

13 April 2018

NEW ENERGY SOLAR (ASX: NEW) PRESENTATION

MORGAN STANLEY CLEAN ENERGY DAY

Today, New Energy Solar¹ will be presenting at Morgan Stanley's Clean Energy Day conference. The presentation is attached.

For further information, contact:

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GRACosway
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About New Energy Solar

New Energy Solar was established in November 2015 to invest in a diversified portfolio of solar assets across the globe and help investors benefit from the global shift to renewable energy. The Business acquires large scale solar power plants with long term contracted power purchase agreements. In addition to attractive financial returns, this strategy generates significant positive environmental impacts for investors.

Since establishment, New Energy Solar has raised over A\$500 million of equity, acquired a portfolio of world-class solar power plants, and has a deep pipeline of opportunities primarily across the United States and Australia. New Energy Solar's initial public offering was led by Morgan Stanley and its securities trade on the Australian Securities Exchange under the ticker, NEW.

New Energy Solar is a listed stapled entity consisting of New Energy Solar Fund (ARSN 609 154 298) and New Energy Solar Limited (ACN 159 902 708). For more information, visit: www.newenergysolar.com.au

¹ New Energy Solar Limited (**Company**) and Walsh & Company Investments Limited as responsible entity of New Energy Solar Fund (**Trust**), together **New Energy Solar**.

New Energy Solar

Australia

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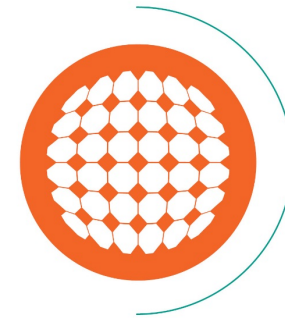
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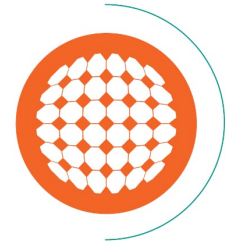
New Energy
Solar

RENEWABLE ENERGY. SUSTAINABLE INVESTING

Morgan Stanley Clean Energy Day

Sydney, 13 April 2018

Disclaimer



This document is prepared by New Energy Solar Manager Pty Limited (ACN 609 166 645) (**Investment Manager**), a corporate authorised representative (CAR No. 1237667) of Walsh & Company Asset Management Pty Limited (ACN 159 902 708, AFSL 450 257), and investment manager for New Energy Solar Fund (ARSN 609 154 298) (**Trust**), and New Energy Solar Limited (ACN 609 396 983) (**Company**). The Trust and the Company (together with their controlled entities) are referred to as the '**Business**', '**NEW**' or '**New Energy Solar**'.

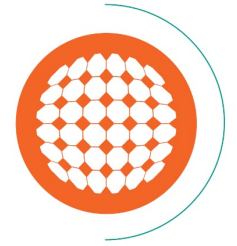
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Agenda



- 1 Introduction to NEW
- 2 Transformation to renewables
- 3 Comparison: Australian and US markets
- 4 Progress since listing
- 5 Conclusion and Outlook
- 6 Q&A

Presenters

John Martin, Chief Executive Officer

Liam Thomas, Head of Investments

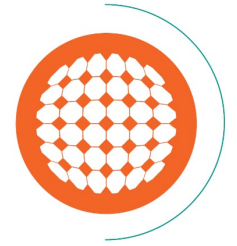




1 Introduction to NEW



About New Energy Solar (ASX: NEW)



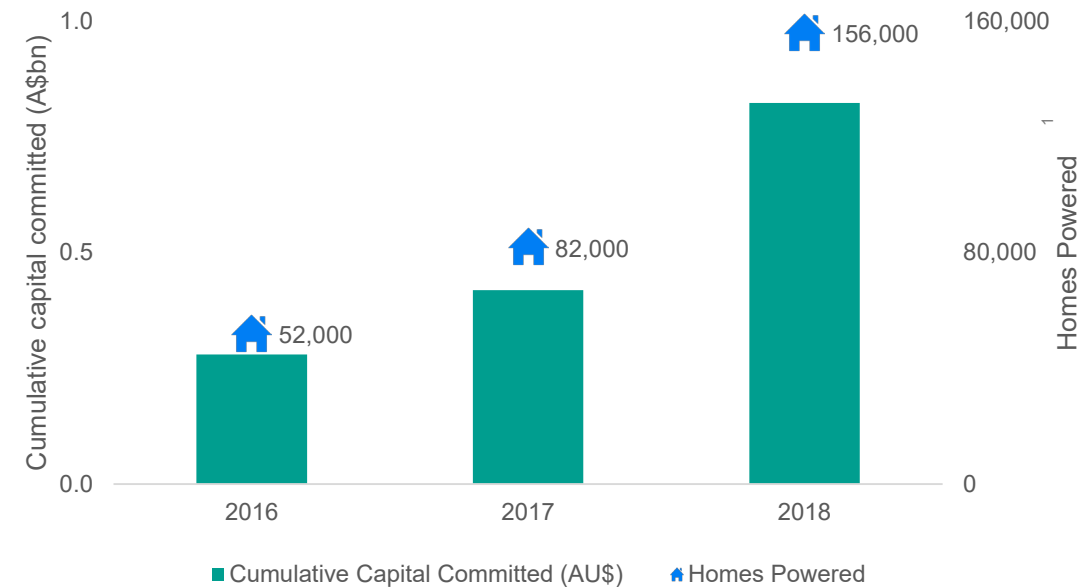
NEW is an Australian based business focused on acquiring attractive large scale solar power plants with contracted cashflows from creditworthy offtakers

