



ASX RELEASE

Infigen Energy

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19 February 2018

FY18 INTERIM RESULTS AND EARLY REFINANCING ANNOUNCEMENT

Infigen Energy (ASX: IFN) today released its interim financial results for the 2018 financial year (FY18).

Infigen's net profit after tax for the six-month period ended 31 December 2017 increased to \$26.7 million, up \$5.3 million on the prior corresponding period (pcp).

SUMMARY OF PERFORMANCE

Production	854 GWh, decreased 35 GWh (-4%) on the pcp	Lower wind across the portfolio partially offset by improved turbine and network availability
Revenue	\$118.2 million, increased \$2.8 million (+2%) on the pcp	Higher electricity prices, partially offset by lower LGC prices and lower production sold
Underlying EBITDA	\$88.0 million, increased \$4.0 million (+5%) on the pcp	Higher revenue, lower corporate and development costs, partially offset by higher operating costs
Net profit after tax	\$26.7 million, increased \$5.3 million (+25%) on the pcp	Stronger operating result
Operating cash flow	\$49.2 million, increased \$16.2 million (+49%) during the period	Lower net finance costs and timing of LGC settlement
Net debt	\$442.0 million, increased \$39.9 million (+10%) during the period	Debt repayment of \$44.4 million (\$41.1 million Global Facility borrowings and \$3.3 million Woodlawn facility borrowings) and a drawdown of debt to construct the Bodangora Wind Farm

Infigen's Managing Director, Ross Rolfe, said, "Infigen has achieved solid first half results. Importantly we have made substantial progress on the transition of the business in response to the evolutionary pressures that have emerged in the Australian energy market. We now have a diversified sales portfolio that should deliver greater stability into our revenue streams in line with our five year targets for a balanced portfolio."

"We are pleased to report that the transition to the new fleet-wide operations and maintenance (O&M) agreement with Vestas has been successfully implemented, effective on 31 December 2017," said Mr Rolfe.

"The construction of the Bodangora Wind Farm is on budget and remains on track to commence commercial operations in Q1 FY19," said Mr Rolfe.

STRATEGY UPDATE

The 5 year business plan for the transition of Infigen's business to an active participant in the Australian energy markets has three priorities:

1. Ensuring Infigen achieves appropriate value from the existing portfolio of assets on a risk adjusted basis;



2. Expanding the regions in which Infigen produces and supplies capacity in response to market signals; and
3. Creating a capital structure to better support Infigen's business strategy.

Over the last 12 months Infigen has moved to diversify its channels to market beyond a reliance on run of plant Power Purchase Agreements (PPAs). A particular focus has been delivering energy supply solutions to commercial and industrial customers (C&I). As a result over the 5 year outlook Infigen has rebalanced the portfolio to include 1/3 of expected generation production contracted under PPAs and 1/3 to C&I customers and the wholesale market. The balance is sold into the spot market. There is an opportunity for further expansion coupled with firming options.

The effectiveness of Infigen's strategy requires it to address the limitations of intermittency of supply. Infigen has conducted a detailed examination of options available to meet these requirements including storage, generation and contracting.

Infigen has made considerable progress on assessing optimal funding of the construction of the Cherry Tree Wind Farm, which is now investment ready. The manner and timing of proceeding can depend on the outcomes of government processes, the viability of the capital "lite" strategy through being the offtaker of a PPA with potential third party capital providers, and the overall energy market outlook.

Substantial progress has been made in relation to creating a capital structure to better support Infigen's business strategy with the launch of an underwritten term loan today.

UNDERWRITTEN TERM FACILITIES¹

In 2017 Infigen foreshadowed that it was exploring the merits of an early refinancing of its global debt facility which has a maturity date of 31 December 2022 and the Woodlawn Facility (Refinancing) to better support the execution of the business strategy.

Subsequent to a detailed exploration of the possible capital structure options, the Board has determined that it is in Infigen's best interest to refinance the debt early through a new Australian dollar Facility with the Term Facilities provided by the institutional market and the Liquidity Facilities provided by the traditional bank market.

Infigen has entered into a Commitment Letter in respect of \$525 million Term Facilities with 5-year maturity. Goldman Sachs is providing the financing commitment, subject to agreed terms and conditions. Infigen is seeking \$80 million of Liquidity Facilities with a 5-year maturity.

The Refinancing is targeted for closing by 31 March 2018, but ultimately the timing will be determined by the optimal outcome based on the syndication process. Given the underwriting of the Term Facilities the risk to closing is considered low.

Len Gill, Chairman commented, "The Board is very pleased with this outcome. It will allow the team to focus on the continuing transition of the Infigen business. The tenor and terms of the Term Facilities provide the flexibility required to operate in a dynamic energy market."

Further details about the Refinancing, considerations and pro forma information are included in the Appendix.

¹ The Term Facilities are underwritten. The Liquidity Facilities are not underwritten.



OUTLOOK

The period from January to June is historically a lower production period than the period from July to December, however, wind conditions are uncertain. Infigen's new O&M agreements are designed to deliver optimal production outcomes through production-linked incentives. Infigen will continue to disclose monthly production data to the market.

Electricity spot markets continue to be volatile, but fundamentals remain strong. H2 FY18 spot electricity market and short term contract markets are expected to remain in line with H1 FY18.

The strong LGC prices experienced in H1 FY18 are expected to continue throughout H2 FY18.

As Infigen's transition to an energy markets company continues, revenue will be further influenced by contracting volumes to provide greater stability.

The expected FY18 portfolio-wide price range is \$133-139/MWh with a slight bias toward the upper end of the range.

As previously disclosed some modest costs may be incurred with the transition of the O&M services at Capital and Woodlawn Wind Farms to Vestas. To date costs have been approximately \$0.5 million. Any costs associated with any pre-existing conditions prior to the transition are expected to be in the low single digit millions and may not be incurred in H2 FY18.

As previously outlined at FY17 Results, FY18 corporate costs are expected to be approximately \$13.5 million.

ENDS

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About Infigen Energy

Infigen is a business actively participating in the Australian energy market. It is a developer, owner and operator of generation assets delivering energy solutions to Australian businesses and large retailers.

Infigen has 557 MW of installed generation capacity across New South Wales, South Australia and Western Australia with a further 113 MW under construction in New South Wales. It sells electricity and Large-scale Generation Certificates (LGCs) through a combination of medium and long term contracts and through the spot market.

Infigen trades on the Australian Securities Exchange under the code IFN.

For further information please visit our website: www.infigenenergy.com

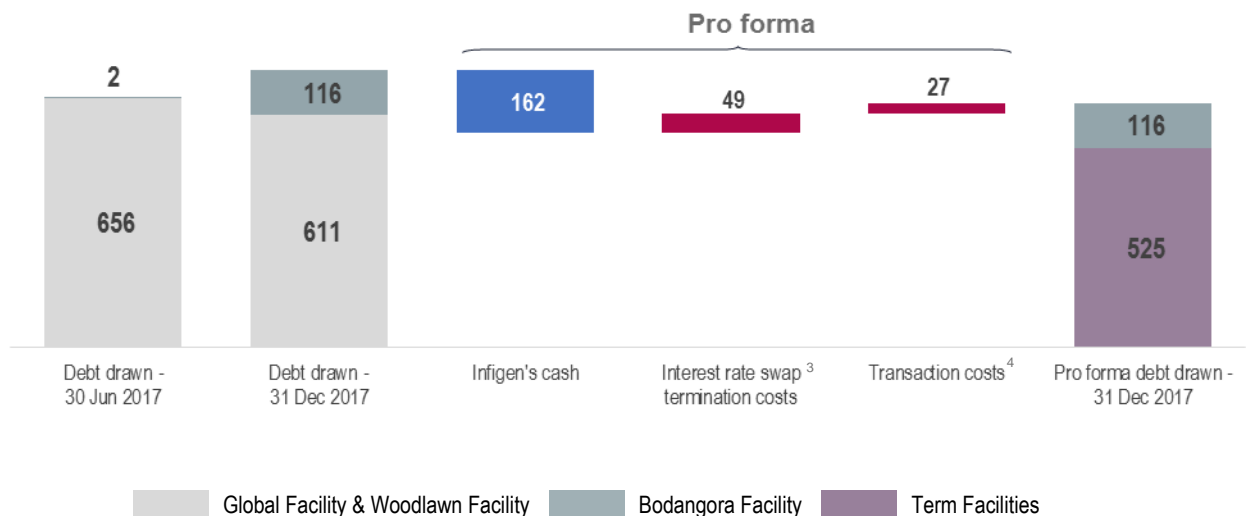


APPENDIX: REFINANCING

OVERVIEW OF 5-YEAR SYNDICATED FACILITY

Term Facilities – Senior Secured and Underwritten	Liquidity Facilities – Super Senior Secured
\$525 million Term Facilities comprising: <ul style="list-style-type: none"> — \$160 million Amortising Term Facility — \$365 million Bullet Term Facility 	\$80 million Liquidity Facilities comprising: <ul style="list-style-type: none"> — \$60 million Bank Guarantee and Letter of Credit Facility — \$20 million Working Capital Facility

PRO FORMA DEBT DRAWN ASSUMING REFINANCING AT 31 DECEMBER 2017²



² Numbers prepared on a pro forma basis to reflect the effect of the Refinancing on the 31 December 2017 drawn debt balances. Numbers will change to reflect actual principal repayments, interest payments, break costs and transaction costs as at the Refinance date.

³ The cost of the interest rate derivative termination will be expensed in the profit and loss and is tax deductible.

⁴ The estimated transaction costs include advisory and upfront fees and contingent costs only payable upon completion of the Refinancing. The Term Facilities in the financial statements will be brought to account net of the transaction costs.



