



Australian energy market weekly round up

Climate Capital Pty Ltd

30 June 2017

Melbourne | Hobart | Perth



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Energy market news and announcements



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Energy market news

- **SA Government to announce 100MW storage tender winners.** The announcement is expected in the first week of July and will require winners to have installations complete by summer 2017/2018.
- **Cleanaway to double landfill gas generation capacity.** Cleanaway is adding four new modules to its existing Melbourne metropolitan landfills, capable of 74GW/annum of output.
- **CEFC invests AU\$20 million in WA lithium-tantalum mining project.** The investment is intended to support development of the lithium-ion battery supply chain in Australia.
- **Partners Group is considering stapled investment in SA wind farm.** The 122MW project, developed by Engie, is located 6km west of Hallet and will include 36 turbines.
- **Ararat Wind Farm officially opened on Wednesday.** The AU\$450 million development, which is contracted under the ACT's reverse auction, was the first wind project to be signed after the resolution of the RET in June 2015.
- **Energy Renaissance building 1GWh of manufacturing capacity in Darwin.** The facility will manufacturing 1GWh/annum of battery storage capacity and is expected to be operational in H2 CY18.
- **Nectar Farms to be world's first farm completely powered by renewable energy.** As part of its AU\$565 million expansion, Nectar's operations will be powered by a 196MW wind farm configured with a 20MW/34MWh lithium-ion battery storage system.

Movers and shakers

- **The Australian energy sector total returns index** continued its softening trend down by 2.43% as compared to a 1.85% reduction for the month of May. Both the ASX200 and MSCI world index posted modest gains of 0.5% and 0.4% respectively since May.
- **Traded volumes** across the index remained relatively unchanged to the prior week. Infigen Energy's 7 day average traded volumes were up 152% compared to the previous month following an earnings downgrade at the top of the week.
- Volumes were also up by over 600% for Tilt Renewables compared to the prior month on the back of the release of its annual report and announced annual output down by 39%.
- **Spot LGC prices** increased by 2.7% to \$78.30/MWh, pushing the spot price back towards May-17 average prices.
- **Daily average wholesale electricity prices** increased across the NEM, with South Australia posting a 40% increase from \$110.76/MWh as compared to \$78.88/MWh the prior week.
- Prices in Victoria and Tasmania also experienced a 28% and 27% increase to around \$100/MWh compared to the prior week following the unexpected shutdown of Esso-BHP Billiton's Marlin B platform in the Bass Strait.

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Listed domestic companies

Key highlights

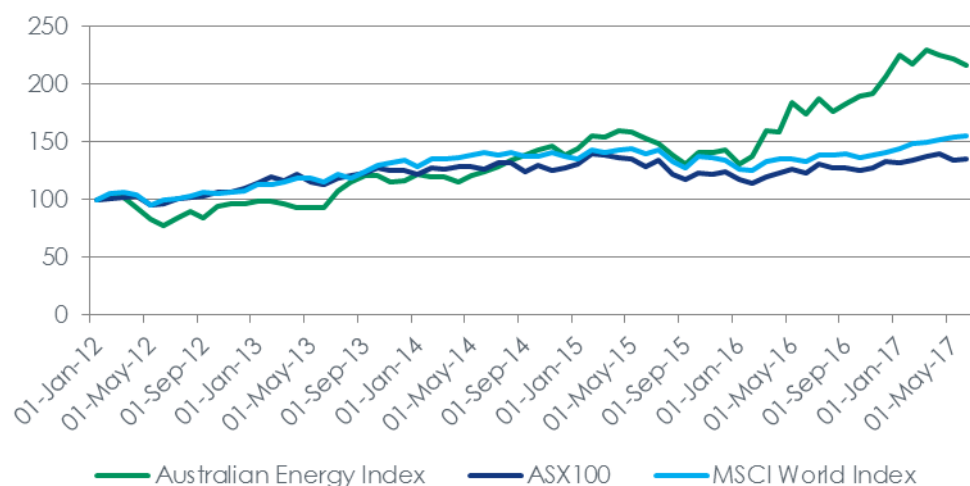
Listed domestic energy market stakeholders