Investment Mandate

| PARAMETER | NEW MANDATE |
|---------------------|---|
| Asset Type | Renewable energy generation with a focus on large-scale solar PV with long-term contracted off-take agreements with creditworthy counterparties |
| Location | Developed and stable economies with an initial focus on US, Australia and selected OECD |
| Portfolio Mix | Invest in a diversified portfolio of generation projects at a stage which minimises exposure to development risk |
| Return expectations | Secure and stable cash flows suitable for infrastructure and sustainable investors with the aim of achieving gross portfolio returns of 7-10% pa ² |

Business Growth

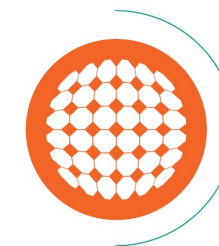
CAPITAL AND ENVIRONMENTAL IMPACT GROWTH



Notes: 1. Based on full year expected production assuming committed MW_{DC} is operational and average household consumption of approximately 8,375KWh per annum. 2. Before taxes, management expenses, administration costs and external borrowing costs.

Portfolio Summary

20 plants with blue-chip offtake and a capacity weighted PPA term remaining of 17.7 years as at 31 December 2017



Oregon Plants

| Name | Capacity (MW _{DC}) | Location | Offtaker |
|--------------|------------------------------|----------|------------|
| Bonanza | 6.8 | Klamath | PacifiCorp |
| Total | 6.8 | | |

Nevada Plants

| Name | Capacity (MW _{DC}) | Location | Offtaker |
|-----------------|------------------------------|---------------|-----------|
| Boulder Solar 1 | 125.0 | Clarke County | NV Energy |
| Total | 125.0 | | |

California Plants

| Name | Capacity (MW _{DC}) | Location | Offtaker |
|----------------|------------------------------|------------|-----------------------------|
| Mount Signal 2 | 200.0 | California | Southern California Edison |
| Stanford SGS | 67.4 | Rosamond | Stanford University |
| TID SGS | 67.4 | Rosamond | Turlock Irrigation District |
| Total | 334.8 | | |



North Carolina Plants

| Name | Capacity (MW _{DC}) | Location | Offtaker |
|--------------|------------------------------|------------|-----------------------|
| NC-31 | 43.2 | Bladenboro | Duke Energy Progress |
| NC-47 | 47.6 | Maxton | Duke Energy Progress |
| Arthur | 7.5 | Columbus | Duke Energy Progress |
| Hanover | 7.5 | Onslow | Duke Energy Progress |
| Heedeh | 5.4 | Columbus | Duke Energy Progress |
| Organ Church | 7.5 | Rowan | Duke Energy Carolinas |
| County Home | 7.2 | Richmond | Duke Energy Progress |
| Total | 125.9 | | |

Additional Committed US Projects

| Name | Capacity (MW _{DC}) | Location | Expected Offtaker |
|------------------------------|------------------------------|---------------------------|-------------------------------------|
| Rigel Portfolio ² | 87.4 | North Carolina and Oregon | Duke Energy Progress and PacifiCorp |
| Total | 87.4 | | |

Key

| |
|-------------------------------|
| Operational |
| Acquired / under construction |
| Committed |

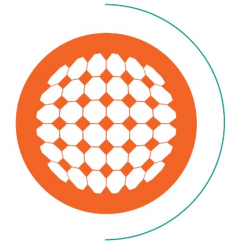
Notes: Includes plants that are either wholly or partly owned by NEW. Total portfolio of 680MW_{DC} includes plants that are operational, acquired and under construction or committed. 1. PPA terms of committed projects have been determined from commercial operations date. 2. Rigel Portfolio refers to portfolio of assets NEW has acquired, or has committed to acquire from Cypress Creek Renewables.



