

23 July 2018

## ACQUISITION OF SECOND AUSTRALIAN SOLAR PROJECT AND SECURITY PURCHASE PLAN

### NEW ENERGY SOLAR TO ACQUIRE 87.0MW<sub>AC</sub> BERYL SOLAR PROJECT IN NSW

#### Acquisition Highlights:

- 108.4MW<sub>DC</sub>/ 87.0MW<sub>AC</sub> solar power plant under construction with commercial operation expected in mid-2019
- 15-year PPA with NSW Government statutory authority Transport for NSW
- Gross expected five-year average yield of 8.2%<sup>1</sup> per annum, improving overall portfolio yield
- Consideration being given to a battery installation to enhance risk-adjusted returns
- Grows NEW's Australian exposure to approximately 20% of the total portfolio
- Total portfolio has a weighted average PPA term of 16.7 years<sup>2</sup>
- Security Purchase Plan offer to partially fund the acquisition and enhance financial flexibility

New Energy Solar (**ASX:NEW**) is pleased to announce that it has entered into binding agreements to acquire the Beryl Solar Farm (**Beryl**) from a subsidiary of First Solar, Inc. (**Nasdaq:FSLR, First Solar**). Beryl is the second project that NEW has acquired from First Solar in Australia, following the announcement of the acquisition of the Manildra Solar Farm. Under the agreements, and subject to the satisfaction of conditions precedent, NEW will acquire a 49% interest in Beryl shortly after construction has commenced. Once Beryl reaches commercial operation (targeted for mid-2019), and subject to remaining consents and conditions, NEW will acquire the remaining 51%.

Beryl is located approximately 5km west of Gulgong, NSW, in one of the three priority renewable energy zones identified by the NSW Government. On full commercial operation, the plant will sell approximately 134,000 MWh of electricity per annum to Transport for NSW (**TfNSW**) under a 15-year power purchase agreement (**PPA**) to meet the electricity requirements of the Sydney Metro Northwest railway<sup>3</sup>.

<sup>1</sup> Gross yield is measured before transaction costs, fees, debt service and tax.

<sup>2</sup> As at 31 July 2018 and assuming the option to extend the Manildra PPA is exercised.

<sup>3</sup> The TfNSW PPA represents approximately 69% of Beryl's generation during the 15 year term

#### New Energy Solar

##### Australia

Level 15, 100 Pacific Highway North Sydney NSW 2060

**T** 1300 454 801 **F** 1300 883 159

**E** [info@newenergysolar.com.au](mailto:info@newenergysolar.com.au) **W** [nes.com.au](http://nes.com.au)

##### United States

140 Broadway, 28th Floor, New York NY 10005

**T** 646 860 9900

Total construction cost is expected to be approximately A\$187m. NEW's acquisition price is confidential, but based on a target unlevered five-year annual average gross yield of 8.2%<sup>1</sup> per annum, compared to the current gross annualised yield on NEW's existing operating portfolio of approximately 6.8%<sup>4</sup> per annum.

John Martin, CEO of NEW said, "Beryl, NEW's second investment in Australia, will further enhance the scale and contracted cashflows of our Australian portfolio. The 15-year PPA term, longer than PPAs currently offered in the Australian market, diversifies our contract tenor profile and underpins investor returns. Following the Manildra acquisition last month, we are delighted to be consolidating our relationship with First Solar through this second sizeable transaction in the Australian market."

Subject to the satisfaction of conditions precedent customary for a transaction of this nature, NEW will acquire Beryl on a levered basis, funded with cash reserves and existing and new debt facilities. The project's construction debt facility, provided by Société Générale, MUFG Bank, and Mizuho, will convert to an A\$ term facility at completion. The underlying interest rate is c.81% hedged throughout the initial term, reducing exposure to future movements in domestic interest rates.

New Energy Solar's Head of Investments, Liam Thomas said, "Beryl is an ideal project for our second Australian acquisition, and we are very pleased to have added a project of this scale and quality so soon after Manildra. Once completed, approximately 20% of New Energy Solar's portfolio will be in Australia. The project provides stable \$A cashflow under the long-term PPA with TfNSW. The PPA structure, under which the majority of the offtake is contracted, is consistent with our strategy to secure predictable, low-risk returns for investors. At the same time, the uncontracted volume allows us to explore other PPA arrangements, battery storage and other value-enhancing options."

