

New Energy Solar To Acquire 130MW Portfolio of PV Plants from Cypress Creek Renewables

Fourteen plants will serve customers in North Carolina and Oregon

SYDNEY, Australia and Austin, Texas – 6 October 2017 -- New Energy Solar (**NES**) and Cypress Creek Renewables (**CCR**) today announced that New Energy Solar has entered into a binding agreement to acquire fourteen utility-scale solar plants, totaling 130 megawatts DC (**MW**), to be constructed by CCR and anticipated to be commercially operational in 2018. On completion of the plants (the **CCR Portfolio**), New Energy Solar's investment in the CCR Portfolio will be approximately US\$108 million, paid progressively against specified development and construction milestones. The projects have been developed and designed by CCR and will serve utilities in North Carolina and Oregon.

Ten of the plants, totaling 71MW, will be constructed in North Carolina and, once constructed, will connect to the electrical systems of Duke Energy Progress and Duke Energy Carolinas (together, **Duke**), both subsidiaries of Duke Energy Corporation (NYSE: DUK), the largest electric power holding company in the United States. The other four plants, totaling 59MW, will be constructed in Oregon and have approval to connect to the electrical system of PacifiCorp, a subsidiary of Berkshire Hathaway Energy (NYSE: BRK.A). Both Duke and PacifiCorp are vertically-integrated, regulated utilities.

The CCR Portfolio plants are expected to sell power under 13 to 15-year fixed price and escalating power purchase agreements (**PPA**) to large utility offtakers, including Duke and PacifiCorp. Following expiry of the PPA terms, the plants can re-contract with those parties or enter into new contracts with other buyers. North Carolina has a well-established solar development, construction, and asset management market. In addition, the state's strong economic growth is forecast to continue, with a resulting positive outlook for electricity demand and pricing. Oregon is a growth state for solar development, and one of the fastest growing US states in GDP terms, resulting in a similarly positive outlook for electricity demand and pricing.

John Martin, New Energy Solar CEO said, "These high-quality projects and the proposed PPAs with creditworthy off-takers greatly increase our scale as an investor in solar and also enhance the diversity of our portfolio. In addition, the opportunity to work with Cypress as a long-term partner on these projects is very exciting. They are one of the leading developers, constructors and operators of utility-scale solar power in the United States, with over 1GW of CCR-developed solar power plants in operation. Their expertise and excellent standing in the US renewables market is well-established and we look forward to the successful completion of these projects, as well as future opportunities to work together".

Matthew McGovern, Cypress Creek Renewables CEO said, “Cypress Creek is committed to helping grow the economies of local communities by providing low cost, renewable energy to homes and businesses. Clean energy is an important strategy toward building energy independence in the United States, and we are thrilled to be working with New Energy Solar and the local leaders and the states of North Carolina and Oregon to make these projects a reality.”

Construction of the first projects in the CCR Portfolio is expected to begin in late 2017 and, in line with NES’ strategy of minimising its exposure to development risk, NES’ investment will commence only after key development items have been finalised and the projects are ready to commence construction.

The NES investment in the CCR Portfolio will be paid progressively as key milestones are achieved and conditions precedent satisfied. The final payment for each project will be made once that project has reached commercial operations date (**COD**) and satisfied quality and performance standards. A subsidiary of CCR will construct the projects under a fixed-price and fixed-time Engineering, Procurement and Construction contract. Once complete, a subsidiary of CCR will operate and maintain the projects under an Operations and Maintenance agreement, which includes guaranteed performance standards.

Impact on New Energy Solar

The CCR Portfolio plants are expected to generate a five-year annual average yield of approximately 5.5% percent per annum (before the impact of borrowing and tax) with average annual PPA price escalation of 3.1% percent per annum over the average 14.6 year PPA term¹.

Once the CCR Portfolio is operational, New Energy Solar will own a diversified 345MW portfolio of large scale solar power plants underpinned by highly creditworthy off-takers and a weighted average PPA term of 16.4 years².

Liam Thomas, New Energy Solar’s Head of Investments said “These projects are indicative of the quality and significant scale of the opportunity that is available to New Energy Solar. Our existing assets and relationships will be greatly enhanced by this transaction which also furthers our momentum to be a key investor and partner in the renewable energy sector. Located in states with favourable economic conditions and outlooks, the projects will generate attractive yields and achieve a positive social impact. The CCR Portfolio provides contracted price growth on a number of the projects, underpinning revenue growth over time. We have a

¹ From expected COD date.

² Weighted average of the actual COD date for NES’ existing projects, and expected COD date for the CCR Portfolio.

strongly positive view of the prospects for solar in the US, and believe we are well-positioned to take advantage of the infrastructure growth accompanying the transition to renewable power.”

About New Energy Solar

New Energy Solar was established in 2015 as a sustainable investment business.

New Energy Solar’s objective is to help investors generate positive social impacts and financial returns through investment in large-scale solar assets. Financially, these assets are expected to produce stable long-term cash flows, while socially, investing in solar assets may result in significant reductions in emissions (relative to fossil fuel power).

New Energy Solar’s initial focus will continue to be on acquiring and maintaining a diversified portfolio of solar energy assets in the US and Australia, namely investing in large-scale, solar farms with contracted cash flows that generate emissions-free power.

New Energy Solar is an unlisted 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

About Cypress Creek Renewables

Cypress Creek Renewables develops, builds, finances and operates solar-generating assets throughout the United States. Through a combination of organic growth and strategic project and corporate acquisitions, Cypress Creek is now one of the country’s leading solar companies with 1,000 MW of operating facilities across eight states, and an active development pipeline in more than a dozen. For more information about Cypress Creek Renewables, visit <http://www.ccrenew.com>.

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