New Energy Solar

New Energy Solar is an award-winning sustainable investment business focused on investing in large-scale solar power plants and associated assets that generate emissions-free power. The Business currently focuses on assets with contracted cash flows in the US and Australia.

The Company and the Responsible Entity are offering to issue new stapled securities **(Stapled Securities)** to raise between $100 and $300 million under the product disclosure statement and prospectus dated 2 November 2017 **(Offer Document)**. For every two Stapled Securities subscribed for, the Responsible Entity will issue one Class A Option and one Class B Option.

KEY INVESTMENT BENEFITS

Attractive risk-adjusted returns alongside positive social impact

- The Business seeks to make investments that are expected to generate stable long-term cash flows from solar power plants and renewable energy assets.
- Solar offers attractive risk-adjusted returns in the current low interest rate environment, and the Business seeks to acquire assets which, over their technical asset life, are expected to support gross portfolio returns of 7% to 10% p.a. (before taxes, management expenses, administration costs, and external corporate borrowing costs) but the Business may target assets outside this range where market conditions and other circumstances suggest it may be beneficial. It is important to note that the Business' distributions may be less than the actual or target returns of its assets.
- An investment in solar contributes to a reduction of the energy sector's reliance on fossil fuels and solar energy represents one of the best potential solutions to the world's increasing energy demands.

Exposure to a growing global solar market opportunity

- An opportunity for Australian investors to invest in international solar energy markets through a domestic investment vehicle.
- Solar generation capacity is forecast to increase from 5% to 32% of global electricity generation capacity by 2040, growing more than any other renewable or fossil fuel source, and requiring an investment of US$2.8 trillion

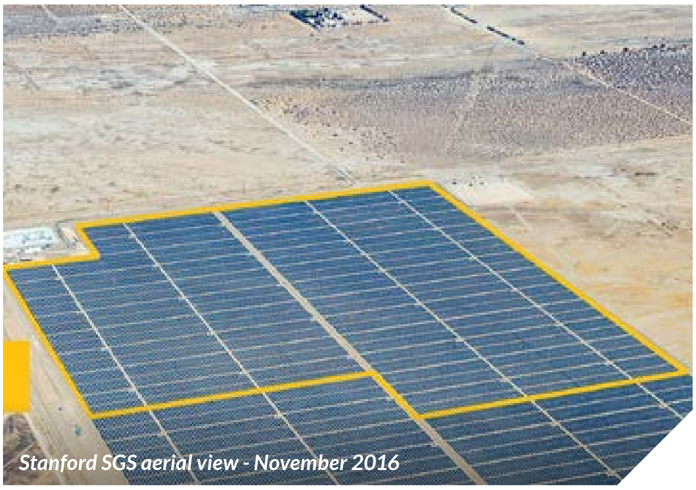
An operational portfolio with contracted cash flows to creditworthy counterparties

- The Business has an Existing Portfolio of four operating solar power plants, with a total capacity of 225MW$_{DC}$.
- All four plants sell emissions-free electricity under 10-to-25 year Power Purchase Agreements (**PPAs**) with creditworthy offtakers (**Offtakers**).
- The Business is an established solar energy infrastructure business with quality relationships with developers and Offtakers.

KEY INVESTMENT BENEFITS (CONTINUED)

A pipeline of future growth opportunities and operational improvement potential	• A near-term acquisition pipeline of potential project opportunities expected to generate over $750MW_{DC}$ subject to Memoranda of Understanding (**MOUs**) with developers, with further opportunities of $1.3GW_{DC}$ in active transaction processes in the US and Australia. • Potential for further growth by realising scale benefits and growth option value through asset expansion, technology improvement, and active asset management. • Clearly identified growth pathways which leverage New Energy Solar's track record and relationships.
Experienced Investment Manager	• A well-resourced and experienced Investment Manager with a proven capacity to identify, acquire, and operate high quality solar power plants and renewable energy assets. • Disciplined investment mandate which ensures the Business will continue to focus on high quality investments which offer attractive risk-adjusted returns in the current low interest rate environment.
Uncorrelated contracted cash flows	• The Business' target assets are expected to produce stable cash flows from by long-term PPAs with creditworthy Offtakers. • Contracted cash flows produced by the Business' assets will be uncorrelated to global equity and fixed income markets providing investors with diversification benefits.
Favourable policy and regulatory conditions and rapidly improving economics	• Renewable energy targets are now in place in over 176 countries, many supported by favourable local policies and incentives. • Renewable energy is becoming cost competitive with fossil fuel-fired generation in many countries, even without the assistance of government subsidies.

