



ASX Announcement

2 August 2019

ReNu Energy signs agreement with CleanPeak Energy to sell its existing solar operations

Highlights

- ReNu Energy has entered into a Securities Purchase Agreement with CleanPeak Energy for the sale of the ReNu Energy subsidiaries which hold its existing solar assets and energy retail authorisation for \$5.775 million less net debt.

ReNu Energy Limited (**ReNu Energy**) (ASX: RNE) announces that it has entered into a Securities Purchase Agreement (**SPA**) with CleanPeak Energy Pty Ltd (**CleanPeak Energy**), under which CleanPeak Energy would acquire the subsidiaries of ReNu Energy which hold its Embedded Network operations, the Amaroo Solar PV facility and the energy retail authorisation.

During the last 12 months extensive investigations have been undertaken of the potential debt and equity funding options available to the Company, including offering a significantly discounted Rights Issue to its existing shareholders in May 2019 and speaking with a wide range of potential funding parties. These activities have not been successful in securing the necessary level of funding required by the Company to continue the planned development within all areas of the existing portfolio.

As a result, the Company has been seeking alternative means to reduce operating costs and capitalise the business, and has accepted an offer from CleanPeak Energy to acquire the Company's existing Embedded Network operations, including the energy retail authorisation, and the Amaroo Solar PV facility for a consideration of \$5.775 million less net debt.

Following the completion of the transaction, ReNu Energy will continue to own and operate its bioenergy projects, undertake its Cooper Basin geothermal remediation program and review its strategic plan, whilst further reducing its overhead costs, including the size and composition of the Board, in line with its reduced asset portfolio. In this regard, Mr Anton Rohner has agreed to step down from his position as Non-Executive Director effective immediately. The Board wishes to thank Mr Rohner for his valuable contribution during his term as a non-executive director of the Company. The Board does not intend to fill his position at this time.

ReNu Energy Chairman, Steve McLean said: "In reaching our decision to enter into an agreement with CleanPeak, the Board and Management have explored and considered a number of alternatives, including seeking major equity investors and reviewing alternative proposals from other potentially interested parties. Having not been successful in raising the necessary funds required to build out our portfolio and acquire further assets to move the company into a cash flow



positive position, and having assessed other alternatives before it, the Board and I believe that this transaction represents the best option to protect the long term interests of our shareholders.”

ReNu Energy CEO and Managing Director, Craig Ricato said: “This transaction represents the best opportunity for ReNu Energy to continue to grow the business, whilst also allowing it to address its geothermal exploration program remediation obligations in the Cooper Basin and repay current debt.”

Completion of the transaction is conditional on various conditions precedent including, if required, shareholder approval under the Listing Rules and regulatory change of control consents, and other customary commercial conditions in relation to material contracts, working capital and net debt requirements.

The securities purchase agreement also contains other terms and conditions which are customarily found in transactions of comparable size and type, including provisions requiring purchase price adjustments for net debt and working capital variations, customary representations and warranties (including limitations on warranty liability), a tax indemnity and non-compete arrangements for up to 2 years after completion.

Each ReNu Energy director considers the proposed transaction to be in the best interests of shareholders of the company and, if shareholder approval is required under the Listing Rules, presently intends to recommend that shareholders vote to approve the proposed transaction and to vote all shares held or controlled by them in favour of the proposed transaction, in each case except where an independent expert opines that the proposed transaction is not fair and reasonable to shareholders.

A break fee of \$200,000 is payable by ReNu Energy in certain circumstances, including withdrawal of unanimous Board support (except if an independent expert opines that the transaction is not fair and reasonable to ReNu Energy shareholders) and non-satisfaction of certain closing conditions precedent including a material adverse event.

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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.

About CleanPeak Energy

CleanPeak Energy Pty Ltd is an Australian owned company founded in 2017. CleanPeak's core business is owning and operating distributed energy assets with a focus on developing long term customer relationships. Our strategy is to develop a portfolio of renewable generation, coupled with best in class battery installations to deliver reliable electricity to our customers. Additionally, CleanPeak has the ability to introduce gas supplies to further reduce reliance on fossil fuels. To deliver this portfolio CleanPeak has established partnerships with industry leading technology companies; including Powin Energy, for Batteries and contracts with specialist tier one EPC providers to design and construct high quality and efficient energy systems for customers.



CleanPeak established the CPE Renewable Investment Unit Trust (CPERI) to fund its projects and has investment approval for \$100M, which when added to CPERI's debt capacity provides funding for projects in excess of \$250M. CPERI is now actively pursuing the investment phase of its growth plan with the expectation of deploying the Trusts capital within the next 2-3 years.