INFIGEN'S CONSIDERATIONS

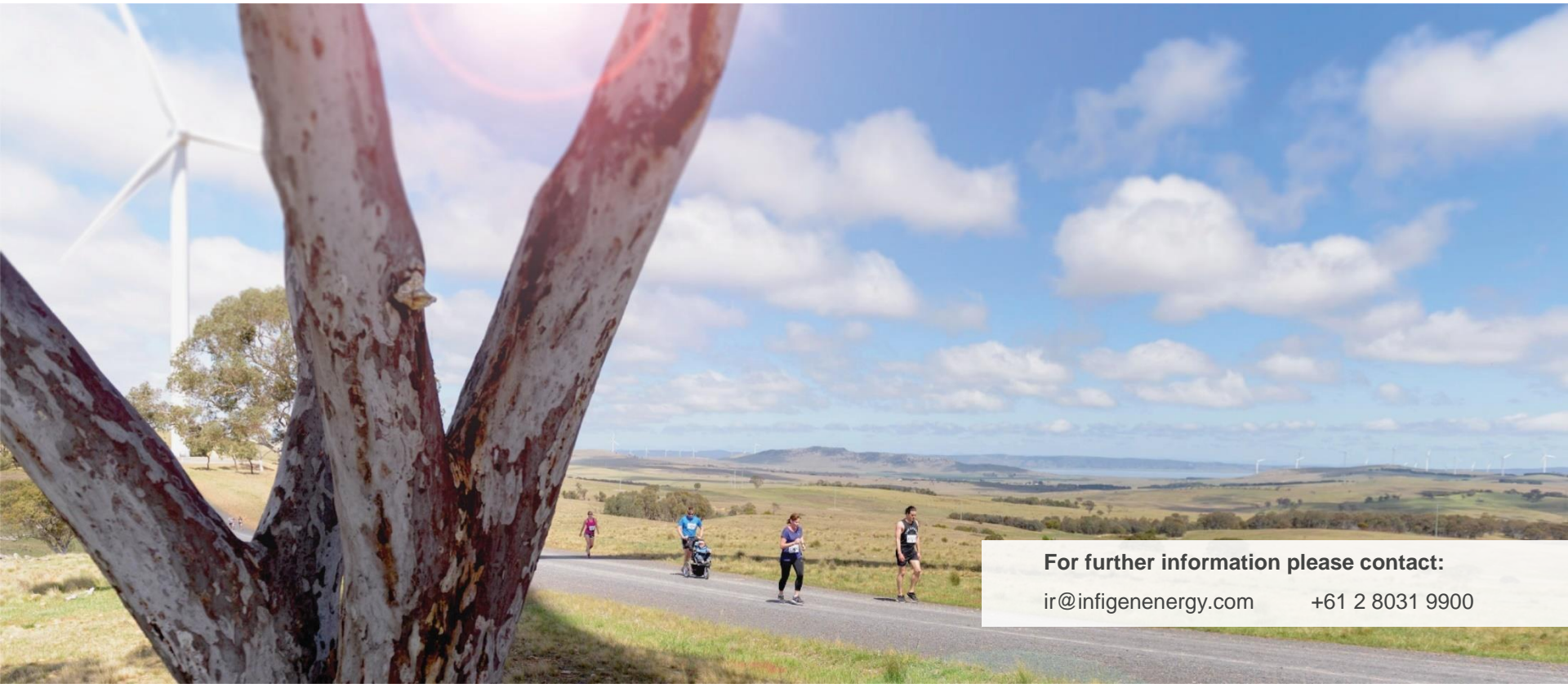
- ✓ **Amortisation profile that allows flexibility for growth and distributions**
 - Cash flow available to support growth strategy.
 - Capacity to consider reintroduction of distributions.
- ✓ **Operate the business as a whole**
 - Flexibility to operate the business as one portfolio rather than a series of project finance entities.
 - Liquidity Facilities will support execution of the business strategy – counterparty credit support, ASX and futures support.
 - Corporate style security – less restrictive on operation of the business and lower cost and reduced time to implement.
 - Ability to add incremental facilities if required, to support future growth.
- ✓ **Costs**
 - Margin paid delivers flexibility regarding quantum, amortisation and covenants, but likely not at a reduced interest rate
- ✓ **Assessment**
 - The Board has determined that the flexibility benefits significantly outweigh implementation costs.
 - Significant debt pay-down is required of the Global Facility to achieve refinancing at any time
 - Cash on balance sheet used today is replenished over time from free cash flow from operations
 - Debt markets are currently open and available



INFIGEN ENERGY INTERIM RESULTS

Six months ended 31 December 2017

19 February 2018



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About Infigen Energy (Infigen)

Infigen actively participates in the Australian energy market. It is a developer, owner and operator of generation assets delivering energy solutions to Australian businesses and electricity retailers

1 Alinta Wind Farm

Location	Geraldton, WA
Nameplate capacity	89.1 MW
Commenced operations	July 2006
H1 FY18 production	152 GWh
H1 FY18 capacity factor	39%
O&M services end date	December 2025
Remaining asset life ¹	13 years

2 Lake Bonney 1 Wind Farm

Location	Millicent, SA
Nameplate capacity	80.5 MW
Commenced operations	March 2005
H1 FY18 production	113 GWh
H1 FY18 capacity factor	32%
O&M services end date	December 2024
Remaining asset life ¹	12 years

3 Lake Bonney 2 Wind Farm

Location	Millicent, SA
Nameplate capacity	159.0 MW
Commenced operations	September 2008
H1 FY18 production	228 GWh
H1 FY18 capacity factor	32%
O&M services end date	December 2027
Remaining asset life ¹	16 years

4 Lake Bonney 3 Wind Farm

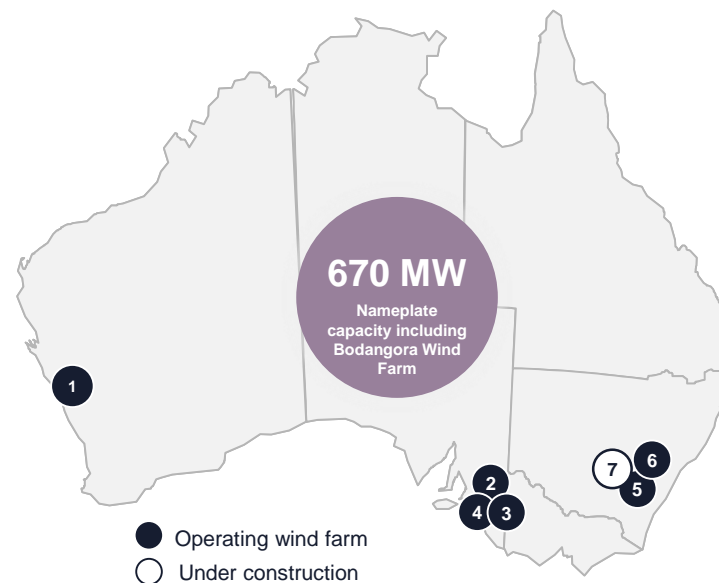
Location	Millicent, SA
Nameplate capacity	39.0 MW
Commenced operations	July 2010
H1 FY18 production	58 GWh
H1 FY18 capacity factor	34%
O&M services end date	December 2029
Remaining asset life ¹	17 years

5 Capital Wind Farm

Location	Bungendore, NSW
Nameplate capacity	140.7 MW
Commenced operations	January 2010
H1 FY18 production	214 GWh
H1 FY18 capacity factor	35%
O&M services end date	December 2030
Remaining asset life ¹	17 years

6 Woodlawn Wind Farm

Location	Tarago, NSW
Nameplate capacity	48.3 MW
Commenced operations	October 2011
H1 FY18 production	88 GWh
H1 FY18 capacity factor	41%
O&M services end date	December 2032
Remaining asset life ¹	19 years



7 Bodangora Wind Farm

Location	Wellington, NSW
Nameplate capacity	113.2 MW
Targeted commissioning	Q1 FY19

¹ Infigen operates its assets on the basis that they have an estimated useful life of not less than 25 years



Presentation Content

Ross Rolfe
Managing Director / Chief Executive Officer

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- 1** Safety
 - 2** Performance Overview
 - 3** Financial Review
 - 4** Performance Review
 - 5** Strategy Update
 - 6** Outlook
 - 7** Q&A
 - 8** Appendices
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Safety

Infigen's first priority is the safety of the people and the communities in which it operates

Safety performance¹ as at 31 December measured on a rolling 12-month basis	2017	2016
Lost Time Injuries	2	-
Medical Treatment Injuries	1	1
Lost Time Injury Frequency Rate	7.4	-
Total Recordable Injury Frequency Rate	11.0	4.8

Performance over the rolling 12 months

- Two Lost Time Injuries of which one occurred during H1 FY18:
 - > in July 2017 at Capital Wind Farm a service technician undertaking routine turbine service work suffered a fractured finger
 - > in February 2017 at Woodlawn Wind Farm a contractor aggravated a pre-existing hip condition during a heights rescue simulation
- One Medical Treatment Injury on the Bodangora construction project in December 2017: an excavator operator sustained a cut to the head that required staples when contact was made with the excavator windscreen during operations
- All workers recovered from their injuries and were given full clearance to return to normal duties
- Infigen has implemented best practice incident investigation methodologies including the Incident Cause Analysis Method investigation process across its sites
- At Lake Bonney 1 and Alinta Wind Farms the workforce achieved a significant milestone of 10 years without a Lost Time Injury
- Infigen continues to actively work with its contractors to manage work, health and safety risks that arise during the construction phase of the Bodangora Wind Farm

¹ Infigen's safety performance is measured on a rolling 12-month basis in accordance with standards of Safe Work Australia



Performance Overview

Financial results overview

Revenue: \$118.2 million	Underlying EBITDA: \$88.0 million	Net profit after tax: \$26.7 million	Costs: Operating - \$23.0 million Corporate - \$6.2 million Development - \$1.0 million
pcp \$115.4 million, up 2%	pcp \$84.0 million, up 5%	pcp \$21.4 million, up 25%	pcp \$21.1 million, up 9% pcp \$8.9 million, down 30% pcp \$1.5 million down 33%

Strategy update

Capital Structure to better support execution of the Strategy	Advance Growth Projects	Execution of the Sales Strategy
<ul style="list-style-type: none"> <input type="checkbox"/> Fully underwritten A\$ Term Facilities (A\$525 million) <input type="checkbox"/> A\$80 million Liquidity Facilities being sought <input type="checkbox"/> Targeting closing by 31 March 2018 – date chosen will have regard to the optimal outcome based on the syndication process 	<ul style="list-style-type: none"> <input type="checkbox"/> Continued construction of Bodangora Wind Farm <ul style="list-style-type: none"> > On budget: \$120 million spent to date > Commercial Operations on track for Q1 FY19 <input type="checkbox"/> Advance three development projects <ul style="list-style-type: none"> > Cherry Tree Wind Farm is investment ready <input type="checkbox"/> Actively explore capital “lite” option to fund development <input type="checkbox"/> Participate in a number of state processes that can provide a level of offtake stability <input type="checkbox"/> Completed a review of options to allow firming, support further contracting with C&I customers, and address prospective policy changes <input type="checkbox"/> All investment decisions are dependent on Board assessment of market outlook and preferred delivery mechanism 	<ul style="list-style-type: none"> <input type="checkbox"/> Infigen’s current portfolio balance for electricity sales over 5 year forward period is within our target range: <ul style="list-style-type: none"> > H1 FY18 spot electricity price exposure reduced from 56% in the pcp to 40% <input type="checkbox"/> Bodangora Wind Farm will add valuable capacity in NSW (~361 GWh generation pa) <input type="checkbox"/> Advancing options to enhance ability to contract forward

