



Joint venture to own Waterloo Wind Farm

May 14, 2013

EnergyAustralia today announced that it had reached a definitive agreement with infrastructure investment specialists, Palisade Investment Partners and Northleaf Capital Partners, who will now acquire a majority shareholding in the 111MW Waterloo wind farm, near Clare, South Australia. Under the Waterloo transaction, Palisade and Northleaf Capital Partners have acquired a 75% equity interest in the operational wind farm, simultaneously with a re-financing of the asset, realising total proceeds of AUD \$228 million for EnergyAustralia.

EnergyAustralia will retain a 25% equity interest in the wind farm and has signed a long-term contract with the jointly-owned entity to continue to provide asset management services and maintain its commitment to engagement with the local community.

EnergyAustralia will also continue to be a long term off-taker for both energy and Large-scale Generation Certificates produced by the wind farm. As an energy retailer, EnergyAustralia purchases these certificates in order to meet its obligations under the Renewable Energy Target Scheme.

In addition, EnergyAustralia and Palisade have signed a development partnership Memorandum of Understanding, paving the way for both partners to collaborate on new renewable energy projects to meet future increases in market demand.

EnergyAustralia Executive Manager Business Development, Ross Edwards, said the transaction would provide Palisade and Northleaf Capital Partners' investors with long-term returns and exposure to the burgeoning renewable infrastructure sector, including the potential for future expansion.

"This transaction enables EnergyAustralia to retain off-take arrangements for renewable energy and provide asset management services for Waterloo, while liberating capital to invest in future projects," he said.

Palisade Managing Director, Ian Mitchell, said a partnership with EnergyAustralia represented an exciting opportunity given the company's solid operations and development track record and its reputation as a leading national energy business.

"Palisade is looking forward to working alongside EnergyAustralia to continue the build out of our existing renewable energy and generation infrastructure portfolio in Australia," he said.

"Waterloo wind farm represents an exciting additional investment opportunity for our investors and we're encouraged by the pipeline of investment opportunities that EnergyAustralia has to offer.

"The Development Partnership with EnergyAustralia provides our investors with a unique opportunity to co invest alongside a leading, experienced energy player with significant operational and development expertise. The partnership also offers Palisade's investors with a path to invest meaningful sums in quality Australian infrastructure."



Jamie Storrow, Managing Director and co-head of Northleaf Capital Partner's infrastructure investment program, said the investment in Waterloo wind farm offers attractive, risk adjusted returns for investors with a projected asset lifespan of more than 25 years and access to contracted revenue through the offtake arrangements with EnergyAustralia.

"Direct investment in mature, low risk wind energy assets like the Waterloo wind farm is consistent with Northleaf Capital Partner's investment strategy and offers significant potential for stable, long-term returns," he said. "We look forward to maintaining a long-term partnership with EnergyAustralia."

The Waterloo wind farm consists of 37 Vestas V90-3.0MW turbines.

Participation in the joint venture also provides Palisade and Northleaf Capital Partners' investors with the option to participate in a planned 18MW expansion of the wind farm, currently being assessed for local government planning approval.

Asset-backed non-recourse financing for this transaction is being provided by a number of major domestic and international banks with the first tranche lasting for five years