

ASX Announcement

12 June 2018

ReNu Energy closes \$100m bioenergy alliance and 1st project investment

Highlights

- **Alliance Agreement for \$100m bioenergy portfolio** - ReNu Energy and Resonance Industrial Water Infrastructure Fund (RIWIF) have signed an Alliance Agreement with the intention to jointly develop a \$100m bioenergy portfolio on a 30% ReNu Energy, 70% RIWIF basis.
- **First project – sale of 70% of Goulburn Bioenergy Project**
 - definitive legal agreements signed to sell to RIWIF a 70% interest in ReNu Energy's Goulburn Bioenergy Project for \$2.8 million cash, with ReNu Energy continuing as the long-term operator of the Project;
 - completion expected in early July 2018 subject to Foreign Investment Review Board (FIRB) approval which has been requested.
- **Proposed second project – AJ Bush Bioenergy Project including 'G4' expansion and sale of ReNu Energy's 70% interest**
 - RIWIF is in advanced due diligence in relation to the previously announced AJ Bush 'G4' expansion project and proposed acquisition of a 70% interest from ReNu Energy;
 - a final investment decision followed by negotiation and execution of definitive agreements by ReNu Energy, RIWIF and AJ Bush anticipated in Q3 2018.
- **Pipeline** - significant pipeline of additional bioenergy project opportunities for the ReNu Energy and RIWIF alliance has been developed.

Alliance Agreement and first Alliance Project – Goulburn Bioenergy Project

Further to the Company's announcement on 17 April 2018, ReNu Energy Limited (**ASX: RNE**) is pleased to announce the execution of agreements with RIWIF for the establishment of the alliance to develop a portfolio of up to \$100m of bioenergy investments and the sale of a 70% interest in ReNu Energy's existing Goulburn Bioenergy Project.

Under the Alliance Agreement, ReNu Energy has agreed to provide RIWIF with a first right of refusal over the next 4 years to take a 70% interest in the development of its next \$100m of bioenergy projects in Australia and New Zealand. For all projects developed by the alliance, ReNu Energy will

be engaged as head engineering procurement and construction (**EPC**) contractor and to provide ongoing operations, maintenance and management services (**O&M services**).

Under the investment agreements, RIWIF intends to acquire a 70% interest in the existing Goulburn Bioenergy Project for a total consideration of \$2.8 million. Post-acquisition, the ownership and management of the Project will be governed by a shareholders' agreement which will also govern the operation of the alliance and future alliance projects. ReNu Energy will provide O&M services for the Goulburn Bioenergy Project under a long-term operations and management agreement.

The transaction is expected to complete in early July 2018, subject to FIRB approval which has been formally requested.

The legal agreements for the alliance and sale of the 70% interest in the Goulburn Bioenergy Project contain provisions which are customarily found in agreements for transactions of this size, type and nature.

Proposed second Alliance Project – AJ Bush Bioenergy Project including 'G4' expansion and sale of 70% interest

Due diligence for RIWIF's investment in ReNu Energy's other existing bioenergy asset, the AJ Bush Bioenergy Project, together with the investment in the AJ Bush 'G4' bioenergy expansion project is advanced and continuing with both parties anticipating finalisation of investment decision and contract negotiations with each other and AJ Bush re the 'G4' expansion project in Q3 2018.

Strategic context

ReNu Energy has previously affirmed its strategic focus on four key growth areas:

- Bioenergy Power Purchase Agreements
- Solar PV Power Purchase Agreements
- Solar PV Embedded Networks
- Solar PV grid connected operations

The Alliance Agreement with RIWIF demonstrates material progress in relation to Bioenergy Power Purchase Agreements. The Alliance Agreement provides a funding pathway for ReNu Energy to jointly establish a portfolio of up to \$100m of bioenergy investments, allowing the partners to pursue new business opportunities within ReNu Energy's existing bioenergy business development pipeline.

Commenting on the transaction, ReNu Energy acting CEO, Craig Ricato, said; "We are very pleased to have entered into an Alliance Agreement with RIWIF and to have agreed the first stage of their investment in our bioenergy business through the sale of a 70% interest in our Goulburn Bioenergy Project. This transaction aligns perfectly with ReNu Energy's strategic plan and we are excited about the future of this part of our business and what can be achieved by our alliance with RIWIF. We would like to thank RIWIF's advisor, Resonance Asset Management Limited, and its team for their collaboration over the past weeks.

We look forward to finalising the AJ Bush transaction soon and working with Resonance over the coming years as we develop and grow our portfolio of renewable bioenergy energy assets."

Nick Wood, CEO of Resonance Asset Management, said; "RIWIF invest in long term income generating Industrial Water Assets, providing sustainable improvements to the environment. We are delighted to be partnering with ReNu Energy as they build out their bioenergy portfolio across Australia and New Zealand and we look forward to a long-term relationship with them. It has been

evident over the last few weeks that both parties enjoy a collaborative working style which we believe will be to the long-term benefit of all stakeholders.”

ReNu Energy is continuing to rapidly progress all other aspects of its business and further develop pipelines of opportunities in its four key growth areas in accordance with its strategic plan. The Company will provide an update to the market on its progress and FY19 business plan shortly.

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Goulburn Bioenergy Project – Covered Anaerobic Lagoon

About ReNu Energy

ReNu Energy Limited (ASX: RNE) is an independent power producer which delivers clean energy products and services generally using a build, own, operate and maintain model. The Company provides its customers with renewable energy, at a lower price, with no upfront cost.

About RIWIF

RIWIF is an investment fund managed by UK based Resonance Asset Management Limited, which is focused on investment in outsourced industrial water treatment, waste to energy and resource recovery infrastructure projects in Europe, Australia, China and South East Asia. RIWIF acts as a financial partner offering equity investments on an industry standard Build-Own-Operate-Transfer model.

Forward-looking Statements: This ASX-announcement contains forward-looking statements. These statements are based on an assessment of present economic, market and operating conditions, and on many assumptions regarding future events and actions that are expected to take place that are subject to risks and uncertainties. Forward-looking statements are not a guarantees of future performance actual results, performance or achievements of ReNu Energy may be materially different from the statements in this announcement. ReNu Energy does not undertake to update or revise forward-looking statements.