The Existing Portfolio


Stanford SGS aerial view - November 2016

TID SGS aerial - November 2016


NC-31 north side aerial view - February 2017


NC-47 aerial view - June 2017

Existing Portfolio

The Business currently has substantial majority interests in four operational solar power plants in the US with total capacity of 225MW$_{DC}$ and fully contracted offtakes of between 10 to 25 years.

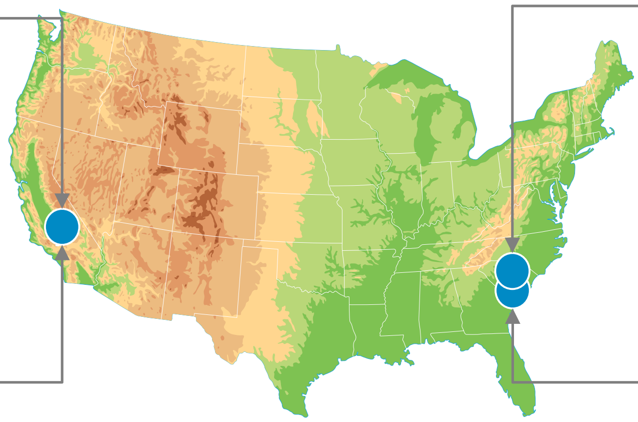
CALIFORNIA

STANFORD SGS

Capacity	67.4 MW$_{DC}$
Offtaker	Stanford University
Offtaker Type	University
PPA Term	25 Years

TID SGS

Capacity	67.4 MW$_{DC}$
Offtaker	TID
Offtaker Type	Utility
PPA Term	20 Years



NORTH CAROLINA

NC-31

Capacity	43.2 MW$_{DC}$
Offtaker	Duke Energy Progress, Inc.
Offtaker Type	Utility
PPA Term	10 Years

NC-47

Capacity	47.6 MW$_{DC}$
Offtaker	Duke Energy Progress, Inc.
Offtaker Type	Utility
PPA Term	10 Years

The Business' Existing Portfolio and CCR Portfolio[1] – Positive Social Impact from generation (pro forma)

Generates energy to power[2]

81,600

houses.

424,000

tonnes of CO_2 emissions displaced[3] per annum

Equivalent number of cars removed

101,000

from the road[4].

1. The Business, through a subsidiary of the Company, has recently committed to acquire a substantial majority interest in a 130MW$_{DC}$ portfolio of 14 solar power plant projects in Oregon and North Carolina, USA (**CCR Portfolio**).

2. Based on an average house use of approximately 8,375kWh per annum (based on the average annual electricity consumption of Australian and US households).

3. Solar power plant CO_2 emission reduction calculated using the US Environmental Protection Agency's Avoided Emissions and generation Tool (AVERT). CO_2 emissions displacement is calculated as the emissions that would be produced annually if the same amount of energy was produced by a coal fired plant instead.

4. Based on an average of 4.2 tonnes of CO_2 emissions per car per annum. The "equivalent number of cars" is calculated as the number of cars per annum that emit an equivalent amount of CO_2 in comparison with what is estimated to have been displaced.

Offer

TOPIC	SUMMARY
The Offer	The Offer is an invitation to subscribe for new Stapled Securities and Options in New Energy Solar at an Offer Price of between $1.45 and $1.55 per Stapled Security, to raise between $100 million and $300 million. Successful Applicants under the Offer will pay the Final Price. The Final Price will be determined at the conclusion of the Institutional Offer bookbuild process and may be set at a price below, within or above the Indicative Price Range. No amount is payable for the Options. For each two Stapled Securities issued under this Offer Document, the Applicant will also be issued: • One Class A Option exercisable during a 20 Business Day period ending at 5.00pm AEDT on 8 February 2019, entitling the Optionholder to be issued a further Stapled Security for an exercise price of the Final Price plus 5 cents; and • One Class B Option exercisable during a 20 Business Day period ending at 5.00pm AEST on 8 August 2019, entitling the Optionholder to be issued a further Stapled Security for an exercise price of the Final Price plus 10 cents. The Offer is made on the terms, and is subject to the conditions, set out in the Offer Document.
Priority Offer	The Priority Offer is open to existing Securityholders with a registered address in Australia and who have received a Priority Offer invitation. If you are a Priority Offer Applicant, you will receive a personalised invitation to apply for up to $15,000 of Stapled Securities and Options under the Priority Offer.
Offer period	The General Public Offer opening date is expected to be Friday, 10 November 2017 and the General Public Offer closing date is expected to be Monday, 27 November 2017. Applicants under the Priority Offer and the General Public Offer who are paying by cheque must ensure that their Application Monies and completed Application Form are received by before 5.00pm AEDT on Wednesday, 22 November 2017.
Minimum Subscription	A Minimum Subscription Amount of $100 million must be raised by the close of the Institutional Offer.
Minimum Application	Applications under the General Public Offer must be for a minimum amount of $2,000.
Initial Costs[5]	Contribution fee – 3.00% of the Application Monies, plus the net amount of GST of 0.0750% (totaling 3.0750%[6])
Ongoing Costs[5]	Responsible Entity Fee – 0.08% per annum of the gross asset value of the Trust plus the net amount of GST of 0.0036%[7](totaling 0.0836%[7]). Investment Manager Fee – 0.70% per annum of the enterprise value of the Company and Trust plus the net amount of GST of 0.0180% (totaling 0.7180%[8]) Other Expenses[9] – Estimated at 0.22% per annum of the NAV of the Business plus the net amount of GST of 0.0143% (totaling 0.2343%[10])

