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ASX Announcement

GENEX SIGNS BINDING HEADS OF AGREEMENT WITH POWERLINK QUEENSLAND TO PROGRESS CONNECTION OF GENEX'S STAGE 2 KIDSTON HYDRO-SOLAR PROJECT TO THE QUEENSLAND TRANSMISSION NETWORK

Genex Power Limited (**ASX: GNX**) (**Genex** or **Company**) is pleased to advise that it has entered into a Binding Heads of Agreement (**Agreement**) with Powerlink Queensland (**Powerlink**) to progress a range of key activities which are critical to the connection of Genex's Stage 2 Kidston Hydro-Solar Project (**Project**) to the Queensland transmission network.

The Agreement requires Powerlink to commence a detailed program of works, including a targeted environmental study on the Mount Fox-Kidston Corridor, transmission line design works and development of the easement acquisition process. These activities follow the recent declaration of the Kidston Project (including the transmission path) as a "Critical Infrastructure" project by the Queensland State Government.

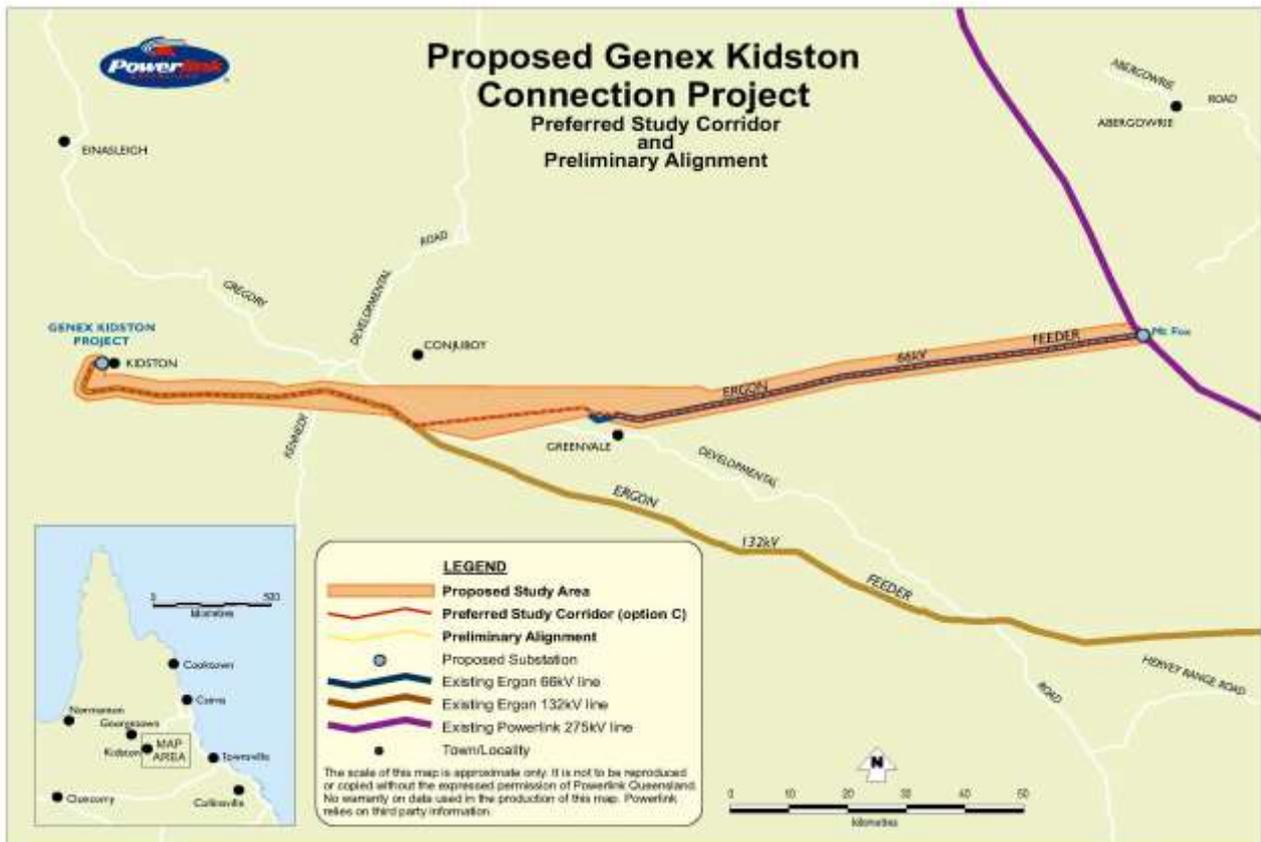


Figure 1: Transmission corridor Mount Fox to Kidston.

The Agreement also sets down a detailed timetable requiring Genex to submit to Powerlink a formal Application to Connect in Q4 2017, to be followed by negotiation of a Generator Connection and Access Agreement in accordance with Chapter 5 of the *National Electricity Rules*.

This Agreement builds on the Queensland Government's recently announced Powering North Queensland Plan, which includes a \$150 million reinvestment of Powerlink dividends to develop strategic transmission infrastructure in North and North-west Queensland to support a clean energy hub.

Genex continues to work on a number of key funding initiatives aimed at delivering the Project in the most capital conservative manner possible.

Commenting on the Agreement, Genex's Managing Director Michael Addison stated:

"We are pleased to have now finalised our approach to this vital element of our Stage 2 project structure. This early works program to progress the design and easement acquisition process of the transmission path is key to connecting our project to the national electricity grid.

We maintain an excellent relationship with Powerlink and are delighted to be working with them towards meeting our power transmission requirements."

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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 Kidston Solar Stage 1 (50MW) Project, the Company's focus will now move onto the development of its 250MW Kidston Pumped Storage Hydro Project and the Kidston Solar Project Phase Two 270MW located at the Kidston Renewable Energy Hub, in Northern Queensland.

About Powerlink Queensland

Powerlink Queensland (formally Queensland Electricity Transmission Corporation Limited) is an electricity transmission system operator owned by the Government of Queensland. Operating within the National Electricity Market (NEM), Powerlink owns and operates the high-voltage electricity transmission infrastructure in Queensland, effectively transporting electricity between participants within the NEM. Powerlink is a regulated business, with revenues set by the Australian Energy Regulator.