2 The Renewable Energy Transformation

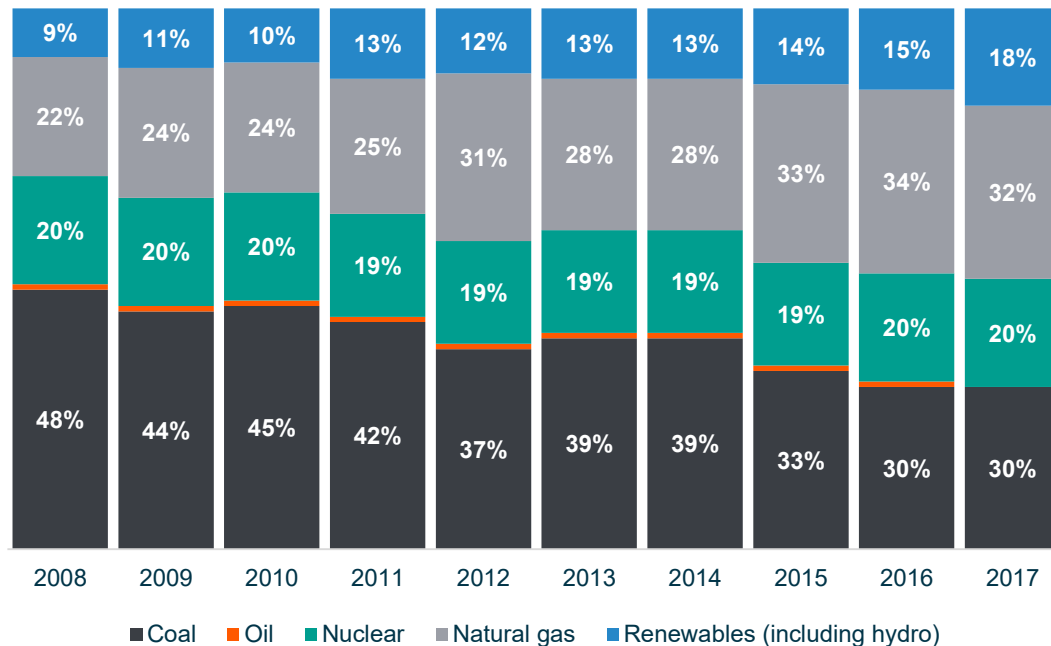


A Global Transformation

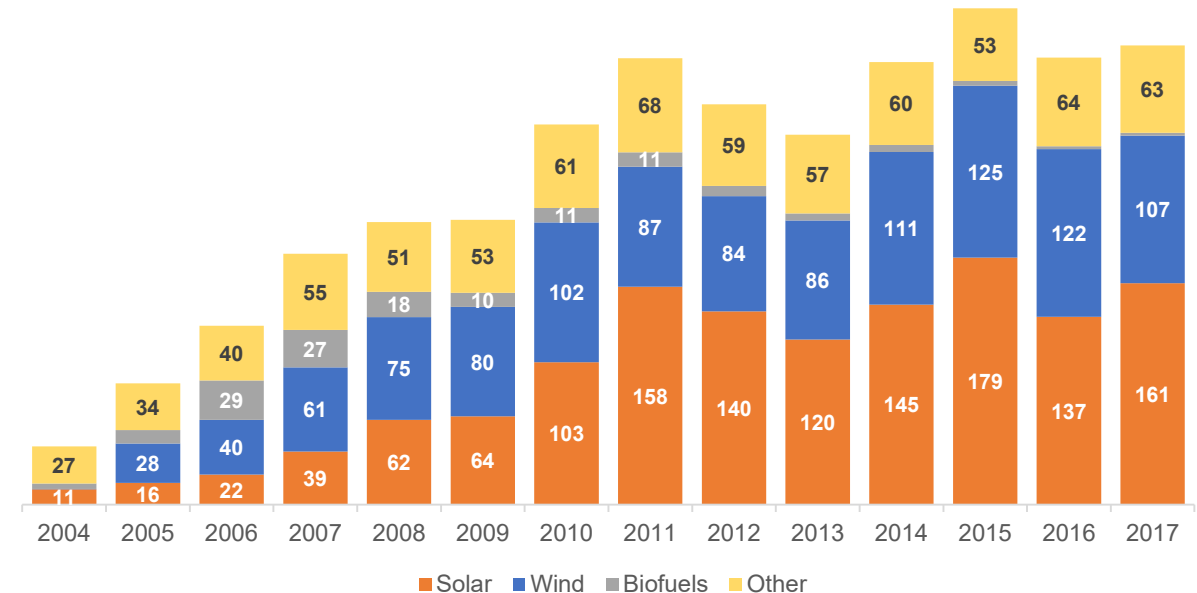


The growth in renewable energy continues with 2017 marking the second largest year ever for investment in renewable technologies