5. All fees in this table are quoted inclusive of GST and net of RITC, where applicable. (See Section 6.2 "Additional Explanation of Fees and Costs").

6. These amounts include the net amount of GST, as it is anticipated that the Business may be able to recover 75% of the GST component of fees charged to it, whether under the reduced credit acquisition provisions of the GST Act or otherwise. (See "GST and tax" under the heading "Additional Explanation of Fees and Costs").

7. These amounts include the net amount of GST, as it is anticipated that the Business may be able to recover at least 55% of the GST component of fees charged to it, whether under the reduced credit acquisition provisions of the GST Act or otherwise. (See "GST and tax" under the heading "Additional Explanation of Fees and Costs").

8. These amounts include the net amount of GST, as it is anticipated that the Business may be able to recover at least 75% of the GST component of fees charged to it if all investments are made through offshore markets. If investments are made in the domestic market, a RITC of 75% may be applied, and thus the RITC would be apportionable between 75% and 100% depending on the activity of the Business. (See "GST and tax" under the heading "Additional Explanation of Fees and Costs").

9. "Other expenses" are estimated based on a capital raising of $200 million.

10. These amounts include the net amount of GST, as it is anticipated that the Business may be able to recover up to 55% of the GST component of fees charged to it, whether under the reduced credit acquisition provisions of the GST Act or otherwise. (See "GST and tax" under the heading "Additional Explanation of Fees and Costs").

Key Investment Risks

Below is a summary of the key investment risks. Please refer to Section 5 of the Offer Document for a more detailed disclosure of risks available at **www.nes.com.au/offer**

Broad investment strategy

Although the Business' current focus is investing in large-scale solar power plants and associated assets with contracted cash flows, the investment strategy is broad and does not restrict its investments in renewable energy to any particular energy type, geographic region, size or cash flow profile. Accordingly, it may be difficult for Investors to assess the risks associated with any future investments that may be made by the Business.

Stapled Security and Option price risk

The price of the Stapled Securities and Options quoted on the ASX may fluctuate, resulting in the Stapled Securities trading at prices below or above the Final Price and the Options trading below or above their exercise price as the price of the Stapled Securities fluctuates. These fluctuations may be due to a number of factors, including changes to underlying asset value, general economic conditions, demand for securities, changes in Government policy, legislation and regulations, and general and operational business risks.

Gearing and interest rate risk

The Responsible Entity and the Company intend to target a long-term overall gearing ratio for the Business of up to 50% of total gross assets. Gearing may amplify the Business' gains if the value of the Business direct and indirect renewable energy assets appreciates however, gearing may also amplify losses if the value of the assets falls.

Changes in interest rates, including the Business' borrowing arrangements, may have a positive or negative impact on the income of the Business.

Generation risk

While the Business has offtake price and volume certainty under the PPAs, the Business is still exposed to the volume of electricity generated by its solar power plants. Fluctuations in the solar resource can occur on a short-term basis (i.e. hourly, daily, monthly and seasonal) and on a longer-term basis. Resource fluctuations affect the amount of energy generated by a solar power plant and, therefore, the revenue generated by it. The revenue profile over any given year may be different in following years and may not match the expense profile of a solar plant.

