

1 August 2016

New Energy Solar Fund

Initial Acquisition

Summary

The New Energy Solar Fund ("Fund"), is pleased to announce that it has executed binding agreements to acquire a majority interest in the 43MW DC (34.2MW AC) Solar Power Project in Bladenboro, North Carolina ("Project") from VivoPower USA LLC ("Vivo") for a total consideration of US\$41.7 million (excluding transaction expenses) ("Acquisition"). Vivo will retain a minority interest and will be involved in the ongoing management of the asset. The Project's objective is to achieve an initial 5-year average annual yield of approximately 6.4% (before Fund fees and expenses) based on the Fund's US\$41.7 million investment.

Fund CEO Tom Kline said, "The acquisition represents an exciting first step in the investment of the Fund's first raise and in establishing a track record for us in the US market. The US is at the forefront of the utility-scale solar industry and the combination of an experienced counterparty and developer, top quality (Tier 1) equipment, and a highly rated off-taker means the North Carolina 43MW project is an ideal first asset for the Fund."

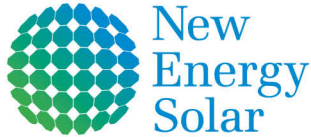
Contracted cash flows

The Project has secured a 10-year fixed price Power Purchase Agreement ("PPA") for 100% of its output with Duke Energy Progress, Inc ("Duke"). Duke has a Standard & Poor's (S&P) "A" credit rating and is part of the Regulated Utilities division of Duke Energy Corporation, itself a part of the S&P 100— one of the largest blue chip companies in the US and the largest electric power holding company in the United States. The Project has also secured a 10-year fixed price agreement for the Renewable Energy Certificates generated. After the expiry of the initial 10-year term the Project can re-contract with Duke or enter into a bilateral contract with another energy buyer. The Fund has a positive view of long-term power prices in North Carolina and expects that will benefit the Project and the Fund.

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Walsh & Company Investments Limited (ACN 152 367 649) (AFSL 410 433) as responsible entity for
New Energy Solar Fund (ARSN 609 154 298) New Energy Solar Limited (ACN 609 396 983)



Asset

Vivo currently manages the Project build, located on a 79.6ha (196 acres) site leased from local landholders under 20-year leases with two 5-year extensions. The Project is being constructed by Gransolar Group and will use Canadian Solar's photovoltaic modules. Canadian Solar is a Tier 1 supplier of modules and is the second largest supplier of modules globally. Once completed, the Project will connect to the electrical system, also owned by Duke. The Project is expected to reach Commercial Operations Date ("COD") and begin selling power to Duke in early 2017. Gransolar will initially provide operations and maintenance services ("O&M") and guarantee minimum performance standards.

Transaction structure

At completion of the transaction the Fund will hold a majority interest in the Project.

The Fund's investment is currently being held in escrow until the satisfaction of a number of conditions precedent, including the Project reaching its Commercial Operations Date, which requires certification of mechanical completion, connection to the North Carolina electrical system, satisfaction of certain testing criteria and readiness to sell power to Duke. The Fund's capital contribution to the Project is fixed at US\$41.7 million and will not change as a result of any potential delays or cost overruns.

Funding

The Acquisition will be funded from the A\$183 million raised by the Fund in January 2016. The Fund will not initially take on any external debt for this Acquisition.

About the Fund

New Energy Solar is a new, sustainable investment fund initially focused on investing in large-scale solar farms.

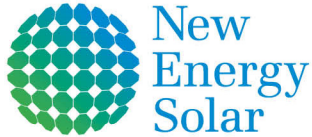
The Fund's objective is to help investors generate attractive financial returns through the combination of distributions from operating solar assets and growth through new acquisitions and developments in the solar sector. In addition, the fund will have a significant positive social impact by investing in solar assets.

The Fund will focus on acquiring and maintaining a diversified portfolio of solar energy assets across the globe, with an initial focus on assets with contracted cash flows in the United States, Australia and select Asian markets.

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About VivoPower USA LLC

VivoPower USA LLC is a wholly owned subsidiary of VivoPower International PLC (VivoPower), a global solar power company with offices and personnel in the United Kingdom, the United States, Australia and Asia. VivoPower aggregates small and medium sized solar PV projects underpinned by long-term power purchase agreements and then arranges financing, engineering and procurement, as well as manages the build of such solar PV projects. VivoPower also provides power support services (encompassing operations, maintenance and optimization) under long-term contracts to the asset owners, so as to maximize the performance and value of solar PV assets

More information: <http://vivopower.com/>

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