FINANCIAL REVIEW



Wind turbine foundation pour at the Bodangora Wind Farm, NSW



Financial Metrics

Increased profit driven by higher merchant electricity prices and lower net finance costs

Profit and loss and cash flow	Unit	31 Dec 2017	31 Dec 2016	Change	Change %
Net profit after tax (statutory)	\$ million	26.7	21.4	5.3	25
Underlying EBITDA	\$ million	88.0	84.0	4.0	5
Net profit after tax (statutory) - EPS	cents	2.8	2.7	0.1	4
Underlying EBITDA - EPS	cents	9.2	10.8	(1.6)	(15)
Underlying EBITDA margin	%	74.5	72.8	1.7 pts	-
Operating cash flow	\$ million	49.2	33.0	16.2	49

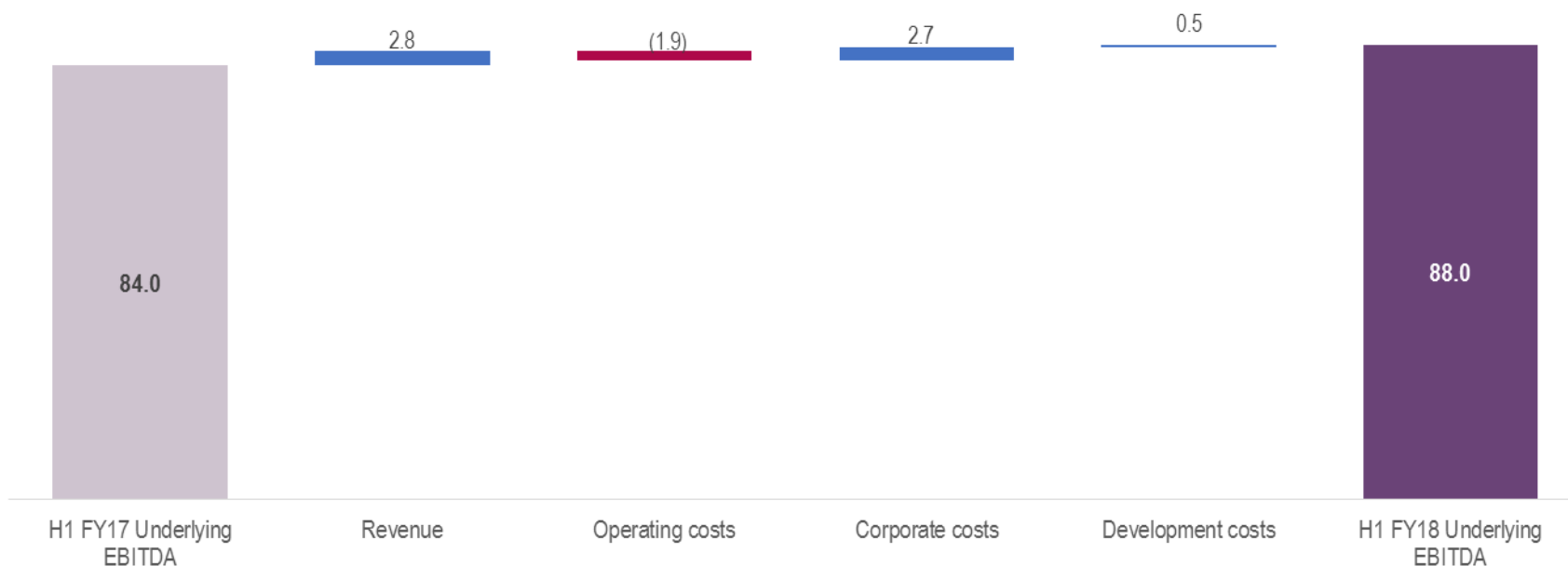
Balance sheet	Unit	31 Dec 2017	30 Jun 2017	Change	Change %
Cash	\$ million	282.3	251.8	30.5	12
Net debt	\$ million	442.0	402.1	39.9	10
Security holders' equity	\$ million	513.6	479.4	34.2	7
Net debt / LTM Underlying EBITDA	ratio	3.1	2.9	0.2	7
Book gearing ¹	%	46.2	45.5	0.7 pts	-

¹ Calculated as net debt divided by sum of net debt and net assets

Underlying EBITDA

EBITDA underpinned by stability of revised
0 operating structure

Underlying EBITDA¹ (\$ million)



- Revenue increased to \$118.2 million, up \$2.8 million (+2%)
- Operating costs increased to \$23.0 million, up \$1.9 million (+9%) primarily due to: expansion of internal capability, FCAS costs and transition of operations and maintenance from Suzlon to Vestas at Capital and Woodlawn Wind Farms
- Corporate costs decreased to \$6.2 million, down \$2.7 million (-30%). Prior period included transitional costs related to restructuring of the business and corporate strategic activities

¹ Individual items and totals reconcile with the Financial Statements, however, may not add due to rounding of individual components

Production

Effect of modest production decline due to wind conditions partially offset by improved turbine and network availability

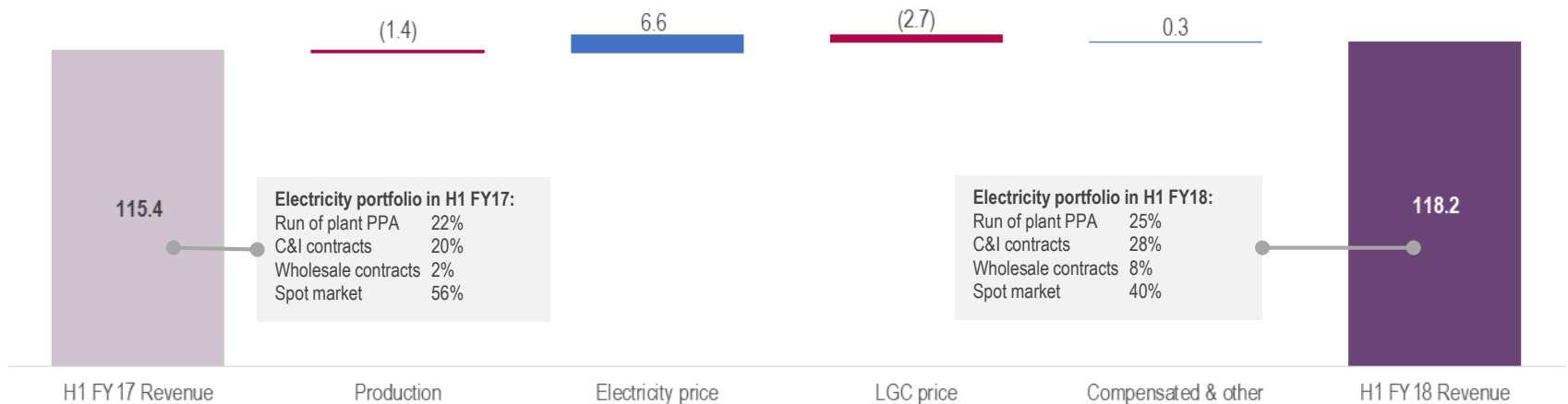


- Production decreased to 854 GWh, down 35 GWh (-4%) on the pcp
- Alinta Wind Farm experienced lower production, noting pcp was a particularly strong wind period
- Improved turbine availability at the Capital and Lake Bonney Wind Farms
- Increased network availability at the Lake Bonney Wind Farms reversing the effect of the blackout in SA in the pcp

Revenue

Favourable SA dispatch weighted average price¹ delivered stronger revenue

Revenue (\$ million)



- SA revenue increased: the dispatch price discount was lower at 12% resulting in higher revenue, despite lower spot prices
- LGC 6-month average market price determined at 31 December 2017 was 4% lower than pcp
- Geographic diversification and different sales strategies result in regionally based effects being most relevant to electricity revenue outcomes for Infigen:
 - > NSW output substantially contracted, therefore affected by production
 - > SA substantial merchant plant, therefore affected by wholesale prices, spot prices, dispatch weighted average price and production sold
 - > WA output wholly contracted, therefore affected by production outcomes

¹ Calculated as Infigen's merchant electricity revenue divided by unhedged production



Operating Cash Flow

Stronger cash flow resulting from lower net finance costs and timing of LGC settlement

	31 Dec 2017 (\$ million)	31 Dec 2016 (\$ million)	Change (\$ million)	Change (%)
Operating EBITDA	95.2	94.3	0.9	1
Corporate costs	(6.2)	(8.9)	2.7	30
Development costs	(1.0)	(1.5)	0.5	33
Movement in LGC inventory	(14.1)	(22.9)	8.8	38
Movement in other working capital	(5.2)	(2.6)	(2.6)	(100)
Non-cash items	0.4	(0.9)	1.3	144
Net finance costs paid	(19.9)	(24.6)	4.7	19
Net operating cash flow	49.2	33.0	16.2	49

- Lower financing costs reflect lower debt outstanding – particularly in respect of Global Facility and Woodlawn Facility borrowings
- Forward sales of LGCs result in holding inventory on the balance sheet at 30 June and 31 December – such sales are generally (and a large number were) settled in January (for February surrender to the Clean Energy Regulator)
- Receivables may increase as the transition to C&I customers progresses: ordinary course for a gentailer to C&I customers

Capital Management

Substantial debt repayment – new debt attributable to the Bodangora Wind Farm construction

New debt to construct the Bodangora Wind Farm

- > EBITDA contribution from FY19

Repaid \$44.4 million of debt:

- > \$41.1 million Global Facility borrowings¹
- > \$3.3 million Woodlawn Facility borrowings

USD exposure reducing:

- > US\$25.1 million repaid
- > Terminated four (of five) USD interest rate derivative contracts (cost: AUD \$8.1 million)
- > Post 31 December 2017 USD FX exposure reduced to US\$25.5 million

Cash balance:

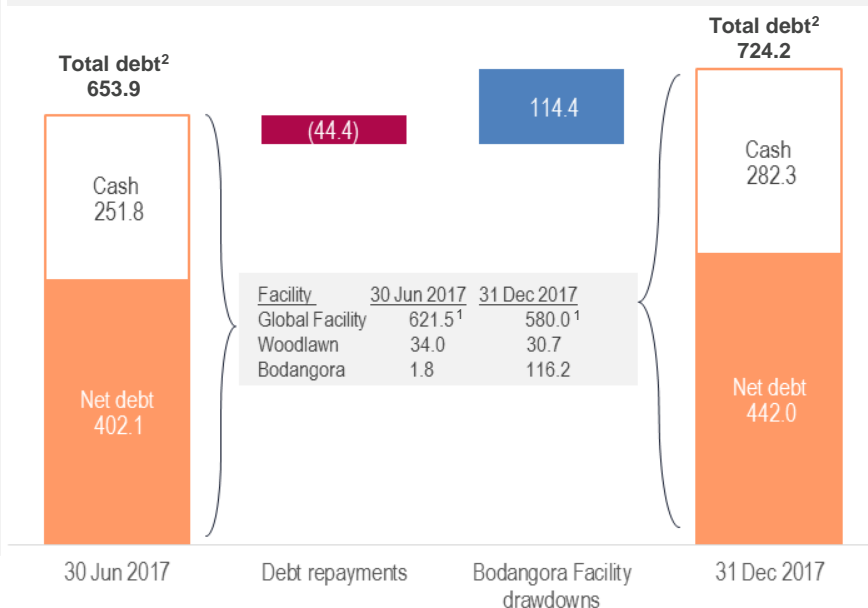
- > Restricted cash balance increased to \$72.1 million largely due to draw down under the Bodangora Facility

Refinancing will further reduce debt

- > Debt associated with operating assets substantially reduced upon closing of the refinancing (refer to slide 18)

Key metrics	Unit	31 Dec 2017	30 Jun 2017
Cash	\$ million	282.3	251.8
Total debt ²	\$ million	724.2	653.9
Net debt	\$ million	442.0	402.1
Book gearing	%	46.2	45.5
Net debt / LTM Underlying EBITDA	ratio	3.1	2.9
LTM Underlying EBITDA / interest	ratio	3.3	2.9

Movements in Net Debt (\$ million)



¹ Difference between \$41.1 million and \$41.5 million relates to movement in USD/AUD exchange rate between payment date and balance date

² Including capitalised loan costs of \$2.7 million as at 31 December 2017 (30 June 2017: \$3.5 million)

PERFORMANCE REVIEW



Delivery of wind turbine towers at the Port of Newcastle, NSW

Asset Performance

Demonstrable continued strong availability and production. This is incentivised by performance based O&M contracts

- Orderly transition¹ of Operations and Maintenance (O&M) from Suzlon to Vestas (Capital and Woodlawn wind farms) effective 31 December 2017
- Final Report in respect of “pre-existing conditions” (for which Vestas is not liable) due in March 2018
- No revision to expected transition cost of low single digit millions
- Vestas is now a long term O&M partner over the six operating wind farms
- Vestas O&M Service Agreements provide a high degree of visibility and certainty as to availability and cost
- Aligns Infigen’s costs with its revenues – incentives are paid when outperformance achieved

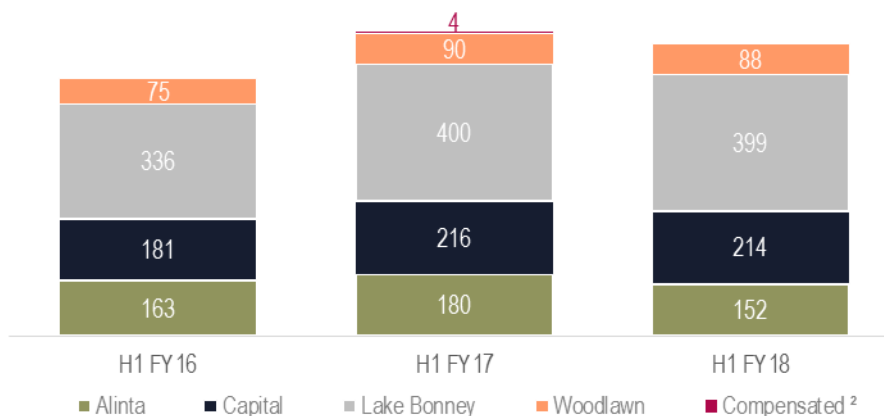
Wind farm	O&M contract expiration date
Alinta	31 Dec 2025
Capital	31 Dec 2030
Lake Bonney 1	31 Dec 2024
Lake Bonney 2	31 Dec 2027
Lake Bonney 3	31 Dec 2029
Woodlawn	31 Dec 2032

Historical availability & production (GWh)

Availability

Turbine: 97.8% 96.7% 97.4%

Site: 97.4% 96.6% 96.9%



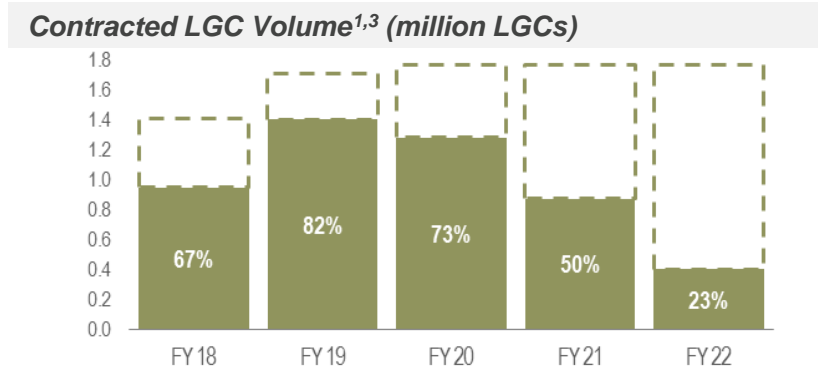
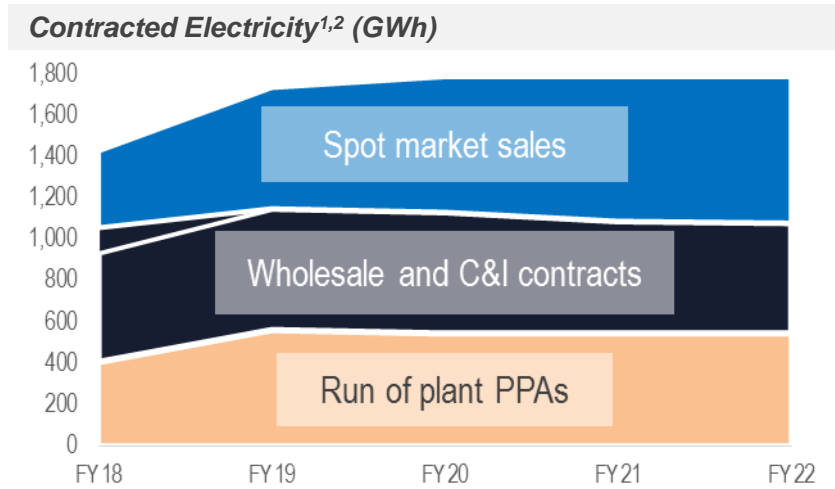
¹ Refer to appendix slide 35

² Compensated production is notional production that represents compensated revenue

Current Balanced Portfolio

Infigen’s current portfolio balance for electricity sales over 5 year forward period is within our target range. H1 FY18 spot electricity exposure reduced from 56% in the pcp to 40%

- **Current electricity portfolio over 5 year forward period**
 - > 1/3 run of plant PPAs
 - > 1/3 a combination of wholesale and C&I contracts
 - > 1/3 spot market sales
- **Additional C&I contracted sales**
 - > Advancing options subsequent to completion of review – to assist additional contracting
 - > Can be underpinned by Bodangora Wind Farm capacity from Q1 FY19
 - > Capital “lite” would create additional opportunities



¹ Including production expected from the Bodangora Wind Farm due for completion in Q1 FY19
² Expected electricity sales outcomes having regard to historical production for operating facilities
³ Expected LGC production outcomes having regard to historical production for operating facilities

Bodangora Wind Farm Construction Update

On time and on budget, completion expected in Q1 FY19

Progress update

Substantial Construction Progress

- Roads: 21 km of 33 km roads complete
- Foundations: 15 of the 33 foundations are complete and the remaining foundations are on track to be completed as scheduled by April 2018
- Substation construction well advanced

Equipment delivery & construction

- Wind turbine component manufacture is on schedule with deliveries to the site commencing in calendar Q1 2018
- Erecting wind turbines commence in March 2018 and continue through to June 2018

Community contribution

- \$50,000 distributed to eight community projects – first round of direct community funding
- Over 100 people employed, including 65 locally from the Wellington community and surrounding areas

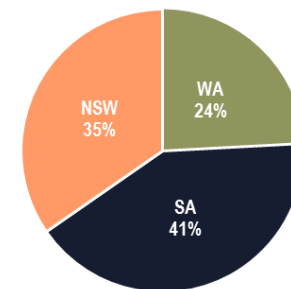
Substantial increase in Infigen's NSW electricity capacity

- A highly valued region (~361 GWh per annum)

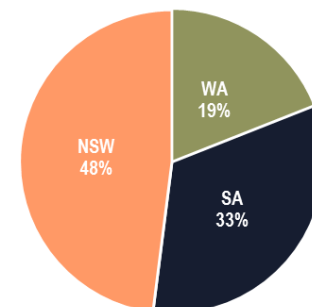
Will reduce SA proportionate contribution to Infigen's generation

Generation Portfolio Diversification Upon Completion of the Bodangora Wind Farm

FY17 production sold:



FY19 forecast production available for sale¹:



¹ Pro forma calculation prepared on the basis that the Bodangora Wind Farm production commences on 1 July 2018

Refinancing Considerations

Infigen believes an early Refinancing will preserve security holder value and create a capital structure that better supports execution of the business strategy

Key goals and outcomes in early Refinancing

- Amortisation profile that allows flexibility for business growth and distributions**
 - > Aims:
 - Cash flow available to support growth strategy as and when appropriate
 - Capacity to consider reintroduction of distributions
 - > Outcome
 - Scheduled amortisation of \$160 million over 5 years (cf \$83 million repaid on Global Facility in FY17)
 - Ability to add incremental facilities if required, to support future growth

- Operate the business as a whole**
 - > Aim:
 - Flexibility to deliver our business strategy by operating our assets as one portfolio rather than a series of project financed entities
 - > Outcome
 - Liquidity Facilities will support execution of the business strategy – counterparty credit support, ASX and futures support
 - Ability to add incremental facilities if required, to support future growth
 - Corporate style security – less restrictive on operation of the business and lower cost and reduced time to implement
 - Flexibility to operate the business adjust to the changing energy market

- Cost of Financing**
 - > Determine whether there would be a reduction in financing costs
 - Overall cost not likely to be reduced
 - Margin paid delivers flexibility regarding quantum, amortisation and covenants

Why refinance now?

- Cash will always be required to reduce debt**
 - > Significant debt pay-down is required of the Global Facility to achieve refinancing at any time
 - > Cash on balance sheet used today is replenished over time from free cash flow from operations

- Supportive and open debt markets**
 - > Debt markets can be volatile. Currently debt capital markets open.
 - > There is no guarantee the debt capital markets will remain open.

