



ASX & Media Release

AGL and PARF achieve financial close on Coopers Gap Wind Farm

17 August 2017

AGL Energy Limited (AGL) today announced it has reached financial close on the sale to the Powering Australian Renewables Fund (PARF) of the 453 MW Coopers Gap Wind Farm project at Cooranga North, approximately 250 kilometres north west of Brisbane. The project will be the largest wind farm in Australia on completion.

AGL anticipates the total development investment associated with the Coopers Gap project will be approximately \$850 million, funded through a combination of PARF partners' equity and a lending group comprising Westpac Banking Corporation, Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Financial Group, Societe Generale, DBS Bank, Mizuho bank and ABN Amro.

The \$22 million sale of the project into PARF includes AGL writing a power purchase agreement at a bundled (i.e. including both electricity and associated renewable energy certificates) offtake price of less than \$60/MWh (real) for an initial five years. There is a put/call option to extend for the following five years at the same or lower price. AGL expects to recognise nil profit on sale from the transaction.

AGL has named a joint venture consisting of GE and Catcon as the successful tenderer for the engineering procurement contract. AGL and GE/Catcon will develop the wind farm with full operation targeted by the middle of the 2019 calendar year.

PARF is aiming to develop approximately 1,000 MW of large-scale renewable energy projects to be operated and managed by AGL. It is a partnership between AGL (20 percent) and QIC (80 percent, on behalf of clients the Future Fund and the QIC Global Infrastructure Fund). PARF's scope represents 20 percent of the estimated 5,000 MW of new renewable generation capacity required by 2020 to meet the Federal Government's Renewable Energy Target.

AGL Managing Director & CEO, Andy Vesey, said: "More than 800 MW of projects have now been vended into PARF since its inception in July 2016, following the earlier transactions involving the Silverton Wind Farm project and Nyngan and Broken Hill solar plants in New South Wales. The strong support we have received from our equity partners and lenders for these projects is testament to the readiness of the private sector to invest in Australia's energy transformation. Certainty on energy policy, including the implementation of the recommendations of the Finkel Review, will enable more projects of this kind to go ahead and help place downward pressure on energy prices by increasing supply."

AGL Chief Financial Officer, Brett Redman, said: "PARF has played a key role in a rapid uptick in generation project development in Australia. This demonstrates the effectiveness of the investment model, the falling price and increasing efficiency of renewables technology and the key role renewables have to play in providing clean and affordable energy for Australia."

Ross Israel, Head of Global Infrastructure at QIC, said: "Coopers Gap Wind Farm represents a significant investment for PARF and for renewable energy in regional Queensland. The project is the largest committed renewables project in Queensland. It is a testament to the strength of our long-term partnership with AGL and our ability to work constructively through times of significant policy uncertainty in the energy market."



The Coopers Gap Wind Farm will produce approximately 1,510,000 MWh of renewable energy annually, which can power more than 260,000 average Australian homes. The renewable energy produced from the wind farm's 123 turbines will reduce CO2 emissions by 1,180,000 tonnes annually, the equivalent of taking 340,000 cars off the road.

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About AGL

AGL is committed to helping shape a sustainable energy future for Australia. We operate the country's largest electricity generation portfolio, we're its largest ASX-listed investor in renewable energy, and we have more than 3.6 million customer accounts. Proudly Australian, with more than 180 years of experience, we have a responsibility to provide sustainable, secure and affordable energy for our customers. Our aim is to prosper in a carbon-constrained world and build customer advocacy as our industry transforms. That's why we have committed to exiting our coal-fired generation by 2050 and why we will continue to develop innovative solutions for our customers.

About QIC

QIC is a global diversified alternative investment firm offering infrastructure, real estate, private equity, liquid strategies and multi-asset investments. It is one of the largest institutional investment managers in Australia, with \$82 billion (at 30 June 2017) in funds under management, offering infrastructure, real estate, private equity, liquid strategies and multi-asset investment services. QIC has over 700 employees and serves more than 110 clients including governments, pension plans, sovereign wealth funds and insurers, spanning Australia, Europe, Asia, Middle East and the US. Headquartered in Brisbane, Australia, QIC also has offices in New York, San Francisco, Los Angeles, London, Sydney, and Melbourne. For more information, please visit: www.qic.com.

About Future Fund

The Future Fund is Australia's sovereign wealth fund, investing for the benefit of future generations of Australians. The Future Fund was established in 2006 to accumulate financial assets to offset the Australian Government's unfunded superannuation liability from 2020. The role of the Future Fund is to generate high, risk adjusted returns over the long-term. It operates independently from Government. As at 31 March 2017, the value of the Future Fund was \$129.6 billion. Read more at www.futurefund.gov.au.