Date: 29-Jun-17

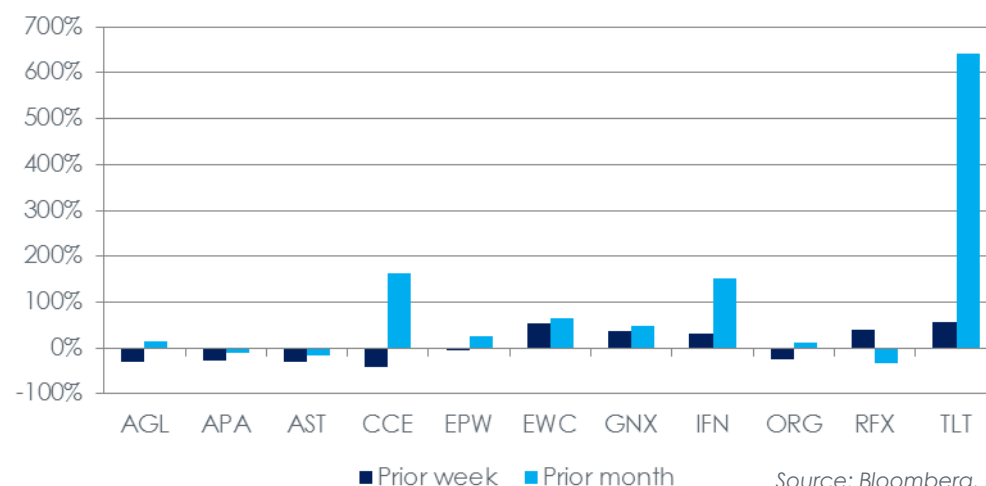
All dollar amounts are shown in AUD

Ticker	Name	Market Cap (\$m)	Price Change			Div. Yield (%)	Earnings per share (\$)		PE Ratio		EV/EBITDA		Net Debt EBITDA
			1Yr (%)	YTD (%)	1mo (%)		2016A	2017E	2016A	2017E	2016A	2017E	
AGL AU Equity	AGL ENERGY LTD	17,127.99	32.56	15.75	-2.96	3.43	1.18	1.47	48.1x	17.8x	16.1x	9.4x	2.2x
APA AU Equity	APA GROUP	10,363.06	-0.76	7.00	-4.28	4.80	0.21	0.24	47.2x	38.8x	14.2x	13.3x	6.8x
AST AU Equity	AUSNET SERVICES	6,426.46	7.01	11.07	2.95	5.21	0.07	0.07	24.9x	25.4x	11.8x	11.4x	5.9x
CCE AU Equity	CARNEGIE CLEAN ENERGY LTD	148.17	78.79	-3.28	1.72	n/a	n/a	n/a	n/a	n/a	73.1x	n/a	-1.4x
EPW AU Equity	ERM POWER LTD	313.36	44.05	-5.84	-0.41	5.79	-0.08	0.06	64.3x	21.8x	2.1x	2.6x	-0.5x
EW C AU Equity	ENERGY WORLD CORP LTD	685.00	110.81	50.00	-1.27	n/a	n/a	n/a	22.1x	n/a	10.2x	n/a	4.4x
GNX AU Equity	GENEX POWER LTD	69.07	56.71	7.96	14.29	n/a	-0.01	-0.01	n/a	n/a	n/a	58.2x	n/a
IFN AU Equity	INFIGEN ENERGY	712.69	-25.09	-16.35	-15.71	0.00	0.03	0.05	11.1x	16.7x	8.7x	8.8x	3.9x
ORG AU Equity	ORIGIN ENERGY LTD	11,988.32	17.39	2.43	-12.34	0.00	0.31	0.57	n/a	12.0x	n/a	7.0x	n/a
RFX AU Equity	REDFLOW LTD	59.22	-71.30	-43.10	-10.81	n/a	-0.03	0.00	n/a	n/a	n/a	612.2x	n/a
TLT NZ Equity	TILT RENEWABLES LTD	624.50	n/a	6.19	-1.44	3.11	0.03	0.07	37.8x	30.4x	8.8x	9.0x	4.1x
Mean		4,410.71	25.02	2.89	-2.75	3.19	0.19	0.28	36.5x	23.3x	18.1x	81.3x	3.2x
Median		685.00	24.97	6.19	-1.44	3.43	0.03	0.07	37.8x	21.8x	11.0x	9.4x	4.0x

Australian energy sector index total returns over time



7 day average trade volume change (%)



