

2 November 2017

NEW ENERGY SOLAR OFFER AND LISTING ON ASX

OFFER DOCUMENT LODGED WITH ASIC TODAY

New Energy Solar Limited (**Company**) and Walsh & Company Investments Limited as responsible entity of New Energy Solar Fund (**Responsible Entity**) announced today that an offer document for the public offering of stapled securities and options in New Energy Solar¹ (**Offer**) was lodged today with the Australian Securities & Investments Commission (**ASIC**). Under the offer document stapled securities will be offered at a price determined by an institutional bookbuild (**Final Price**).

The Company and the Responsible Entity are seeking to raise up to \$200 million with the ability to accept oversubscriptions for a further \$100 million. The proceeds of the Offer will assist in funding current acquisitions and future opportunities to grow New Energy Solar. With four operating solar power plants in the United States, the Business has entered into binding contracts to acquire another 14 solar power plants, also in the United States, and has a mandate to invest globally as markets develop.

John Martin, CEO of New Energy Solar, said, “Across the world we are seeing the energy sector transform with the installation of renewable and emissions-free energy infrastructure in numerous jurisdictions. We are excited by the opportunities that this presents to continue to grow New Energy Solar and to deliver financial and social returns to investors.

“The increasing cost competitiveness of renewable energy (as an alternative to fossil fuel generation) over the last few years was the impetus for the development of New Energy Solar. In 2016, we undertook two capital raisings to raise \$300 million and acquire four solar power plants in the US. Those plants are now operational and selling power under long term power purchase agreements to creditworthy offtakers.

“Through this public offer, we can consolidate our position as a leading participant in the new energy landscape and broaden our investor base. The business offers a unique opportunity in Australia to gain exposure to solar which offers attractive risk adjusted returns in the current low interest rate environment and positive social impact.”

¹ New Energy Solar is a stapled entity consisting of New Energy Solar Fund (**Trust**) and New Energy Solar Limited (**Company**) and their controlled entities (together **New Energy Solar** or the **Business**)

New Energy Solar is an award winning, sustainable investment business focused on investing in large-scale, solar power plants that generate emissions free power. The Business has majority interests in four utility scale power plants in the United States: two in North Carolina and two in California. Fully operational and with a total capacity of 225MW_{DC}, these four plants generate electricity that is sold at agreed prices under long term power purchase agreements (**PPAs**) of between 10 and 25 years. The energy purchasers include Stanford University and Duke Energy, one of the largest electric power holding companies in the United States.

Renewable energy is an increasingly cost competitive alternative to energy generated from fossil fuels. Total global solar photovoltaic (**PV**) generation capacity has grown rapidly in recent years and as at 31 December 2016 stood at approximately 300 gigawatts, enough to power approximately 60 million homes, and this capacity is forecast to increase a further 28% during 2017. New Energy Solar intends to acquire assets which over their technical asset life, which can be 30 or more years, are expected to support gross portfolio returns of 7% to 10% per annum (before taxes, management expenses, administration costs and external borrowing costs).²

Consistent with this investment strategy, a subsidiary of the Company recently agreed to acquire a 130MW_{DC} portfolio of 14 solar power plants (**CCR Portfolio**) to be developed in North Carolina and Oregon by Cypress Creek Renewables (**CCR**), a leading North American developer and operator of solar power plants. All of the plants are expected to sell electricity under 13 to 25 year power purchase agreements with offtakers expected to include subsidiaries of Duke Energy for the North Carolina plants and PacifiCorp, a subsidiary of Berkshire Hathaway Energy, for the Oregon plants. Subject to various conditions, construction of these new plants is expected to commence before the end of 2017 and all 14 are expected to be completed and operational by the end of 2018.

The proceeds of the Offer will assist in funding the acquisition of the CCR Portfolio as well as funding future opportunities including a pipeline of projects currently being reviewed or investigated, representing capacity of over 3,000MW_{DC} in Australia and the United States. Strong relationships with developers and large energy purchasers position New Energy Solar well to continue its growth as a sustainable investment business.

² The Business may target assets outside this range where market conditions and other circumstances suggest it may be beneficial.

ABOUT THE OFFER

The Company and the Responsible Entity are offering to issue new stapled securities at a price to be determined by an institutional bookbuild (**Final Price**). In addition, for every two stapled securities subscribed for, investors will receive two options, at no additional cost. Both the stapled securities and the options will rank equally with all other securities and options of the same class on issue.

The Offer will comprise:

- a **Retail Offer**, which consists of the:
 - **Broker Firm Offer** – which is open to Australian resident retail clients of brokers who have received a firm allocation of stapled securities and options from such brokers at the Final Price;
 - **Priority Offer** – which is open only to existing securityholders who have a registered address in Australia and who have received a priority offer invitation; and
 - **General Public Offer** - which is open to applicants with a registered address in Australia and consists of an invitation to apply for stapled securities at the Final Price; and
- an **Institutional Offer** - which consists of an offer to institutional investors in Australia and certain other eligible jurisdictions (excluding the United States) to bid for stapled securities, made under the offer document.

The Retail Offer is scheduled to open on 10 November 2017 and the expected closing date of the Retail Offer is 27 November 2017. The Company and the Responsible Entity reserve the right to vary the dates and times of the Offer (including closing the Offer early) without notice. The minimum investment in the stapled securities under the General Public Offer is \$2,000.

The Offer will be made in the offer document which is a combined prospectus and product disclosure statement dated 2 November 2017 (**Offer Document**). Investors should read the Offer Document, available at www.nes.com.au, in full before deciding whether to acquire securities in New Energy Solar. Anyone wishing to apply for stapled securities will need to complete the application form to be issued with and attached to the Offer Document.

The stapled securities and options have not been, and will not be, registered under the U.S. Securities Act of 1933 (**U.S. Securities Act**) or any U.S. state securities laws and may only be offered and sold in offshore transactions in reliance on Regulation S under the U.S. Securities Act.



Like all investments, an investment in the Business carries risks which may result in the loss of income or principal invested. In addition to the general risks of investing, specific risks associated with investing in the Business and the sector include, but are not limited to Stapled Security and Option price risk, changes in long-term electricity prices, currency risk, counterparty risk and operational and pre-operational asset risk. For further information about the risks of investing in the product, see [Section 5 of the Disclosure Document](#).

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