Changes in long-term wholesale electricity prices

Lower wholesale electricity prices could impact the Business' ability re-contract with customers on favourable terms, upon expiry of the initial PPA term. In addition, lower wholesale electricity prices may slow the pace of development of solar or other renewable projects in some markets, and limit the number of opportunities for the Business to acquire assets. For these reasons, lower wholesale electricity prices may negatively impact on the Business' financial position and performance.

Operational risk

The Business' operational assets are subject to operational risks that may result in the assets failing to perform in line with expectations. These risks include fluctuations in weather patterns and other environmental changes impacting generation, failure or deterioration of equipment, performance and business stability of the Business' suppliers and contractors, transmission system congestion, curtailment or failure, labour issues and strikes, and other operational issues. If these risks result in an inability to meet the Business' contractual requirements under its PPAs, the PPA counterparty may have the right to terminate the PPA or claim liquidated damages.

Pre-operational asset risk

The Business has committed to acquire a substantial majority interest in a portfolio of 14 pre-operational projects and may acquire interests in additional projects. As a result, the Business may be subject to additional risks including cost and budget overruns, delays in achieving contractually required milestones in the applicable PPAs giving rise to step-in or termination rights or liquidated damages, delays in the timing of cash flows generated from investments and the failure of a vendor to satisfy conditions precedent resulting in the Business not acquiring such projects or delays in the timing of, or reduction of cash flows.

Specifically with respect to solar panels in the United States, the US International Trade Commission (USITC) is currently considering a petition filed by a former solar panel manufacturer requesting the imposition of tariffs on foreign-manufactured solar panels. President Donald Trump will decide whether to implement any action the USITC recommends. Such a tariff is likely to increase the price of both foreign and domestically-manufactured modules and may cause issues with short-term supply. Changes in price and/or supply may impact the ability of the Business' construction or development partners to complete projects within the agreed time or at the agreed cost, but the Business is not exposed to any such price or supply risk in relation to the CCR Portfolio.

Regulatory risk

There is no guarantee that existing or future laws, regulations, government subsidies, and economic incentives, including US tax benefits, from which renewable energy generation operations benefit, will remain. A change in government policies or a reduction, elimination or expiration of those initiatives and incentives may have a negative impact on the performance of the Business.

Counterparty and warranty risk

Where a counterparty to the Business (for example a vendor in any of the Business' acquisition transactions, a counterparty to the PPAs or a supplier of panels to the solar power plants) becomes unable or unwilling to fulfil their related contractual obligations, including in the case of acquisition transaction vendors, to indemnify the Business for risks retained by such vendors, refuses to accept the delivery of power delivered or terminates agreements early, the financial position and performance of the Business may be materially adversely impacted.

Currency risk

A significant proportion of the Business' investments are in foreign currency (US dollar) denominated assets. The value of Stapled Securities and Options will be impacted by increases and decreases in the value of those foreign currencies to the extent that the Business' exposure to those foreign currencies is unhedged.

The Board and the Responsible Entity do not currently intend to hedge foreign currency exposures but may do so in the future.

US Investment Tax Credit Risk

The Business is acquiring assets through a financing partnership with an investor who is able to efficiently convert the tax attributes of solar projects to actual funds; including a federal Investment Tax Credit (**ITC**) and accelerated depreciation (**Tax Equity Investor**). The Business may execute binding agreements to acquire projects before the structure of the partnership or key terms are finalised and, to the extent final terms are different to those modelled at the time of project acquisition, or there is failure to agree, financial outcomes from the investment may be impacted, or it may not proceed. Additionally, tax rate changes whilst a Tax Equity Investor remains a partner of the Business may impact the value of the Tax Equity Investor's investment, and the Business may accept this risk as part of the financing partnership.

Any binding tax equity transactions that the Business enters into will include customary risk allocations between the Tax Equity Investor and the Business regarding tax credit eligibility for the projects and the amount of such benefits available to the Tax Equity Investor. Depending on the triggering event leading to a disallowance or recapture in whole or in part of those benefits, the Business may be required to indemnify the Tax Equity Investor for the loss of those benefits.

Tax Equity Investor Risk

The ability to source funding from Tax Equity Investors depends on a number of factors, including applicable regulations, the tax appetite of individual investors, the structure proposed, the particular features of the project, and the ability of the Business to agree acceptable terms with any particular investor. If a project has already been acquired and the Business is subsequently unable to source funding from Tax Equity Investors, financial outcomes from the acquisition may be impacted. A longer-term inability to source funding from Tax Equity Investors may impact the ability of the Business to continue to acquire assets.