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ASX: GNX

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**\$47M ARENA GRANT FUNDING
FOR THE KIDSTON PUMPED STORAGE HYDRO PROJECT**

Highlights:

- Australian Renewable Energy Agency (**ARENA**) to provide up to \$47M in grant funding for the Project;
- The ARENA Project Grant complements the debt facility of up to \$610M provided by the Northern Australia Infrastructure Facility and will be used towards construction costs of the project; and
- In addition to the ARENA Project Grant, ARENA will convert the \$9M in development funding previously provided for the Project into a non-recoupable grant.

Genex Power Limited (**ASX:GNX**) ('**Genex**' or '**Company**') is pleased to announce that it has received a conditional offer for grant funding totalling up to \$47M from the Australian Renewable Energy Agency (**ARENA**) for the Kidston Pumped Storage Hydro Project ('**K2-Hydro**' or '**Project**') (the '**ARENA Project Grant**'). In addition to the \$47M grant, ARENA has agreed to convert the repayment of the \$9M in development funding previously provided for the Project ('**ARENA Development Funding**') into a non-recoupable grant.

ARENA Project Grant

The ARENA Project Grant of up to \$47M, is in the form of a non-recoupable grant, which is payable to the special purpose vehicle established for purposes of owning, constructing and operating the Project ('**Project SPV**') and to the EPC Contractor appointed to construct the Project.

The ARENA Project Grant will be utilised by the recipients toward the capital construction costs of the Project, alongside the debt facility of up to \$610M from the Northern Australia Infrastructure Facility ('**NAIF**') (refer ASX Announcement dated 22 December 2020)

ARENA Development Funding

In addition to the ARENA Project Grant, ARENA has advised Genex that it intends to convert the existing \$9M in development funding previously extended to the Project (*refer ASX Announcements dated 18 December 2015 and 17 November 2017*) into a non-recoupable grant. The ARENA Development Funding was previously issued as loan notes which were convertible into shares in Genex at Financial Close for the Project, or otherwise repayable to ARENA. The conversion of the ARENA Development Funding into a non-recoupable grant, which will be effective from the date of Financial Close, will result in the cancellation of the existing convertible notes on issue to ARENA.

Commenting on the ARENA Project Grant and the conversion of the ARENA Development Funding, Genex CEO James Harding stated:

“Genex is delighted to continue the strong partnership it has formed with ARENA on the Kidston Pumped Storage Hydro Project since its inception in 2015. Genex’s relationship with ARENA has covered the early feasibility study works, subsequent project structuring and development activities, and now the implementation and construction of the iconic Kidston Pumped Storage Hydro Project. Throughout this period, ARENA has continued to provide support and guidance to facilitate the development and financing of the K2-Hydro Project, as the first in a series of potential private sector pumped hydro developments which will play a crucial role in balancing the increasing penetration of renewable energy into the electricity grid.

The \$47M Project Grant is a critical funding source for the project financing which, in combination with the conversion of the existing \$9M ARENA Development Funding into a non-recoupable grant, will enable the Project to proceed to financial close and commencement of construction in the coming period.

On behalf of Genex, I would like to thank ARENA for the ongoing support it has provided to the Company. ARENA’s support includes the \$8.9M in funding towards Genex’s 50MW Kidston Solar Project in 2016 as well as the funding to support the development and construction of the Company’s flagship Kidston Pumped Storage Hydro Project. The development of the Kidston Pumped Storage Hydro Project at the Kidston Clean Energy Hub in Queensland will create over 500 direct jobs during construction and support remote and regional businesses and communities in a time of difficult economic global and national circumstances.”



Figure 1: Wises Pit, Kidston Clean Energy Hub.

This announcement was approved by the full board of Genex Power Limited.

For more information about this announcement:

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About Genex Power Limited

Genex Power Limited is focused on developing a portfolio of renewable energy generation and storage projects across Australia. The Company's flagship Kidston Clean Energy Hub, located in north Queensland, will integrate large-scale solar generation with pumped storage hydro. The Kidston Clean Energy Hub is comprised of the operating 50MW stage 1 Solar Project (**KS1**) and the 250MW Kidston Pumped Storage Hydro Project (**K2-Hydro**) with potential for further multi-stage wind and solar projects. The 50MW Jemalong Solar Project (**JSP**) is located in NSW and provides geographical diversification to the Genex Power Limited portfolio. JSP was energised in early December 2020 and commissioning is now underway. Genex is further developing its energy storage portfolio via the early stage development of a 50MW/75MWh standalone battery energy storage system at Bouldercombe in Queensland. With over 400MW of renewable energy & storage projects in development, Genex is well placed as Australia's leading renewable energy and storage company.

Genex continues to acknowledge the support of key Federal and State Government stakeholders such as the Australian Renewable Energy Agency (**ARENA**), the Northern Australia Infrastructure Facility (**NAIF**) and the Queensland State Government.

About ARENA

ARENA was established by the Australian Government on 1 July 2012 to improve the competitiveness of renewable energy technologies and increase the supply of renewable energy in Australia. Since 2012, ARENA has invested \$1.67b in grant funding to more than 566 projects valued at \$6.84b.