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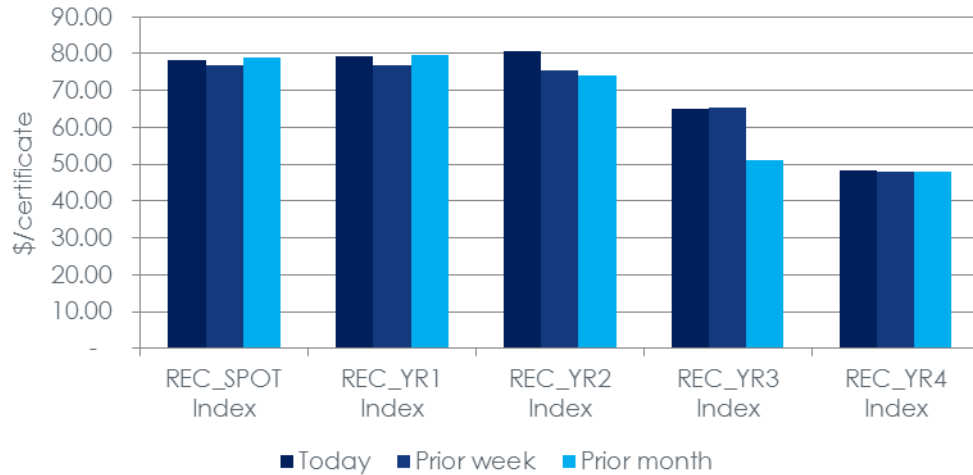


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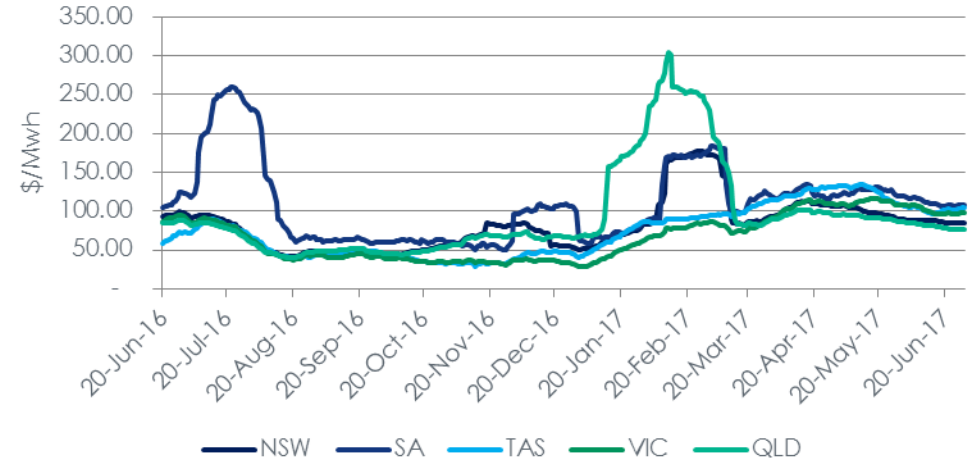
Energy markets

