



ASX Announcement

2 June 2017

ReNu Energy signs agreement with SCA Property Group for 2.9MW of solar PV and four embedded networks

Highlights

- Agreement to own and operate solar PV and embedded network systems across four shopping centres in the SCA Property Group, for a period of 10 years with an additional three, five year options for ReNu Energy.
- The agreement includes a first right of refusal on a further seven centres, following completion of due diligence and subject to satisfactory performance.
- The agreement will reduce the energy costs and improve the green credentials of the shopping centres that are located in regional areas of New South Wales and South Australia.
- The first four projects will see ReNu Energy install approximately 2.9MW of solar PV and provide embedded network energy supply to the four shopping centres and up to 130 shopping centre tenants. The capital cost of the first four projects is forecast to be \$4.33 million and the combined projects are forecast to generate approximately \$700,000 EBITDA in their first full year of operation.

Renewable energy company, ReNu Energy (ASX: RNE) is pleased to announce that it will supply solar PV and embedded network systems to shopping centres in the portfolio of SCA Property Group (SCA, ASX: SCP).

The initial component of the agreement between ReNu Energy and SCA will see the delivery of four solar PV and embedded network systems to shopping centres in rural and regional areas. ReNu Energy will install, own and operate the solar PV and embedded network systems within each centre for an initial period of 10 years, after which ReNu Energy has an additional three, five year options (potentially up to 25 years in aggregate). The agreement also provides ReNu Energy with the first right of refusal, subject to due diligence and satisfactory performance, to evaluate delivery of a further seven projects to centres owned by SCA.

Under the agreement ReNu Energy will execute cornerstone electricity supply contracts with centre management in each individual shopping centre, enabling ReNu Energy to build a pathway to long term contracted revenue streams from a high quality counterparty. Shopping centre tenants will also have the option to use ReNu Energy's electricity supply contract which may provide them with a reduction in their electricity costs.

The electricity sold by ReNu Energy will be sourced firstly from onsite behind-the-meter solar PV, installed on the centre roofs. Electricity shortfall will be sourced from a retail electricity provider, ensuring consistent and reliable supply for customers and mitigating the need for ReNu Energy to take on any wholesale electricity market risk.

Commenting on the projects, ReNu Energy CEO and Managing Director, Chris Murray said. “We are delighted to announce this agreement with SCA Property Group. This agreement builds on our recently announced alliance with solar power company VivoPower, validating the Company’s strategy to progress two pathways to market.

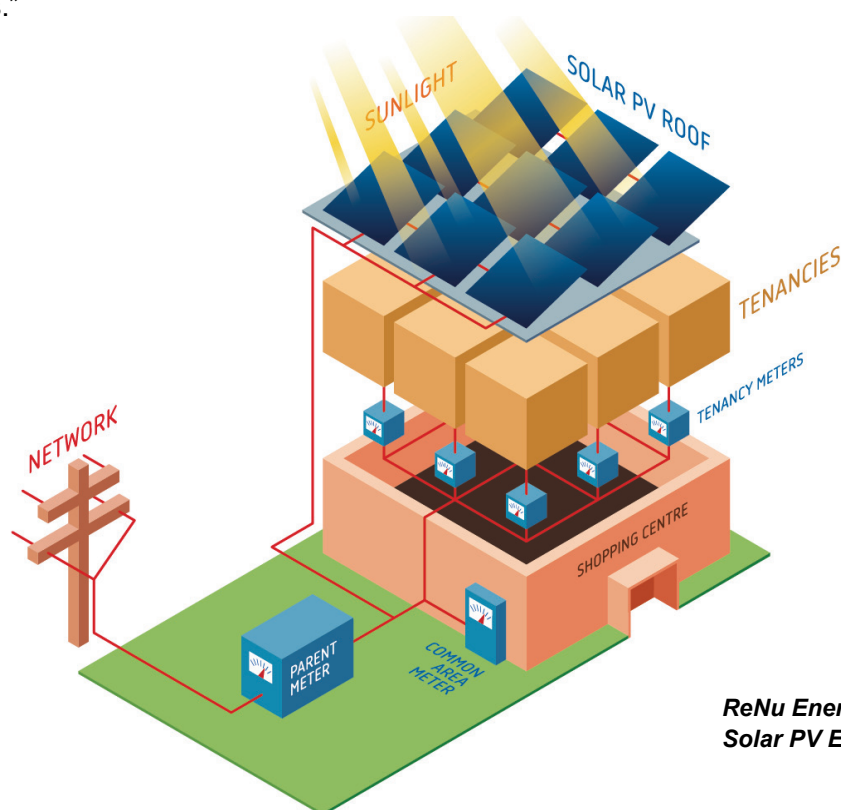
The SCA agreement is a significant milestone for ReNu Energy as it marks our first commercial solar PV embedded network contract. It provides our investors with a further opportunity to participate in a portfolio of renewable energy projects that provide long term revenue streams, underpinned by agreements with a high quality counterparty.