- A growing and supportive \$A Loan Market**
 - > Growing investor support for Australian businesses seeking flexible capital

Board Assessment

- Infigen's Board has determined that the flexibility benefits significantly outweigh implementation costs

- Cash on balance sheet used today is replenished over time from free cash flow from operations

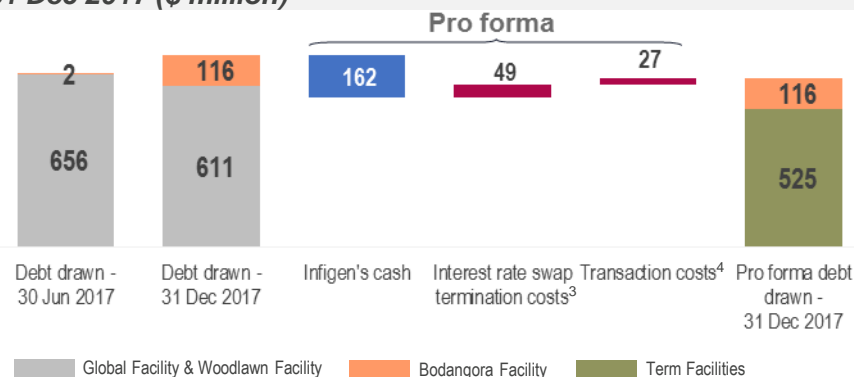
¹ For further details on the market and prior transactions please refer to slide 39

Refinancing – Targeted Closing March 2018

A\$ Term Facilities fully underwritten. Expressions of interest received from a number of potential Liquidity Facility Lenders

5-year Syndicated Facility ¹	
Term Facilities (Senior Secured and Underwritten)	Liquidity Facilities (Super Senior Secured)
\$525 million: <input type="checkbox"/> \$160 million Amortising Term Facility <input type="checkbox"/> \$365 million Bullet Term Facility	<input type="checkbox"/> \$60 million Bank Guarantee & Letter of Credit <input type="checkbox"/> \$20 million Working Capital Facility
Expected close – Goldman Sachs Underwriting the Term Facilities	
<input type="checkbox"/> Targeted close end of March 2018 – but optimal closing will be determined having regard to the syndication process <input type="checkbox"/> Terms and conditions of Goldman Sachs Commitment Letter provide limited termination rights <input type="checkbox"/> Liquidity Facilities are not underwritten but are expected to be committed given super senior security position <input type="checkbox"/> Risk to closing is considered low given Term Facilities are underwritten	

Pro forma debt drawn² assuming Refinancing at 31 Dec 2017 (\$ million)



¹ The Term Facilities are underwritten. The Liquidity Facilities are not underwritten.

² Numbers prepared on a pro forma basis to reflect the effect of the Refinancing on the 31 Dec 2017 drawn debt balances. Numbers will change to reflect actual principal repayments, interest payments, break costs and transaction costs as at the Refinance date.

³ The cost of the interest rate derivative termination will be expensed in the profit and loss, and is tax deductible.

⁴ The estimated transaction costs include advisory and upfront fees and contingent costs only payable upon completion of the Refinancing. The Term Facilities in the financial statements will be brought to account net of the transaction costs.

STRATEGY UPDATE

infigen



Bodangora Wind Farm construction

Our Strategy – Responding to the Changing Energy Market






Preserving and creating security holder value – operating in the dynamic energy market



Market Fundamentals	Policy Considerations	National Energy Guarantee	Our Approach
<ul style="list-style-type: none"> <input type="checkbox"/> Coal fired fleet retirement 	<ul style="list-style-type: none"> <input type="checkbox"/> The “trilemma” – reliable, affordable and clean 		<ul style="list-style-type: none"> <input type="checkbox"/> Multi-Channel Route to Market – a diverse sales strategy
<ul style="list-style-type: none"> <input type="checkbox"/> Move to lower emissions economy and generation 	<ul style="list-style-type: none"> <input type="checkbox"/> Paris Agreement – a committed reduction target 	<ul style="list-style-type: none"> <input type="checkbox"/> Reliability Guarantee 	<ul style="list-style-type: none"> <input type="checkbox"/> Market signalled based growth: <ul style="list-style-type: none"> > On balance sheet > Capital “lite”
<ul style="list-style-type: none"> <input type="checkbox"/> Gas will cap or set marginal electricity price 	<ul style="list-style-type: none"> <input type="checkbox"/> Community expectation 		<ul style="list-style-type: none"> <input type="checkbox"/> Improved capacity to contract firm supply <ul style="list-style-type: none"> > Firming the output of renewables through financial and technology based solutions
<ul style="list-style-type: none"> <input type="checkbox"/> C&I customers seek direct engagement with generators 	<ul style="list-style-type: none"> <input type="checkbox"/> Lack of investor support for new coal fired generation > focus on renewables 	<ul style="list-style-type: none"> <input type="checkbox"/> Emissions Obligations 	<ul style="list-style-type: none"> <input type="checkbox"/> A corporate and capital structure that can execute the strategy by prudently managing risk and reward

Execution of the Sales Strategy

Seeking a balance between tenor, price and risk for revenue received from electricity and LGCs

Characteristics of various routes to market	Balancing revenue certainty and value
<p>Run of plant Power Purchase Agreements (PPAs)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Lowest risk route to market for Infigen: <ul style="list-style-type: none"> > Limited production risk > Generally no price risk for Infigen <input type="checkbox"/> Tenor varies (generally 3-20 years) <input type="checkbox"/> Customers manage individual energy use requirements, e.g. large retailers or substantial consumers with energy markets management skills 	<p>Our stakeholders</p> <ul style="list-style-type: none"> <input type="checkbox"/> Create security holder value while managing market risk <input type="checkbox"/> Meet minimum cash flow requirements
<p>Commercial & Industrial (C&I) customers</p> <ul style="list-style-type: none"> <input type="checkbox"/> Infigen manages supply risk <input type="checkbox"/> Infigen delivers contracted firm energy supply to customers <input type="checkbox"/> Typical load > 5 MW <input type="checkbox"/> Typical tenor – 3 years to 7 years <input type="checkbox"/> Contracts tailored with customers to create value (demand side management / risk-reward sharing etc) 	<p>Three key measures</p> <ul style="list-style-type: none"> <input type="checkbox"/> Quantitative Volumetric Hedging Limits: Determined based on historical generation profiles and a predictable seasonality of operating performance <input type="checkbox"/> Earnings at risk analysis <input type="checkbox"/> Strategic portfolio balancing
<p>Wholesale market</p> <ul style="list-style-type: none"> <input type="checkbox"/> Infigen manages supply risk <input type="checkbox"/> Substantial visible forward market with reasonable liquidity <input type="checkbox"/> Tenor of 3-36 months forward sales <input type="checkbox"/> Can be used to forward sell and manage delivery risk on C&I sales 	<p>Target portfolio balance</p> <ul style="list-style-type: none"> <input type="checkbox"/> 1/3 run of plant PPAs <input type="checkbox"/> 1/3 a combination of wholesale contracts and C&I contracts <input type="checkbox"/> 1/3 of the portfolio with spot market exposure
<p>Spot market for electricity</p> <ul style="list-style-type: none"> <input type="checkbox"/> Price received for uncontracted electricity <input type="checkbox"/> No production risk – Infigen receives the market price <input type="checkbox"/> Prices in the NEM fluctuate between -\$1,000/MWh and \$14,200/MWh 	<p>What may make the portfolio balance have a different configuration?</p> <ul style="list-style-type: none"> <input type="checkbox"/> Market conditions in a particular period <input type="checkbox"/> Asset performance <input type="checkbox"/> Seasonality <input type="checkbox"/> Changes in regulatory policy

Execution of Our Business Growth Strategy

Growing value in the business by offering greater energy supply options to our customers

Business growth

- Value in our business can be created by improving the reliability of supply to our customers and/or expanding capacity
- Options to expand capacity include:
 - > direct investment projects from within the development pipeline
 - > entering into offtake agreements in respect of our development pipeline or other assets – in each case owned by third party capital
- Options to enhance the reliability of product from our existing assets include:
 - > storage
 - > generation
 - > contracting
- Criteria by which investment proposals are assessed in each regional market include:
 - > energy demand
 - > number and engagement of C&I customers
 - > state based initiatives to attract new investment in renewables
 - > gas supply
 - > expected thermal generation retirement
 - > wholesale market liquidity
 - > transmission
 - > availability of firming
 - > market outlook
 - > impact of Government policies

Financing options

- **On Balance Sheet | BUILD**
 - > 30 year commitment
 - > ROI over 30 years
 - > Operational control of the asset



- **Capital “lite” | BUY (Infigen as offtaker)**
 - > Flexible PPA tenor
 - > Costs commitment each year for PPA period
 - > Operational flexibility to change source of production post PPA term
 - > Owner – lower cost of capital



The Outlook for the RET and the Impact on Infigen's Business



LGC value will change over time – operating our business expecting that outcome

What drives value?

- Target: 33 TWh by 2020 expected to be met by currently announced renewable energy generation¹
- Obligated parties MUST surrender LGCs to the Clean Energy Regulator until 31 December 2030
- Until 31 December 2030 price will be determined by supply / demand:
 - > Supply increases as new renewable generation enters the market
 - > Demand is static at 2020 (2020: 33,850 GWh, 2021-2030: 33,000 GWh)²
- As supply meets or exceeds demand, price will compress

How fast will LGC supply overtake demand?