Key highlights

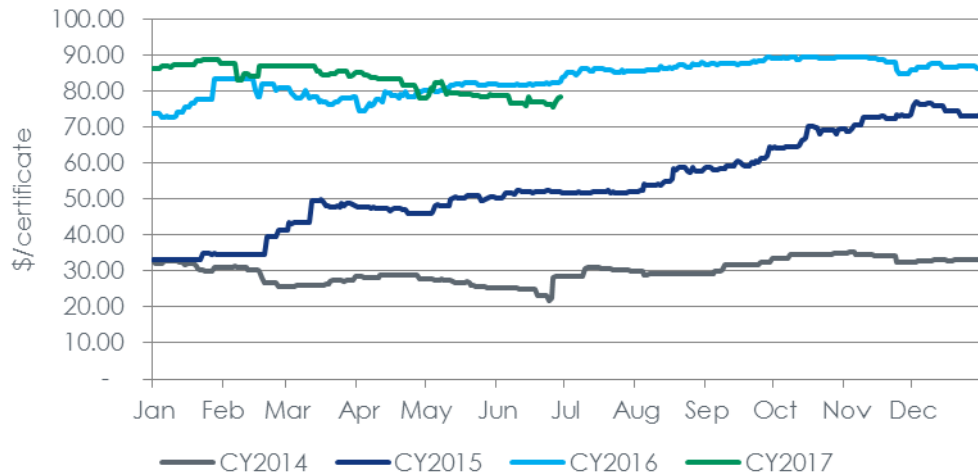
LGC prices



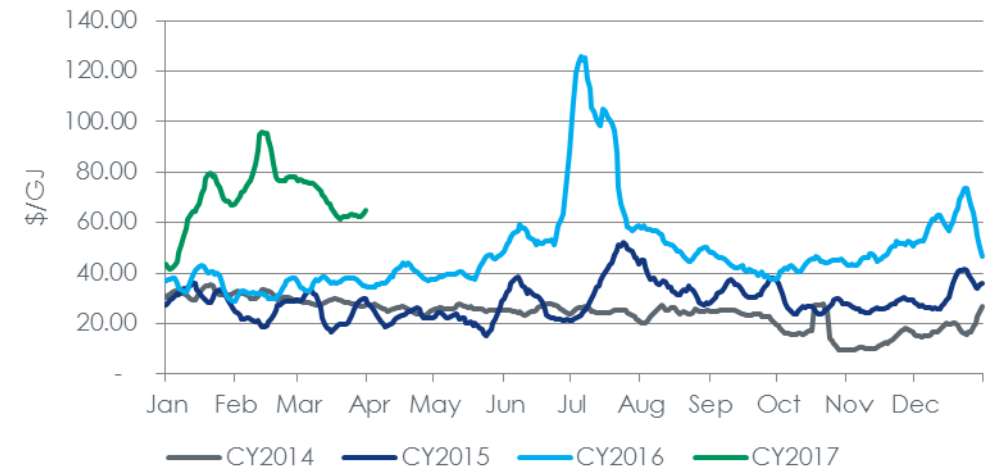
30 day average electricity price



LGC spot price over time



Gas STTM cumulative price (ADL, BRIS, SYD avg.)



Source: AEMO, Bloomberg, LLP

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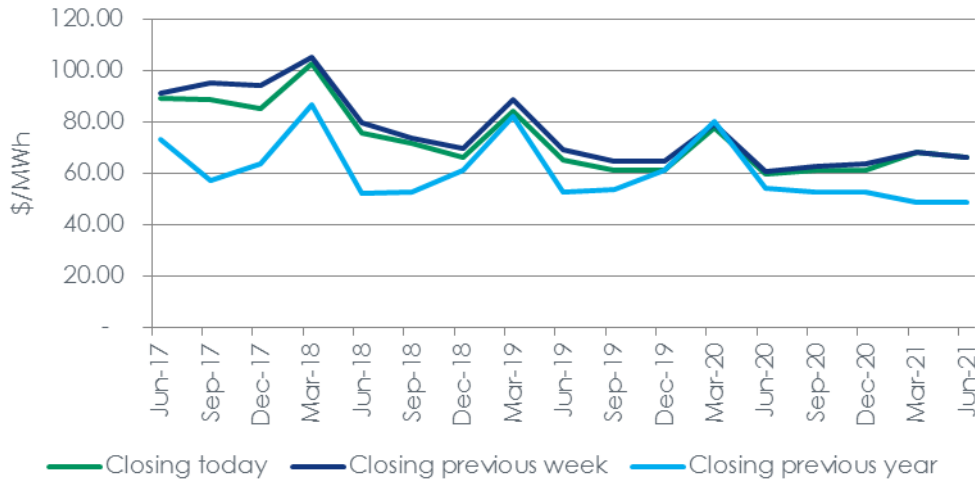


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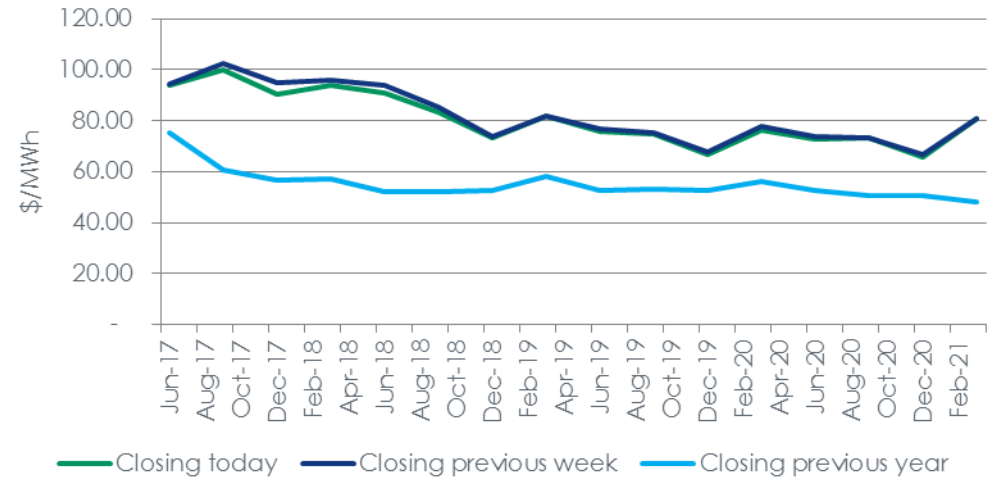
Energy futures markets