We are excited about our ability to provide our customer, SCA Property Group, with a cost competitive renewable energy solution. The systems will improve the green credentials of the centres, and the behind the meter solar PV will provide a partial hedge against future retail electricity price rises.

We see significant opportunity to roll out this model in a number of different commercial building applications, such as retirement villages and office buildings. These sorts of projects are attractive to both debt and equity funders, so position the company well for expansion over the medium to long term. Together with the projects originating out of the VivoPower alliance, ReNu Energy is well positioned to rapidly grow a portfolio of behind the meter renewable energy assets.”

The construction of the first four projects is forecast to cost \$4.33 million which will be funded from cash reserves, with debt funding expected to be secured, post completion. The projects are forecast to generate approximately \$700,000 EBITDA in their first full year of operation.

SCA Property General Manager – Operations, Sid Sharma said “We are pleased to partner with ReNu Energy. These projects enable efficient energy provision to our centres and our tenants. This supports our ongoing commitment to providing stable and resilient cash flows to our unitholders.”



**ReNu Energy's
Solar PV Embedded Network**

About the centres

The first installation will be at the Griffin Plaza shopping centre in Griffith, NSW. The project has all approvals in place to enable the installation of solar PV panels. Completion is expected to occur in Q3 2017, once the embedded network has been deployed.

Griffin Plaza is a single level, enclosed neighbourhood shopping centre with Coles as its anchor tenant, complemented by mini majors such as The Reject Shop and Bush Chemist and 30 specialty stores, most of which are national retailers.



Griffin Plaza in Griffith NSW, will be the first centre to have Solar PV installed.

Design work for the other initial three centres, and evaluation of the seven further centre opportunities will occur in tandem with deployment at Griffith. The next three installations are proposed for Mt Gambier SA, Murray Bridge SA and Lismore NSW. These sites will be confirmed and, subject to final design, the total installed capacity across these four centres will be 2.9MW, with systems ranging in size from 360kW to 1.2MW.

Across the four centres there are approximately 130 specialty retail tenants, who will have the option to transfer their electricity contracts to ReNu Energy's offering.

About SCA Property Group

SCA Property Group is the owner of a diversified shopping centre portfolio located throughout Australia. As at 31 December 2016 SCA has 74 centres worth \$2.2 billion of assets.

SCA Property Group predominantly focuses on convenience retailing through its ownership and management of a quality portfolio of neighbourhood and sub-regional shopping centres and freestanding retail assets. SCA Property Group's portfolio benefits from long term leases to both Woolworths Limited and Wesfarmers Limited, which act as anchor tenants at each property.

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For more information please contact:

Christopher Murray
Managing Director & CEO
+ 61 7 3721 7500

Friederike Graser
Investor Relations & Communications Manager
+61 7 3721 7588

About ReNu Energy

ReNu Energy Limited (ASX: RNE) is a clean energy products and services company, delivering independent power solutions through the development of, build, own, operate and maintain renewable energy projects in Australia. The Company's solar PV and embedded network projects will operate behind the meter, providing electricity directly to its customers in the commercial, industrial and agricultural sectors.