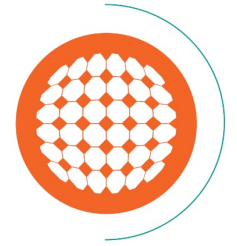
US ELECTRICITY GENERATION BY FUEL TYPE¹



GLOBAL NEW INVESTMENT IN CLEAN ENERGY BY SECTOR² US\$bn

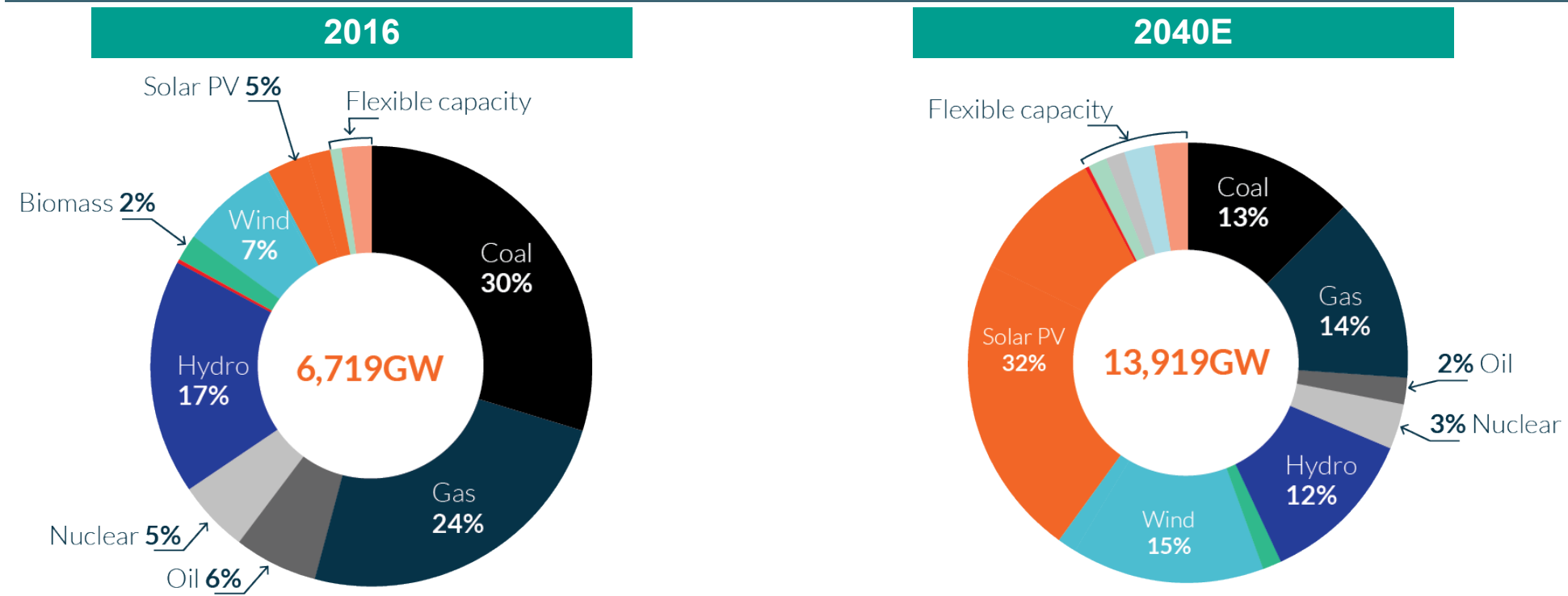


Projection of Global Generation Capacity

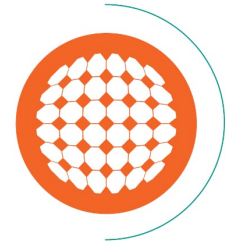


By 2040, solar PV is projected to represent 32% of global installed electricity generation capacity, up from 5% in 2016