Downer Utilities Australia Pty Ltd., a wholly owned subsidiary of Downer EDI Limited (**ASX:DOW**), commenced construction of the plant in May this year utilising First Solar's latest Series 6 modules. Beryl is expected to generate more than 199,000 megawatt hours of electricity in the first operating year, equivalent to displacing more than 167,000 tonnes of CO<sub>2</sub> emissions per annum, powering 25,000 average NSW homes, or removing 45,000 cars from the road.<sup>5</sup>

First Solar Energy Services will provide construction management services and, once completed, operations, maintenance and asset management services to the project.

Once the Beryl transaction is complete and the plant is operational, and NEW's committed and in-construction assets in the US are operational, NEW's portfolio will comprise interests in over 840MW<sub>DC</sub> of operating solar projects across the US and Australia with a portfolio value of over A\$1.1 billion.

NEW's contribution to producing emissions-free electricity continues to grow with the total portfolio expected to generate more than 1,700,000 megawatt hours of electricity annually<sup>6</sup>. This is equivalent to displacing more than 1,153,000 tonnes of CO<sub>2</sub> emissions, powering 195,000 US and Australian equivalent homes, or removing 282,000 US and Australian equivalent cars from the road, every year.<sup>7</sup>

---

<sup>4</sup> The operating portfolio gross yield reflects the expected average gross yield during 2018 of the five assets currently operating in the US and one asset (Manildra) in Australia.

<sup>5</sup> Environmental estimates provided by First Solar.

<sup>6</sup> Generation is illustrative of the total production of each asset based on P50 forecasts and all projects commissioned as expected. NEW's effective equity accounted share of generation is expected to be approximately 1,375,000 megawatt hours

<sup>7</sup> US CO<sub>2</sub> Emission Reduction is calculated using the United States Environmental Protection Agency's "Avoided Emissions and Generation Tool", which estimates the regional displacement of fossil fuels for a new solar PV installation. Australian environmental estimates provided by First Solar.



## Security Purchase Plan

In conjunction with the acquisition of Beryl, NEW also announces its intention to offer eligible existing securityholders the opportunity to acquire up to A\$15,000 of new fully paid stapled securities in NEW (**New Stapled Securities**) via a Security Purchase Plan (**SPP**). Participation in the SPP is entirely voluntary. The proceeds of the SPP will be used to partially fund the acquisition of Beryl and to provide financial flexibility.

New Stapled Securities will be offered under the SPP at an issue price of the lower of:

- the fixed price of A\$1.416, which represents a 2.5% discount to the five-day volume weighted average price (**VWAP**) of NEW stapled securities traded on the ASX up to (and including) the record date of 20 July 2018; and
- the amount which represents the VWAP of NEW stapled securities traded on the ASX over the pricing period of 30 July to 10 August 2018 (inclusive), rounded down to the nearest cent.

The SPP offer is expected to open at 9.00am (Sydney time) on Friday 27 July 2018 and close at 5.00pm (Sydney time) on Friday 10 August 2018. New Stapled Securities are expected to be issued on Friday 17 August 2018.

Securityholders will be eligible to participate in the SPP if they were a registered holder of NEW stapled securities at 7.00pm (Sydney time) on Friday 20 July 2018 with a registered address in either Australia or New Zealand, provided that such securityholder is not in the United States or acting for the account or benefit of a person in the United States. Eligible securityholders participating in the SPP will incur no brokerage or other transactions costs if they acquire New Stapled Securities under the SPP. The SPP is not underwritten and securityholder approval will not be sought for the issue of the New Stapled Securities. The maximum number of New Stapled Securities that may be issued under the SPP is approximately 58 million<sup>8</sup>.

NEW expects to make a further announcement to the market on Friday 27 July 2018 regarding the SPP. The SPP booklet and a personalised application form is also scheduled to be despatched to eligible securityholders on Friday 27 July 2018.

Inquiries should be directed to:

Fleur Jouault  
GRACosway  
+61 405 669 632

---

<sup>8</sup> Based on the fixed price component of A\$1.416 per New Stapled Security.



## 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. New Energy Solar 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 US 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: <https://www.newenergysolar.com.au/>

