

New Energy Solar

Completion of North Carolina (NC-31) Acquisition

New Energy Solar (**NES**) is pleased to announce that all remaining conditions precedent have been satisfied and it has completed its acquisition of a majority interest in the 43MW DC (34.2MW AC) solar project in Bladen County, North Carolina (**Project**) from VivoPower International PLC's (**VivoPower**) indirect, wholly-owned subsidiary, IS-31 Holdings, LLC.

As announced on 1 August 2016, NES' full investment was subject to the satisfaction of certain conditions including the Project reaching its Commercial Operations Date, which required certification of mechanical completion, connection to the North Carolina electrical system, satisfaction of certain testing criteria and readiness to sell power to Duke Energy Progress, Inc (**Duke**). These conditions were satisfied recently for the Project.

An affiliate of VivoPower has retained a minority interest and will provide management services to the Project under a management services agreement.

The Project resulted in approximately US\$22 million of economic impact in Bladen County over the course of 2016, notwithstanding that construction had to contend with Hurricane Matthew.

Tom Kline, Chief Executive Officer of NES commented, "NES is delighted its first North Carolina project is now operational and selling power under a long-term power purchase agreement with Duke. We are very pleased with our partnership with VivoPower and the project they have delivered. We look forward to continuing to work with VivoPower on this and other projects."

Dr. Philip Comberg, Chief Executive Officer of VivoPower, commented, "We are pleased to have completed the construction and transfer of the project to NES, bringing sustainable energy to thousands of households and contributing to further economic development in Bladen County. The completion of this project further establishes a successful track record for the VivoPower's build, transfer and operate model".

About New Energy Solar

NES is a sustainable investment fund initially focused on investing in large-scale solar farms. NES is an unlisted stapled entity consisting of New Energy Solar Fund (**Trust**) and New Energy Solar Limited (**Company**).

The Fund's objective is to help investors generate positive social impact alongside attractive financial returns through the combination of distributions from operating solar assets and growth through new acquisitions and developments in the solar and renewables sectors.

The Fund will focus on acquiring and maintaining a diversified portfolio of solar and renewable energy assets across the globe, with an initial focus on solar assets with contracted cash flows in the US, Australia, and select Asian markets. For more information, visit the New Energy Solar website: www.newenergysolar.com.au.

About VivoPower

VivoPower is a global next generation solar power company that operates a build, transfer and operate (**BTO**) model to establish an installed solar power asset base in a capital efficient manner. VivoPower does this by aggregating photovoltaic (**PV**) solar projects underpinned by long term power purchasing agreements and then arranges corporate and project financing, engineering design and equipment procurement and manages the construction and development of such solar PV projects for asset owners.

VivoPower intends to leverage this asset base to sell distributed generation power, and manage and provide power support services (encompassing operations, maintenance and optimization) and data driven energy services for commercial, industrial and government customers, pursuant to long term contracts with the asset owners so as to maximize the performance and value of their solar assets.

For further information please contact:

Tom Kline

T: 1300 454 801

Email: info@newenergysolar.com.au

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