GLOBAL INSTALLED GENERATION CAPACITY

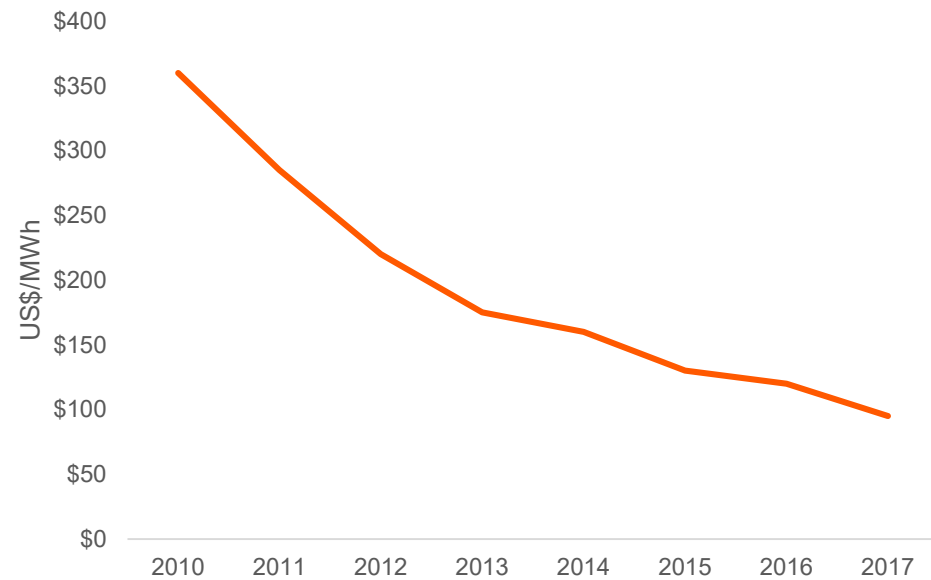


The Cost Argument

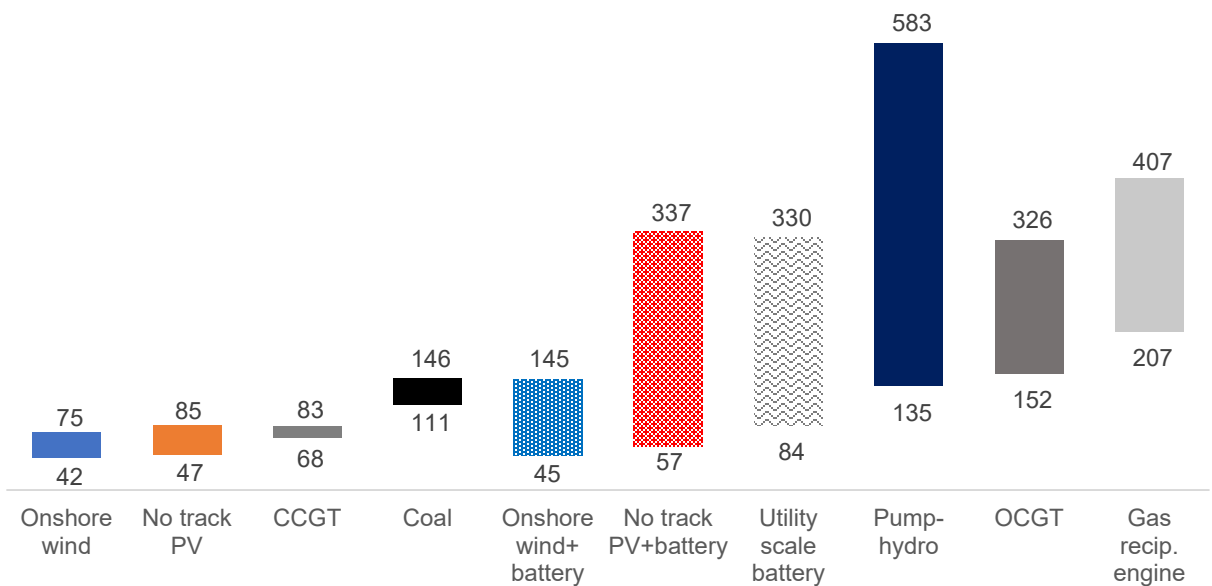


Renewable technology is quickly becoming the most cost effective means of producing electricity

GLOBAL WEIGHTED LEVELISED COST OF SOLAR PV¹ US\$/MWh



LEVELISED COST OF ELECTRICITY 1H 2018 AUSTRALIA² US\$/MWh

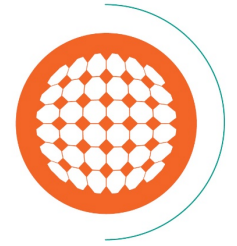




3 Comparison: Australian and US Utility Scale Solar Markets

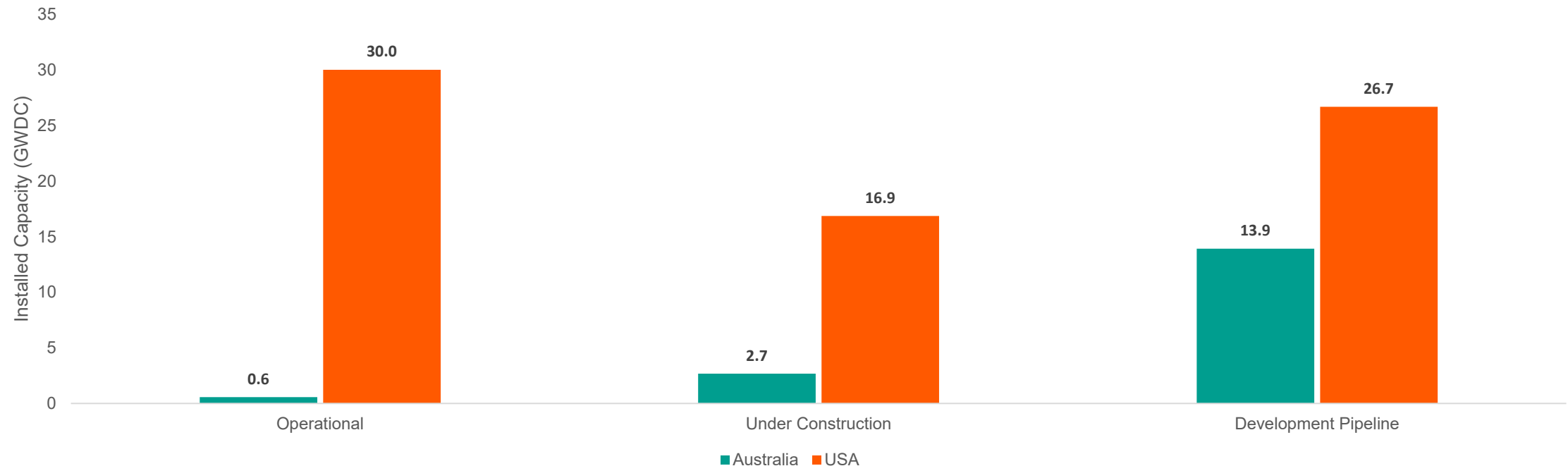


Relative Investment opportunity

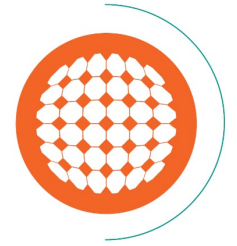


While the US Solar market has had superior depth and scale, Australia has a growing pipeline

UTILITY SCALE SOLAR CAPACITY BY DEVELOPMENT PHASE AS AT 11 APRIL 2018



Market Comparison



The US electricity and capital markets are significantly larger than their Australian counterparts



198TWh
generated in
2017¹



0.8TWh
provided by
Utility Scale
Solar¹



400MW in
Corporate
PPAs signed
2017³



A\$200bn non-
financial
corporate
bonds on
issue⁴



4,000TWh
generated in
2017²



78TWh
provided by
Utility Scale
Solar²



2,800MW in
Corporate
PPAs signed
2017³



A\$7.7trn non-
financial
corporate
bonds on
issue⁵

US MARKET SIZE AS A MULTIPLE OF AUSTRALIAN MARKET SIZE

20x

98x

7x

39x

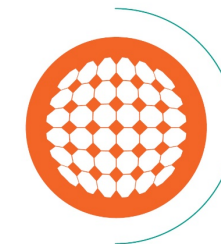
Notes: 1. Bloomberg New Energy Finance – 2018 Australia Energy Market Outlook. 2. Bloomberg New Energy Finance, Sustainable Energy in America: 2018 Factbook. 3. Bloomberg New Energy Finance, 1H 2018 Corporate Energy Market Outlook. 4. Reserve Bank of Australia, Fixed Income Markets and the Economy. 5. FRED Economic Research, Nonfinancial corporate business; debt securities Q3 2017 converted from USD to AUD at 9/8/2017