- Supply is currently greater than demand – but price has been strong and trending towards the tax-affected penalty price of \$93
- Current oversupply will be absorbed in the future – “banked”
- LGC supply will only continue to grow if new renewable generation enters the market
- Overbuild is possible, but a commercially rational renewable generation developer would only build if there are price signals to build:
 - 1) LGC price is sustained; or
 - 2) (more likely) LGC price is compressed but compensated for by an overall increase in electricity price (or some other mechanism)
- Return on capital invested occurs over a period longer than the current RET Scheme (>2030). Any decision to invest necessarily takes account of the LGC price being zero after 2030 and look to electricity prices to provide returns on and of capital

¹ “Progress towards the 2020 Renewable Energy Target”, Clean Energy Regulator, 22 January 2018, available at:

www.cleanenergyregulator.gov.au/RET/About-the-Renewable-Energy-Target/Large-scale-Renewable-Energy-Target-market-data, 2 February 2018

² Includes adjustment for the commencement of waste coal mine gas as an eligible renewable energy source, Clean Energy Regulator, available at: www.cleanenergyregulator.gov.au/RET/Scheme-participants-and-industry/the-renewable-power-percentage, 2 February 2018

Our Strategy is Compatible with the Proposed National Energy Guarantee



Compliance and implementation

- Infigen must comply with the Emissions Guarantee and a Reliability Guarantee in respect of its retail customer load

Emissions Guarantee

- Infigen produces zero emissions energy
- Provides opportunity – Infigen can contract with parties that must meet the Emissions Target
- Contract price likely affected by the spot market and the Emissions Target
 - > an effective “premium” will be paid for lower emissions energy

Reliability Guarantee

- Requirement to have dispatchable and flexible capacity
- Infigen has completed a review of options to allow firming, support further contracting with C&I customers, and address prospective policy changes – options identified include storage, generation and contracting

Relevant considerations

- Emissions Target will be critical in determining electricity pricing
- Given new generation is required to replace exiting generation, the price for electricity must provide market signal sufficient to produce new investment
 - > Electricity prices should fluctuate around the cost of capital that delivers a return on capital after taking into account all costs (including meeting the Reliability Guarantee)
- However the Reliability Guarantee is configured, its cost will also necessarily be factored into the price for electricity

Impact of the NEG on Infigen

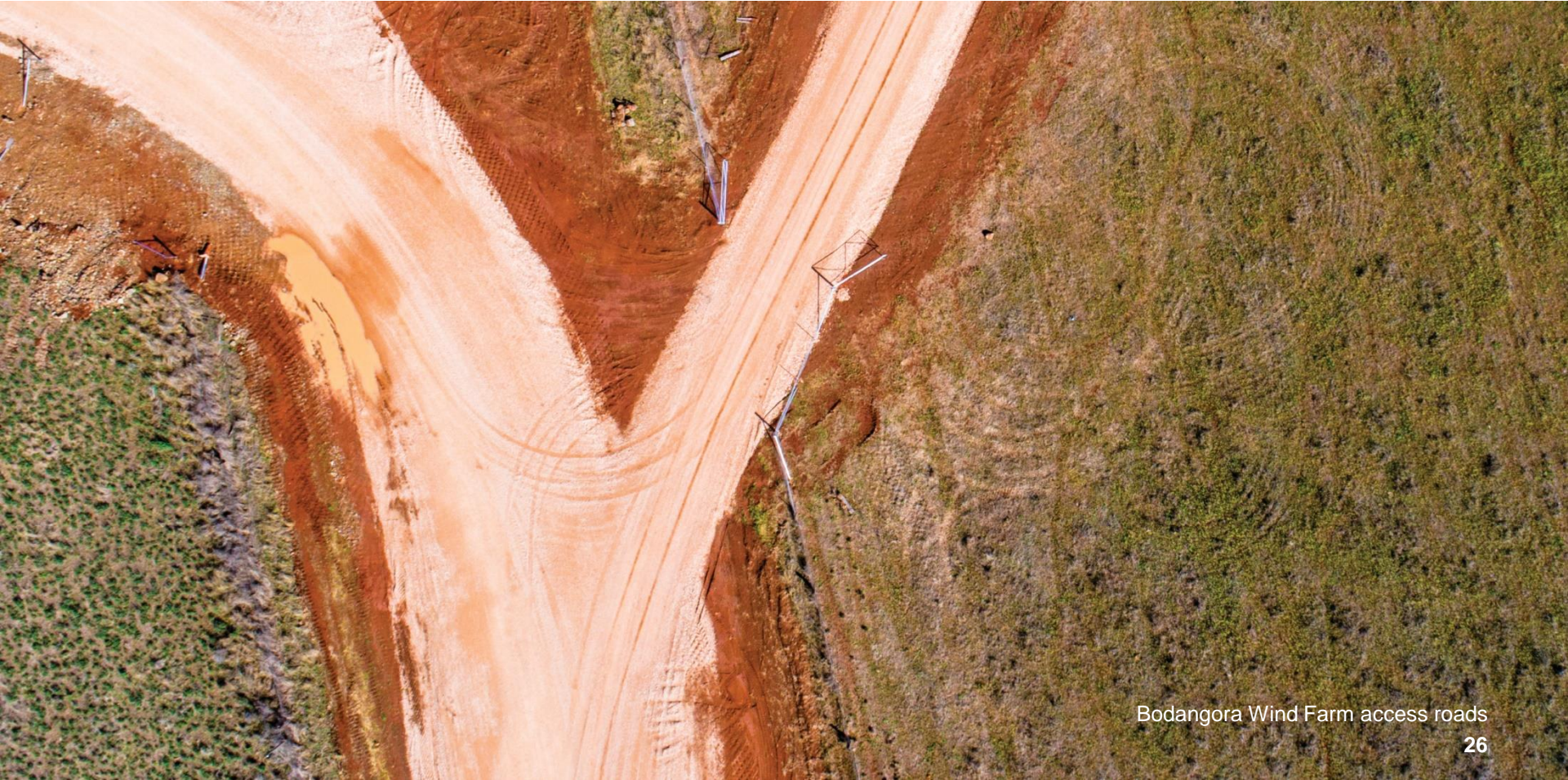
- Infigen is well positioned to capture market opportunities that would be created by the National Energy Guarantee

Outlook



Production	Prices	Revenue
<ul style="list-style-type: none"> <input type="checkbox"/> Disclosed monthly <input type="checkbox"/> January - June is historically a lower production period than July - December <ul style="list-style-type: none"> > Wind conditions are however uncertain <input type="checkbox"/> Production linked incentive O&M contracts designed to deliver optimal production outcomes 	<p>FY18 portfolio-wide bundled price</p> <ul style="list-style-type: none"> <input type="checkbox"/> \$133-139/MWh, with a slight bias toward the upper end of the range <p>Electricity</p> <ul style="list-style-type: none"> <input type="checkbox"/> Markets continue to be volatile but fundamentals remain strong <input type="checkbox"/> H2 FY18 spot market and short term contract markets are expected to remain in line with H1 FY18 <p>LGCs</p> <ul style="list-style-type: none"> <input type="checkbox"/> Strong prices experienced in H1 FY18 expected to continue through H2 FY18 <input type="checkbox"/> Beyond 2020 LGC prices will be affected by a variety of factors as outlined on slide 23 	<ul style="list-style-type: none"> <input type="checkbox"/> Driven by production and price <input type="checkbox"/> Contracted volumes provide greater stability <input type="checkbox"/> As Infigen's transition to an active participant in the Australian energy markets continues, revenue will be further influenced by the Energy Market Portfolio Management <input type="checkbox"/> LGC settlements on forward sales contracts may create an increase in working capital movements
Costs	Execution of the Strategy	
<p>Operating costs</p> <ul style="list-style-type: none"> <input type="checkbox"/> Vestas O&M contract provides substantial cost stability <input type="checkbox"/> Costs associated with any pre-existing conditions in respect of the period prior to Vestas becoming the O&M provider (Capital and Woodlawn Wind Farms) expected to be in the low single digit millions, may not be incurred in H2 FY18 <p>Corporate costs</p> <ul style="list-style-type: none"> <input type="checkbox"/> FY18 \$13.5 million as outlined at FY17 Results confirmed 	<p>Multi-Channel Route to Market</p> <ul style="list-style-type: none"> <input type="checkbox"/> Rebalanced the portfolio to create greater revenue certainty and balance price, tenor and risk <input type="checkbox"/> Opportunity for further expansion coupled with firming options <p>Bodangora Wind Farm</p> <ul style="list-style-type: none"> <input type="checkbox"/> Expected commercial operations date Q1 FY19 	<p>Refinancing</p> <ul style="list-style-type: none"> <input type="checkbox"/> Targeting completion by end of March 2018 <p>Cherry Tree Wind Farm</p> <ul style="list-style-type: none"> <input type="checkbox"/> Investment ready. Manner and timing of proceeding can depend on the outcomes of government processes, active exploration of the capital "lite" strategy and energy market outlook <p>Portfolio Management</p> <ul style="list-style-type: none"> <input type="checkbox"/> Advancing options to enhance ability to contract forward

Q&A



APPENDICES



Individual items and totals reconcile with the Financial Statements, however, may not add due to rounding of individual components





Summary Profit & Loss

	31 Dec 2017 (\$ million)	31 Dec 2016 (\$ million)	Change (\$ million)	Change (%)
Revenue	118.2	115.4	2.8	2
Operating costs	(23.0)	(21.1)	(1.9)	(9)
Operating EBITDA	95.2	94.3	0.9	1
Corporate costs	(6.2)	(8.9)	2.7	30
Development costs	(1.0)	(1.5)	0.5	33
EBITDA	88.0	84.0	4.0	5
Depreciation and amortisation	(25.8)	(26.0)	0.2	1
EBIT	62.2	58.0	4.2	7
Net borrowing costs	(20.6)	(25.4)	4.8	19
Net movement in fair value of financial instruments	(2.1)	(0.4)	(1.7)	(425)
Net movement in FX	0.2	(0.8)	1.0	125
Net profit before tax	39.6	31.4	8.2	26
Income tax expense	(12.9)	(10.0)	(2.9)	(29)
Net profit after tax	26.7	21.4	5.3	25



Balance Sheet

	31 Dec 2017 (\$ million)	30 Jun 2017 (\$ million)	Change (\$ million)	Change (%)
Cash ¹	282.3	251.8	30.5	12
Receivables	15.9	9.3	6.6	71
LGC inventory	41.1	27.0	14.1	52
Prepayments	6.2	6.6	(0.4)	(6)
PP&E	854.4	799.9	54.5	7
Goodwill & intangible assets	117.9	118.3	(0.4)	-
Deferred tax assets & other assets	6.3	23.1	(16.8)	(73)
Total assets	1,324.1	1,236.0	88.1	7
Payables	21.5	19.8	1.7	9
Provisions	10.0	10.5	(0.5)	(5)
Borrowings ²	724.2	653.9	70.3	11
Derivative liabilities	54.7	72.4	(17.7)	(24)
Total liabilities	810.5	756.5	54.0	7
Net assets	513.6	479.4	34.2	7

¹ Restricted cash held was \$72.1 million at 31 December 2017 (30 June 2017: \$40.5 million)

² Includes USD borrowings under the Global Facility at 31 December 2017 of US\$45.5 million (30 June 2017: US\$70.6 million)

Operating Costs

	31 Dec 2017 (\$ million)	31 Dec 2016 (\$ million)	Change (\$ million)	Change (%)
Asset management	3.6	3.1	0.5	16
Frequency control ancillary services net costs	1.9	1.6	0.3	19
Turbine operations and maintenance	11.8	11.3	0.5	4
Balance of plant	0.5	0.3	0.2	67
Other direct costs	3.6	3.5	0.1	3
Wind farm costs	21.4	19.7	1.7	9
Energy Markets	1.7	1.2	0.4	33
Operating costs	23.0	21.1	1.9	9



Capital Expenditure

	31 Dec 2017 (\$ million)	31 Dec 2016 (\$ million)	Change (\$ million)	Change (%)
Development projects	2.0	1.5	0.5	33
Property, plant & equipment and IT equipment	1.5	0.2	1.3	650
Bodangora Wind Farm construction	76.3	-	76.3	N.m.
Capital expenditure	79.9	1.7	78.2	N.m.

