive Officer

Bioenergy

Bioenergy Outlook

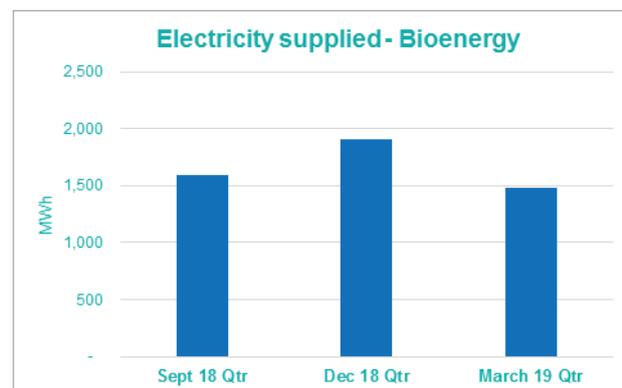
In November 2018, KPMG released a report which noted that Australia's Bioenergy development was behind that of all other OECD countries, with an estimated \$3.5-\$5bn of investment opportunity.¹

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.

Operations

ReNu Energy's two bioenergy facilities operated throughout the quarter with some lower production resulting from the extended Christmas shutdown at Goulburn and unscheduled maintenance at AJ Bush.

Total electricity supplied in the quarter of 1,481MWh.



Co-operation Agreement

In February ReNu Energy and German technology and engineering company AGO Bioenergy GmbH (**AGO**) agreed to join forces under a Cooperation Agreement to unlock further waste-to-energy opportunities across the Australian and New Zealand markets.

The strategic collaboration with AGO includes the appointment of ReNu Energy as an exclusive representative/distributor for the sale of all AGO products, technologies and services into the Australian, New Zealand and Asia-Pacific territories.

ReNu Energy's benefits from the Cooperation Agreement include:

- Exclusive access to AGO's products, technologies and services resulting in a competitive advantage in the regional bioenergy/waste-to-energy sector;
- Access to AGO's project experience and expertise as an exclusive partner for process and design engineering;
- The ability to fast-track the development of bioenergy projects through AGO's shared resources and technologies; and
- Access to AGO's high-quality supply chain, enabling significant capital cost reductions and economies of scale for the technology providing a substantial competitive advantage in the Australian market.

Over the coming quarter ReNu Energy will be presenting at the following events:

- **Renewable Gas in Australia Conference** – Sydney 6 June 2019
- **Fieldays NZ** - Ohaupo, New Zealand 12-15 June 2019 (the Southern Hemisphere's largest agricultural event)
- **National Waste to Energy Conference** – Sydney 19-20 June 2019

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/>.

AGO “DX3 Con” - Fully containerized biogas and power generation plant

At this year’s Fieldays event in New Zealand, ReNu Energy and AGO will be showcasing the AGO “DX3 Con”, a fully containerized biogas and power generation plant available in output sizes from 15kW to 100kW.

The DX3 Con has been designed to operate within small footprints and/or where only small quantities of organic waste streams are available, processing waste streams of between 1 ton to 17 tons per day. The biogas generated in the DX3 Con digester can be converted into electricity, heat, cooling or simply be used as crude biogas for a boiler system. The digestate produced by the system can be split into a solid and liquid fraction and used as a fertilizer.

The DX3 Con is the first example of how ReNu Energy and AGO intend to leverage the vast European bioenergy experience to introduce new products and innovations into the Australian & New Zealand markets.

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 abattoir in WA 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.

Southern Meats 750kW solar PV facility

Following the presentation of an initial concept study to WAMMCO, the parties have agreed to progress to a full design and feasibility study for a 750kW ground mounted solar farm at WAMMCO’s Southern Meats facility in Goulburn, NSW. The solar farm will compliment the current 1.6MW of biogas power generation currently at the site and will enhance our ability to manage the power requirements of WAMMCO’s operations. Finalisation of the feasibility study and a final investment decision is expected in Q3 2019.

AJ Bush Bioenergy Project (Beaudesert, Qld)

During the quarter, ReNu Energy commenced 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. The replacement 770kW CAT engine is expected to commence operations in Q3 2019 and will mirror the existing engine that was installed during the previous upgrade conducted in early 2017. The facility will continue to operate under the existing Power Purchase Agreement (**PPA**) until 2031.