4 Progress since listing



Underlying performance – FY 2017



At the asset level, operational solar plants produced US\$21.7m of underlying revenue and US\$17.3m of underlying EBITDA during 2017

Performance

| | CAPACITY | GENERATION |
|--------------|-----------------------------|---------------|
| NC-31 | 43.2MW _{DC} | 54GWh |
| NC-47 | 47.6MW _{DC} | 45GWh |
| Stanford SGS | 67.4MW _{DC} | 153GWh |
| TID SGS | 67.4MW _{DC} | 153GWh |
| Total | 225.6MW_{DC} | 405GWh |

Earnings

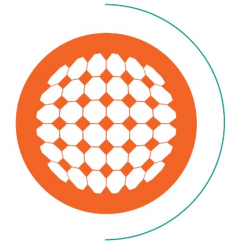
| | |
|---|------------|
| Revenue | US\$21.7m |
| Less: Opex | (US\$4.4m) |
| EBITDA | US\$17.3m |
| Less: Distributions to tax equity and EBITDA attributed to minorities | (US\$5.5m) |
| EBITDA attributable to NEW | US\$11.9m |

TID SGS – October 2017



Note: Operating financial performance for NC-31 and NC-47 cover the period since commercial operations date (COD) (March 2017 and May 2017, respectively) to 31 December 2017. There are some differences in the earnings figures due to rounding.

Securityholder returns since listing



With a 4c distribution paid in February, NEW has performed well against benchmarks since IPO



FY18 target distribution of 7.75cps...



... representing 5.4% gross yield at current security price¹

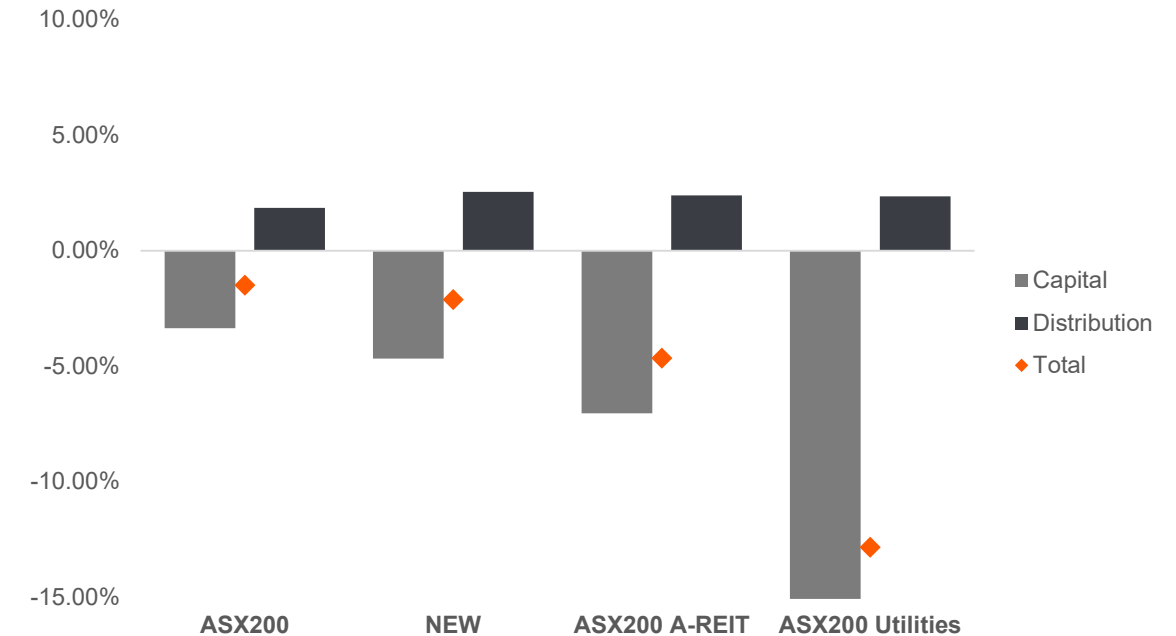


Expected 1.2kg reduction in CO₂ per security in 2018²

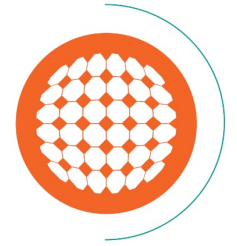


Net Asset Value of \$1.45ps, a premium of 1.5% to current security price³

TOTAL RETURN SINCE 1 DECEMBER 2017⁴



Growth of portfolio since IPO







New Energy Solar's portfolio has increased in size by over 90% since IPO

PORTFOLIO COMPARISON

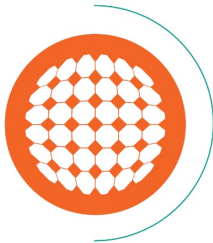
| | AT IPO | CURRENT |
|--|--------|---------|
| Committed (MW _{DC}) | 129 | 87 |
| Under Construction (MW _{DC}) | 0 | 242 |
| Operational (MW _{DC}) | 226 | 351 |
| Total Capacity (MW _{DC}) | 355 | 680 |
| Capital Committed (A\$m) ¹ | 419 | 833 |