N.m. – not meaningful

Experienced Management Team

Infigen's Board and Management have extensive energy industry experience and a proven ability to deliver on key corporate strategic initiatives

Name	Title	Years at Infigen	Years in industry	Key experience
 Ross Rolfe AO	CEO / Managing Director	6	30	<ul style="list-style-type: none"> ✓ Substantial and broad experience in the Australian energy and infrastructure sectors in senior management, government and strategic roles ✓ Extensive experience in stakeholder management at the governmental, commercial and community levels including managing relationships and negotiating projects and policy positions
 Sylvia Wiggins	Executive Director – Finance & Commercial	2	20	<ul style="list-style-type: none"> ✓ Substantial experience across a broad range of businesses and countries, most recently working in the energy, infrastructure, defence and structured finance areas ✓ Strategic planning, commercial negotiations, capital management and corporate finance
 Paul Simshauser	Executive General Manager – Corporate Development	<1	26	<ul style="list-style-type: none"> ✓ Significant experience in energy markets including roles in systems development, environmental markets trading, strategic and business planning, mergers and acquisitions, and corporate affairs ✓ Most recently held the position of Director-General of the Queensland Department of Energy and Water Supply
 Owen Sela	Executive General Manager – Energy Markets	1	18	<ul style="list-style-type: none"> ✓ Commercial development, corporate strategy, contract negotiations, and mergers and acquisitions ✓ Trading and portfolio management, commodity, foreign exchange and interest rate risk management
 Tony Clark	Executive General Manager – Operations & Projects	1	20	<ul style="list-style-type: none"> ✓ Extensive experience in the power sector having been involved in the operation and construction of a number of key Australian power stations

Drivers Underpinning Electricity Market Fundamentals

Stable demand at a time of exiting generation necessitates requirement for new build

Market fundamentals

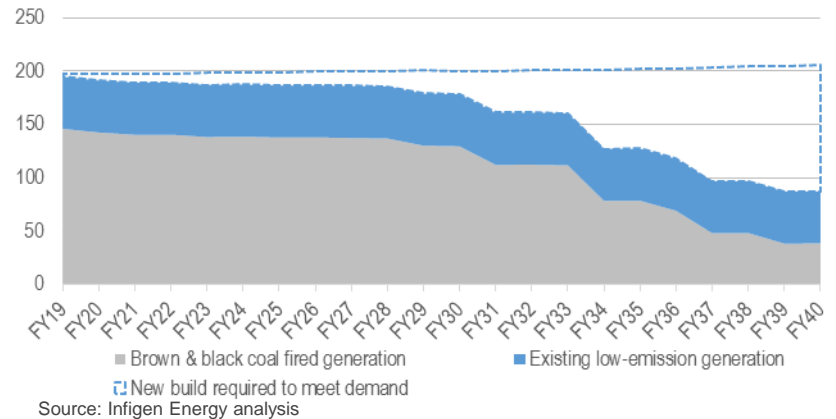
☐ Coal fired fleet retirement

- > Ageing (50-year design life); cost of life extension (if available) and declining availability of an economic fuel source
- > > 5,000 MW coal-fired capacity withdrawn from NEM since 2012¹; a further 3,300 MW expected to retire within the next decade
- > ~75% of Australia's NEM electricity production is currently coal-fired
- > Limited financing available to support new coal fired generation

☐ Focus on low-emissions generation supports continued investment in renewable generation

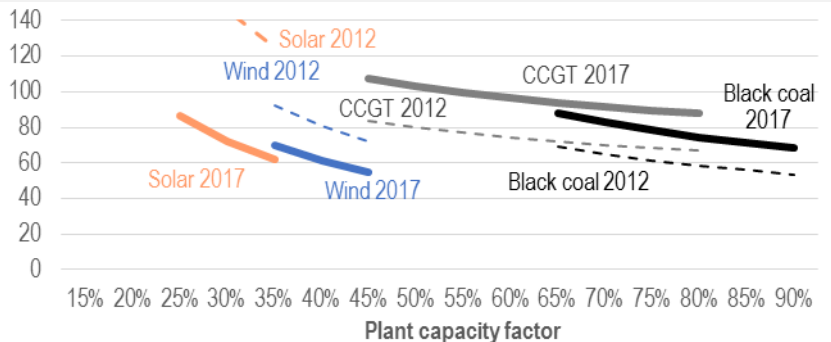
- > Strong community support for lower emissions and renewable energy forming an increasing part of the overall energy mix in Australia
- > Commonwealth Government commitments to lowering emissions (Paris Agreement) requires substantial further renewable generation
- > Commonwealth and state based schemes support Australia's transition to a lower emissions economy
- > Declining cost of renewables and energy storage

Exiting Generation and New Build Requirement (TWh)



Cost Curve of Replacement (\$/MWh)

Note: costs do not reflect any value associated with dispatchability or carbon emissions



Source: Simshauser, Paul. (2017). Garbage can theory and Australia's National Electricity Market: decarbonisation in a hostile policy environment

¹ Australian Energy Regulator, May 2017

Drivers Underpinning Electricity Market Fundamentals

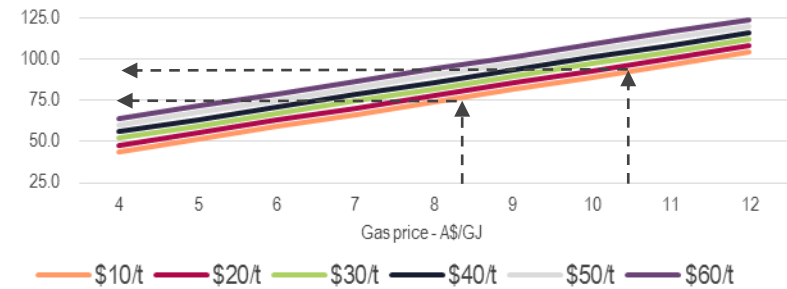
Strong investment signals and long-term prices

Market fundamentals

- **Gas will cap or set marginal electricity price**
 - > Physical operation of the network requires a level of synchronous generation
 - > High domestic gas prices are a function of export market demand, contract obligations and moratoria of further exploration
 - > The Australian Domestic Gas Security Mechanism may not significantly affect long term prices. Long term gas supply agreements are required to underpin new gas fired generation and hence electricity prices
 - > At a \$7.00-8.50/GJ gas price, electricity prices could range from \$65-95/MWh depending on the carbon price or equivalent
 - > Current medium-term gas contract prices on the East Coast are \$8.50-12.00/GJ

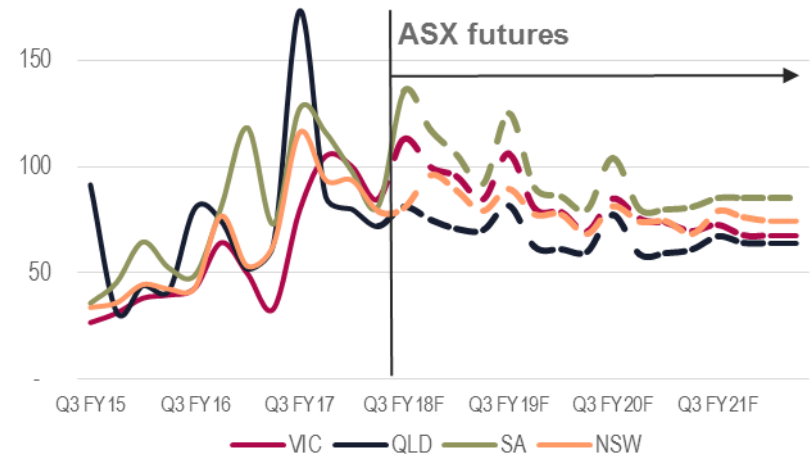
- **C&I customers seek direct engagement with generators**
 - > Green credentials / internal sustainability targets
 - > Follows the trend in the US
 - > Seek to manage price volatility

Carbon Price Scenarios – CCGT Generation Costs (\$/MWh)



Source: Infigen Energy analysis

Historical & Futures Electricity Prices by Region (\$/MWh)



Source: ASX futures, 5 February 2018



Overview of Vestas O&M Service Agreements

Vestas has a track record of superior performance and will balance maximising production with optimising asset life

- Infigen has executed service and maintenance agreements (SMAs) with Vestas – Australian Wind Technology Pty Ltd (Vestas) for each of Infigen’s 6 operating wind farms
- The agreements cover 556.6 MW of installed capacity, comprising 256 turbines and covers the 3 stages of the Lake Bonney Wind Farm in South Australia, the Alinta Wind Farm in Western Australia and the Capital and Woodlawn wind farms in New South Wales
- Vestas will provide turbine maintenance services and replacement components for the turbines from 1 January 2018 for a period of between 7 and 15 years, depending on the wind farm
 - > Covers operating costs and maintenance capex
 - > Provides a high degree of visibility and certainty as to availability and cost to Infigen
- Minimum energy yield based turbine availability guarantees that run to the 20th year of operation of each wind farm
 - > Average remaining tenor of ~10 years¹
 - > Energy based availability incentivises Vestas to plan their work in periods of low wind
 - > Liquidated damages protect Infigen and create commercial incentives for Vestas
- SMAs involve production-linked variable turbine O&M fees
 - > Aligns Infigen’s costs with its revenues
 - > Incentives paid when outperformance is achieved
- SMAs have been structured with a modestly escalating price profile to broadly reflect the expected costs that will be incurred as the fleet ages

Key terms

- Services**
 - ✓ Scheduled & Unscheduled Turbine Maintenance
 - ✓ Scheduled Balance of Plant (BOP) Maintenance and Unscheduled BOP Maintenance at agreed service rates
- Service fees**
 - ✓ Components designed to achieve commercial outcomes
- Availability liquidated damages**
 - ✓ Payable where availability hurdle not met
- Performance bonus**
 - ✓ Payable where availability is greater than availability hurdle