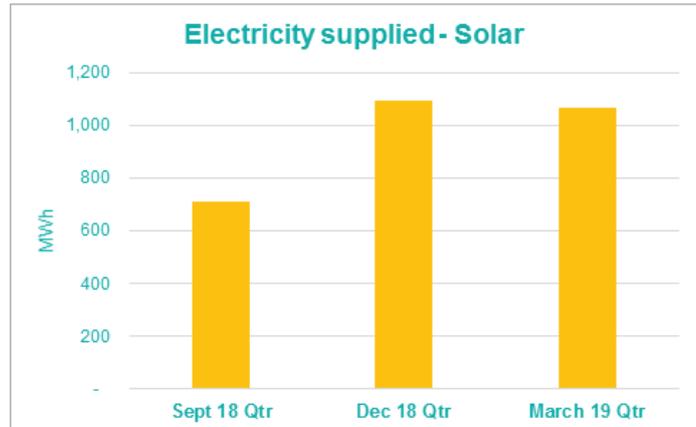
Second CAT 770kW engine in position for installation

Solar

Operations

The solar operations continued to benefit from the higher-yielding summer months and the first full quarter of solar generation from the Lismore site. Total electricity output from the solar facilities increased by 7% to 750MWh despite network outages and replacement of a faulty inverter at the Amaroo Solar PV facility.

Total electricity supplied to customers of our solar business decreased slightly by 2.5% to 1,066 MWh as a result of the lower output from Amaroo.



Solar Farms Term Sheets - Astronergy

On 26 April, ReNu Energy announced the execution of two Term Sheets with Astronergy Solar Australia Pty Ltd (Astronergy) for the acquisition of 2 x 5.8MW DC solar farm developments in South Australia. Once completed, these facilities would be capable of producing approximately 23,763MWh per annum.

The solar farm developments are located near Kadina and Bungama in South Australia, and are in the final stages of obtaining all necessary development and connection approvals. It is anticipated that all project approvals will be in place by 30 June, and that construction will be completed and generation commenced in Q4, 2019.

ReNu Energy and Astronergy will work together over the exclusivity period to 30 June 2019 to complete due diligence, negotiate and enter into definitive legally binding agreements, including Sale & Purchase Agreements (SPA) for each project. The completion of each project SPA will be conditional upon ReNu Energy obtaining suitable finance and all necessary regulatory and shareholder approvals.

Project debt finance will be sought to cover up to 50% of the purchase price and, if required, ReNu will consider introducing a co-investor in the projects to share the acquisition cost.

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.

Embedded Networks

In late February, ReNu Energy received approval from the Australian Energy Regulator to convert the Murray Bridge and Mount Gambier shopping centres to embedded networks. Immediately following the approval, ReNu Energy commenced signing tenants to its retail offer, and we have received strong sign-up 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 Q2 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 630kW

Corporate Entitlement Offer

On 12 April the Company announced that it will be undertaking a capital raise via a pro rata non renounceable shareholder entitlement offer (Offer), to raise up to approximately \$5.5 million (before costs).

The capital raised from the Offer will be used to increase the portfolio of generating assets within the Company's bioenergy and solar businesses, and for working capital. This includes the preliminary costs to secure the two Astronergy projects, further development of the WAMMCO Katanning project, increased generation at the AJ Bush and WAMMCO Southern Meats facilities, and development of additional embedded network operations and behind the meter solar installations.

The Offer entitles eligible shareholders to acquire 3 new shares for every 4 existing shares held in ReNu Energy at 6.6 cents per share. Eligible shareholders on the register as at 7.00pm (Sydney time) on Thursday, 18 April 2019 are entitled to participate. The Offer is not underwritten.

Date	Details
Thursday, 18 April 2019	Record Date 7pm (Sydney time) The date which the Company determines eligible shareholders.
Friday, 26 April 2019	Open Date The date on which the Offer opens and Offer Booklets are despatched to shareholders.
Friday, 31 May 2019	Closing Date 5pm (Sydney time) The date on which the Offer closes. Applications and payments must be received by 5pm (Sydney time).
Wednesday, 5 June 2019	Shortfall Notification Date The date on which the Company will announce the shortfall (if any) under the Offer.
Friday, 7 June 2019	Issue Date The date shares under the Offer are issued.
Tuesday, 11 June 2019	Holding Statement Despatch Date & Trading Commences The date on which holding statements are sent to shareholders and shares under the Offer will commence trading on the ASX.

The above timetable is subject to change and the Company reserves the right to withdraw or vary the timetable for the Offer without notice. In particular, the Company reserves the right to extend the Closing Date for the Offer, to accept late applications whether generally or in particular cases or to withdraw the Offer without prior notice.