ONCE OPERATIONAL, NEW ENERGY SOLAR'S CURRENT PORTFOLIO IS EXPECTED TO...²

| | | | |
|--|--|--|--|
|  | Generate in excess of 1,400,000MWh of electricity annually |  | Displace 895,000 tons of CO ₂ |
|  | Equivalent to removing 213,000 cars from the road... |  | ...or powering 156,000 homes |

Notes: 1. Capital committed converted from US\$ to A\$ at 1/12/2017 and 9/4/2018 respectively. 2. Solar energy plant CO₂ emission reduction calculated using the US Environmental Protection Agency's AVOIDed Emissions and geneRation Tool (AVERT). CO₂ emissions displacement is calculated as the emissions that would be produced during the calculation period if the same amount of energy was produced by a coal fired plant instead. Average household consumption of approximately 8,375KWh pa and car emissions of 4.2tCO₂ pa assumed.

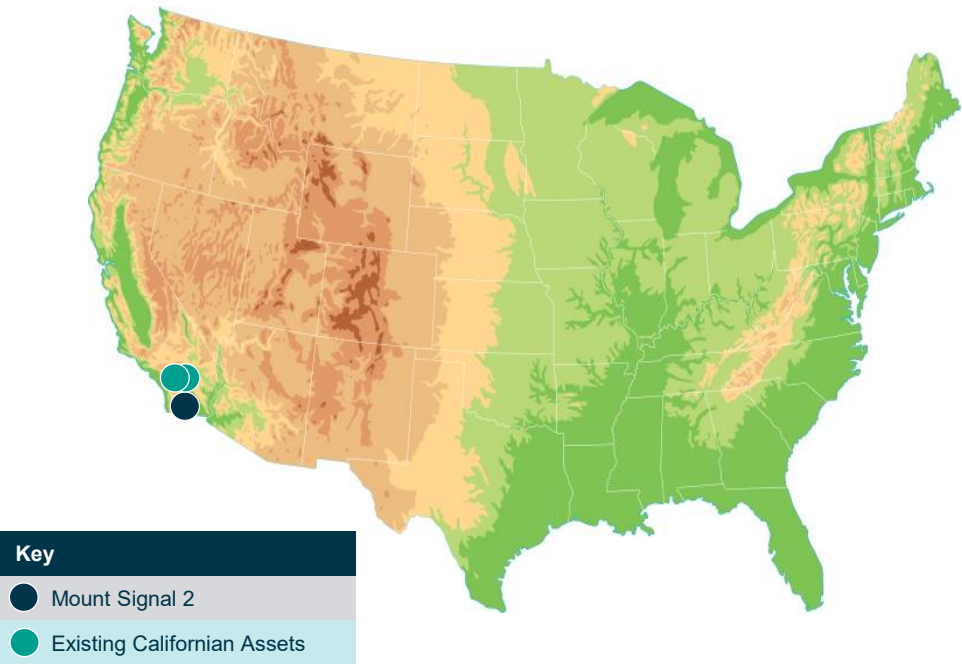
Acquisition Update: Mount Signal 2



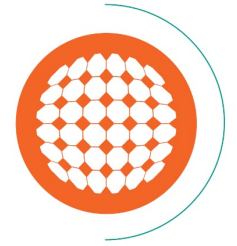
In March, New Energy Solar acquired 100% of the cash equity interests in the 200MW Mount Signal 2 project from an affiliate of D.E. Shaw Renewable Investments

TECHNICAL INFORMATION

| | |
|---------------------------|----------------------------------|
| Location | California, US |
| Capacity | 200MW _(DC) |
| Expected Operational Date | Late 2019 |
| EPC Contractor | Swinerton Renewable Energy |
| PPA Offtaker | Southern California Edison (SCE) |
| PPA Term | 20 years, beginning June 2020 |