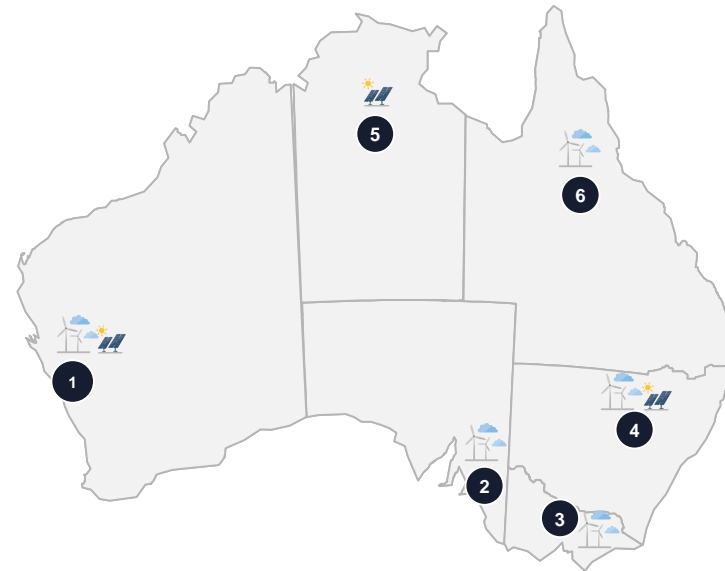
Wind farm	State	Operation start date	O&M contract end date	Wind farm capacity	# of turbines	Turbine type	Turbine rating
Lake Bonney 1	SA	Mar 2005	31 Dec 2024	80.5 MW	46	V66	1.75 MW
Alinta	WA	Jul 2006	31 Dec 2025	89.1 MW	54	NM82	1.65 MW
Lake Bonney 2	SA	Sep 2008	31 Dec 2027	159.0 MW	53	V90	3.0 MW
Lake Bonney 3	SA	Jul 2010	31 Dec 2029	39.0 MW	13	V90	3.0 MW
Capital	NSW	Jan 2010	31 Dec 2030	140.7 MW	67	S88	2.1 MW
Woodlawn	NSW	Oct 2011	31 Dec 2032	48.3 MW	23	S88	2.1 MW
Total				556.6 MW	256		

¹ Weighted average by nameplate capacity

Infigen’s Wind and Solar Development Pipeline

Infigen has a development pipeline comprising ~1,140 MW of projects (Infigen equity interests)

1	Western Australia	
	Approved wind projects ¹	~350 MW
	Approved solar projects ¹	~45 MW
	Total	~395 MW
2	South Australia	
	Approved wind projects	~450 MW
3	Victoria	
	Approved wind project	~55 MW
4	New South Wales	
	Approved wind projects	~230 MW
	Approved solar projects	~60 MW
	Total	~290 MW
5	Northern Territory	
	Solar projects (development approval in progress)	~22 MW
6	Queensland	
	Approved wind projects ²	~65 MW
	Solar projects (development approval in progress)	~165 MW
	Total	~230 MW



¹ Infigen has a 32% equity interest

² Infigen has a 50% equity interest

Infigen Delivers Firm Supply to Our C&I Contract Customers



Risk is managed through a combination of self generation, physical and firming strategies

The physical electricity market:

Users can draw electricity from the Grid provided electricity is available – source is not relevant.

Generators (including Infigen)



Electricity

Transmission & distribution network (Grid)



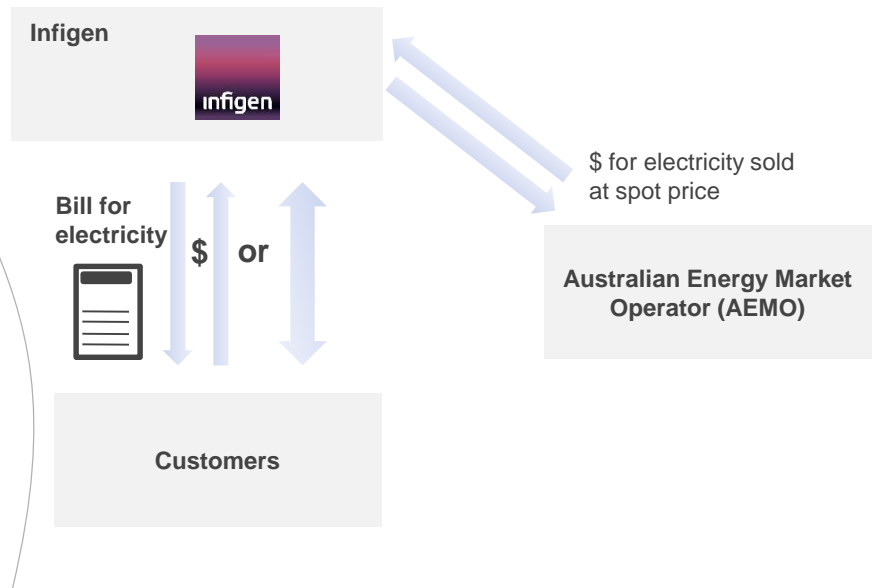
Electricity

Users



The financial electricity market:

Payment flows depend on whether Infigen is the retailer to the customer or has entered into a financial contract with the customer. In either case the economic outcome for Infigen is the same – that is it receives the contract price for electricity.



Managing Supply Risk – Common to All Retailers



- All suppliers of electricity (i.e. retailers) must manage the risk of having supply at a price at which it makes a profit. When Infigen produces energy it does so at its operating cost. If it does not have electricity when it must deliver it, it buys from AEMO at a spot price.
- Infigen's energy source is intermittent BUT it is predictable as historical results demonstrate.
- All retailers face the same issues regardless of their source of energy. Even baseload generation can fail leaving a retailer "short".
- Infigen can contract to deliver firm electricity to its customers because it manages its supply risk through three primary strategies:
 1. Self generation - 557 MW installed capacity, with a demonstrable track record
 2. Physical Firming Contracts with third parties
 3. Financial contracts with third parties

Bodangora Wind Farm



Key statistics

Capacity	113.2 MW
Annual output	~361 GWh
NSW households powered annually	49,000/year
Construction time	~18 months
Engineering, procurement and construction contract provider	GE and CATCON consortium
Wind turbine model	GE 3.43 MW
Operation and maintenance	20-year agreement with GE
Number of wind turbines	33
Construction facility amount	~\$163 million
Infigen net equity	~\$73 million
Facility tenor	17.5 years (including construction)
Contracted output	60% (electricity and LGCs)
Offtake party	EnergyAustralia
Greenhouse gas abatement	~8 million tonnes CO ₂ e
Direct community contributions	~\$3 million

The A\$ Institutional Loan Market

Emergence of A\$ Institutional Loan Market since 2015 – supported by institutional investors from Australia and Asia

Why did the market emerge?

- Supply / demand imbalance
- Basel-related regulatory changes applying to banks has resulted in reduced lending in the hybrid loan space (asset and / or corporate loans)
- Borrowers seek longer term and more flexible funding, particularly businesses in transition
- Australian dollar investors seek debt, rather than listed equities or unlisted investments to diversify portfolio

Types of investors

- Credit funds: large Australian institutional investors with global reach and global credit funds with Australian presence
- Commercial banks: Asian banks
- Super/Pension funds

Comparable transactions – 8 in last 3 years, including

- Ventia (2015)
- SAI Global (2016)
- LEAP InfoTrack (2017)
- Inova Pharmaceuticals (2017)
- Iron Mountain (2016)
- Froneri (2016)
- Craveable Brands (2017)

What makes this market attractive to borrowers?

- Substantial covenant flexibility – supports businesses in growth and transition
- No requirement for project financing style security. Such security is costly and time-consuming to implement; increases compliance and limits the capacity to operate a business as a portfolio. The A\$ Institutional Loan Market looks for corporate security packages
- No credit rating required
- Due diligence is more limited than a bank loan, which reduces time and cost
- Flexibility to add incremental facilities – support growth
- Capacity to refinance at a lower interest rate mid-term without adversely affecting swaps
 - > Respond to market conditions and business improvement as it transitions
- Provides institutional support for natural AUD borrowers from long term flexible capital
- An alternative to the US debt capital markets

The cost of financing

- Higher cost delivers flexibility regarding quantum, amortisation and covenants

Glossary



ASX	Australian Securities Exchange
BOP	Balance of plant
Capacity	The maximum power that a wind turbine generator was designed to produce
Capacity factor	A measure of the productivity of a wind turbine, calculated by the amount of power that a wind turbine produces over a set time period, divided by the amount of power that would have been produced if the turbine had been running at full capacity during that same time period.
Cf	Compared with
Compensated production	Compensated production is notional production that represents compensated revenue
Compensated revenue	Compensated revenue includes insurance proceeds and proceeds arising from compensation claims made against AEMO or maintenance service providers
Development pipeline	Infigen's prospective renewable energy projects that are in various stages of development prior to commencing construction. Stages of development include: landowner negotiations; wind and solar monitoring, project feasibility and investment evaluation; community consultation, cultural heritage assessment, environmental assessment; design, supplier negotiations and connection.
DWA	Dispatch weighted average. Price calculated as merchant electricity revenue divided by unhedged production
Earnings at Risk Analysis	Measuring potential changes in revenue in a given period having regard to relevant factors and varying degrees of confidence
EBITDA	Earnings before interest, tax, depreciation and amortisation
Emissions Guarantee	The obligation proposed in the National Energy Guarantee (13 October 2017) to be applied to retailers to supply energy at a certain emissions level
EPS	Earnings per security
FCAS	Frequency control ancillary services
GW / GWh	Gigawatt / Gigawatt hour
LGC	Large-scale Generation Certificate. The certificates are created by large-scale renewable energy generators and each certificate represents 1 MWh of generation from renewable resources.
Lost Time Injury Frequency Rate	Calculated as Lost Time Injuries multiplied by 1,000,000 divided by total hours worked

Glossary



LTM	Last twelve months
MW / MWh	Megawatt / Megawatt hour
NEM	National Electricity Market
Net debt / EBITDA	Net debt represents total debt minus cash and capitalised loan costs
N.m.	Not meaningful
O&M	Operations and maintenance
Pcp	Previous corresponding period
PPA	Power purchase agreement
Ppts	Percentage points
Quantitative Volumetric Hedging Limits	Maximum volume based trading limits, determined having regard to known historical generation profiles and a predictable seasonality of operating performance from the operating assets
Reliability Guarantee	The obligation proposed in the National Energy Guarantee (13 October 2017) to be applied to retailers to meet a percentage of their load requirements with flexible and dispatchable resources
SMA	Service and maintenance agreement
Strategic Portfolio Balancing	The targeted contract mix for Infigen's electricity and LGC sales between the channels to market as adjusted from time to time
Total Recordable Injury Frequency Rate	Calculated as the sum of recordable Lost Time Injuries and Medical Treatment Injuries multiplied by 1,000,000 divided by total hours worked
TWh	Terawatt hour
Underlying EBITDA	The Directors of Infigen consider Underlying EBITDA an important indicator of underlying performance noting it is a non-international financial reporting standard measure. To calculate Underlying EBITDA statutory EBITDA is adjusted to exclude certain significant non-cash and one-off items that are unrelated to the operating performance of Infigen.



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