

News

Genex speeds battery project

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Energy development company Genex is accelerating plans to develop Queensland's first large-scale storage battery near Rockhampton after investors warmed to its latest capital raising.

The company revealed the move on Monday in detailing a successful \$21.27m share raising and announced a further \$7m share placement offer.

Genex is developing a clean energy hub at Kidston, northwest of Townsville, and a solar farm near Forbes in NSW, and has upgraded the Como battery storage project as it prepares to get development cash in place.

The 50MWh-75MWh lithium ion battery is to be developed near an existing electricity substation as an arbitrage business to support the strong penetration of rooftop solar systems into the market.

Genex CEO James Harding said the response to the placement of 96.71 million shares at 0.22c each had been strong, from both new and existing sophisticated and institutional shareholders.

Given the response, the company had decided to pursue a share purchase plan to raise up to another \$7m and allow other shareholders to participate.

"We are particularly excited about the development potential of the Como battery project in Queensland," Mr Harding said.

"The funds raised from the placement and share purchase plan (will) be used to fast-track the delivery of this strategy to potentially see it contributing to our revenues during the next calendar year." The capital raising is being done alongside a previously announced financing plan for its \$700m Kidston pumped storage hydro project.

Genex is negotiating a loan of up to \$610m from the federal government's Northern Australia Infrastructure Facility.

Last week it announced a conditional \$25m share subscription agreement with Japanese coal-fired power station operator J-Power.

Genex said plans for a direct equity investment of up to a 50 per cent interest in the Kidston hydro project were continuing and nearing the final stages.

It said financial close for the hydro project — expected to create 500 jobs in construction, mostly from early next year — was on target for September. The company has commenced the connection requirements for the battery project with transmission corporation Powerlink and says the battery could deliver a step change in revenues by the December quarter next year.