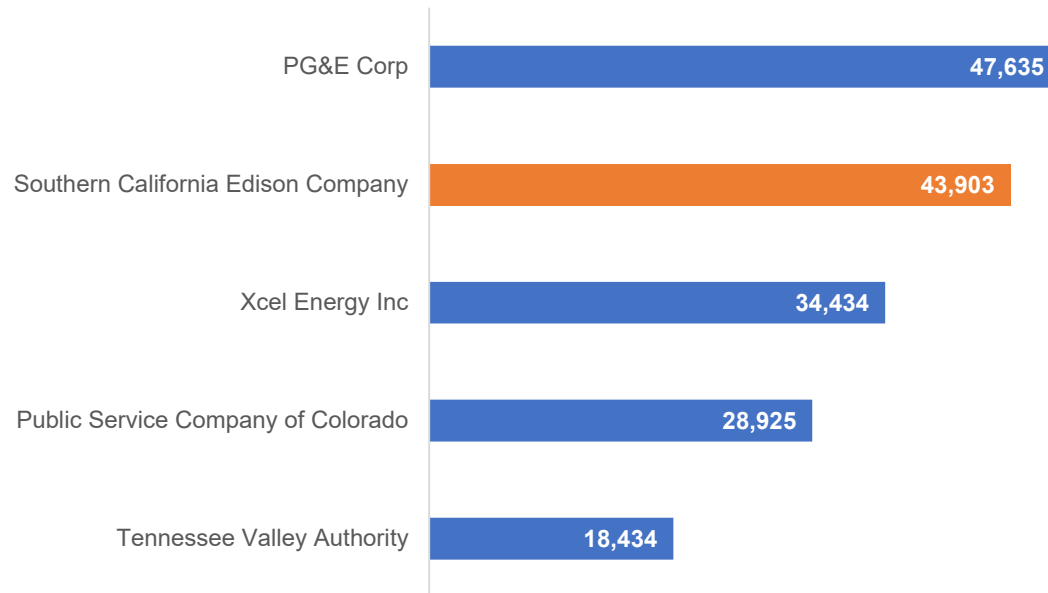


PPA Offtaker Case Study: SCE

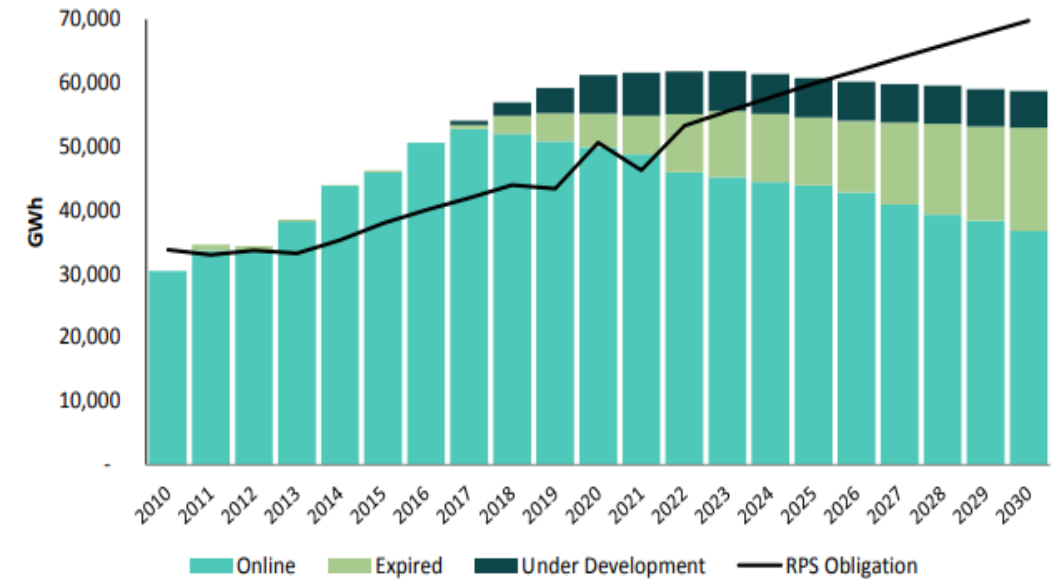


SCE is the primary electricity provider for central, southern and coastal California, serving more than 15 million people

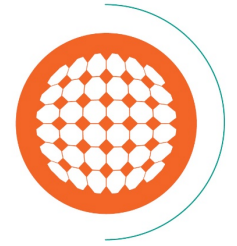
TOP 5 US PPA OFFTAKERS BY GWH PURCHASED, Q3 2013 - Q4 2017¹



CALIFORNIA RENEWABLES PORTFOLIO STANDARD – AGGREGATED IOU PROGRESS²



Update on acquisition pipeline



Offer document acquisition goals realised, pipeline of quality opportunities still strong

- The acquisition of the Rigel Portfolio, Boulder Solar 1 and Mount Signal 2 project represent execution of identified pipeline opportunities described in the Offer Document¹
- In addition to the identified pipeline, NEW has continued to source and evaluate new assets for the portfolio
 - Includes both reviewing repeat transaction opportunities with developers it has previously partnered with, as well as leveraging NEW's relationships and market presence to access new opportunities
- The recent US tariff announcement on imported panels will likely impact project build costs, but was largely expected, and NEW continues to see opportunities that fit with the investment strategy
- Development activity in Australia has increased markedly during recent months, and NEW continues to evaluate opportunities for its first Australian acquisition

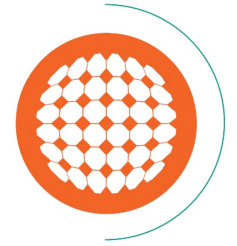




5 Conclusion and Outlook



Conclusion and outlook



- Investment in and the development of renewable energy infrastructure has continued pace with US\$333.5bn invested globally in 2017, up 3% from 2016¹
- Significant markets include:
 - The US, where 37 states now have legislative regimes that are favourable for renewable energy²;
 - Europe, where 30% of total electricity is generated from renewable sources³ and;
 - China, which installed 53GW of solar PV capacity in 2017, 58% higher than capacity installed in 2016¹
- Having met the earnings expectations and acquisition goals set out in its Offer document, NEW is completing construction and transaction processes, as well as developing new acquisition and development opportunities
- Once all portfolio assets are operational, NEW will have interests in a substantial portfolio of 20 assets across four US states generating in excess of 1,400,000 MWh pa
- As a result of portfolio growth the 2018 stapled security distribution is expected to be 7.75cps, representing year-on-year distribution growth of 7.6%





6 Q&A



