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ASX Announcement

GENEX APPOINTS UGL AS PREFERRED EPC CONTRACTOR FOR THE 270MW KIDSTON SOLAR TWO PROJECT

Genex Power Limited (**ASX: GNX**) (**Genex** or **Company**) is pleased to provide an update in relation to the development of the 270MW Kidston Stage 2 Solar project (**K2-Solar**) at Kidston, North Queensland. The K2-Solar project is part of the overall Kidston Stage 2 (**K2**) project, which includes a co-located 250MW hydro pumped storage project (**K2-Hydro**).

Following engagement with a number of leading EPC contractors, Genex has appointed UGL as its preferred Engineering, Procurement and Construction (**EPC**) Contractor for the K2-Solar project. UGL is a wholly-owned subsidiary of Australian publicly listed company CIMIC Group Limited (**ASX: CIM**), which is a world-leading infrastructure, mining, services and public private partnerships group. UGL was also engaged by Genex as EPC contractor for the 50MW Kidston Solar One project (**KS1**), which commenced generation on schedule and within budget earlier this month (*refer ASX announcement 4 December 2017*).

As part of an Early Contractor Involvement (**ECI**) process, Genex will work with UGL to finalise an EPC contract that reflects the most cost-effective and time-efficient solution, taking account of the extensive learnings gained during the construction of KS1. The ECI process for K2-Solar aligns with the procedure currently underway for the K2-Hydro project (*refer ASX announcement 23 October 2017*).

Genex intends that the combined Kidston Stage 2 project will be the subject of a single project financing, with individual EPC contracts for K2-Solar and K2-Hydro designed to take advantage of the specialist expertise and experience that each party can offer individually.

Commenting on UGL's appointment, Genex Managing Director Michael Addison stated:

"UGL has been selected as preferred EPC contractor for K2-Solar based on its strong delivery performance for KS1, which commenced generation on schedule and within budget earlier this month. Since the appointment of UGL as EPC Contractor for KS1 in December 2016, UGL has expanded its project portfolio in Australia to become one of the leading contractors for large-scale solar projects.

We will work closely with UGL over the coming weeks to finalise an EPC contract that will allow K2-Solar to be built within our proposed budget and timeframe, replicating the successful KS1 partnership”.



Figure 1. Kidston Solar One

The Federal Government, through the Australian Renewable Energy Agency (**ARENA**), has provided \$8.9 million in funding to support the construction of Genex’s KS1 project, and up to \$9 million in funding to support the development of K2-Solar and K2-Hydro.

The Queensland State Government has continued to support the development of the Kidston Renewable Energy Hub, providing a 20-year revenue support deed for KS1 through the Solar 150 Program, and designating the Kidston Renewable Energy Hub as ‘*Critical Infrastructure*’ to the State.

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About Genex Power Limited:

Genex Power is a power generation development company listed on the ASX. The Company is focused on innovative clean energy generation and electricity storage solutions which deliver attractive commercial returns for shareholders. Following Financial Close of the Kidston Stage 1 Solar Project, the Company's focus is on the development of its 250MW Kidston Pumped Storage Hydro Project and the integrated 270MW Kidston Solar Two Project located at the Kidston Renewable Energy Hub, in Northern Queensland.

About ARENA:

ARENA was established by the Australian Government to make renewable energy technologies more competitive and increase the supply of renewable energy in Australia. Through the provision of funding coupled with deep commercial and technical expertise, ARENA provides the support needed to accelerate the development of promising new solutions towards commercialisation. ARENA invests in renewable energy projects across the innovation chain and is committed to sharing knowledge and lessons learned from its portfolio of projects and information about renewable energy. ARENA has committed \$1.1 billion in funding to more than 270 projects. For more information, visit www.arena.gov.au.