Key highlights

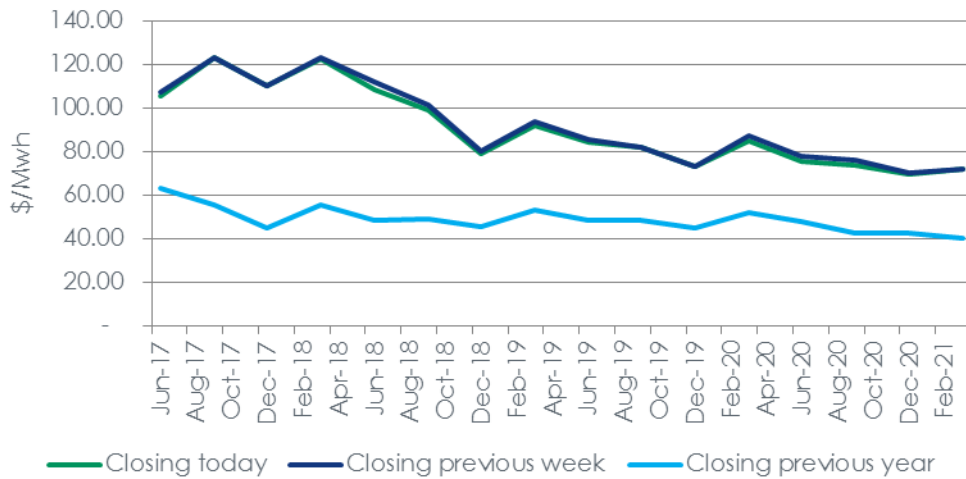
QLD baseload futures



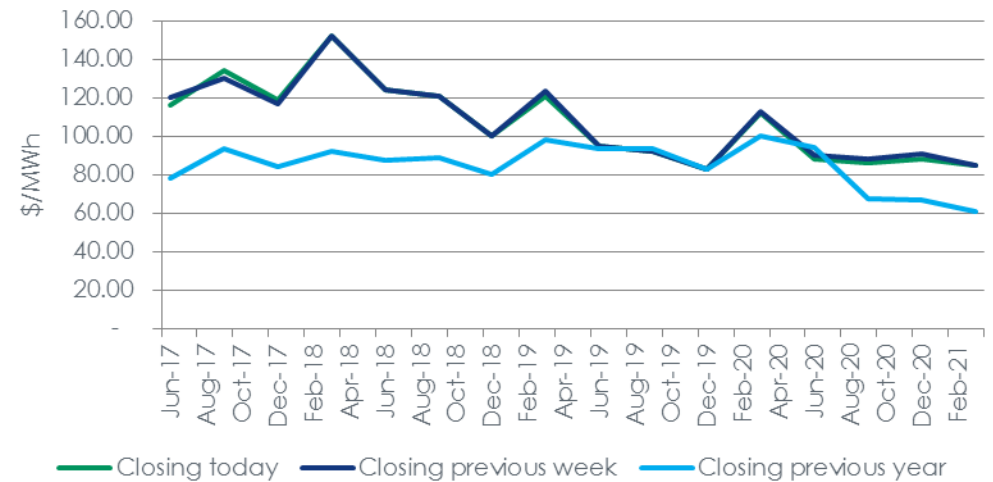
NSW baseload futures



VIC baseload futures



SA baseload futures



Source: AEMO, Bloomberg, LLP



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About Climate Capital

Climate Capital is a developer and advisor specialising in renewable energy generation development and investment. Climate Capital provides an end-to-end offering to renewable energy investors from its experienced team of project developers, economic and corporate finance advisors and asset managers.

Climate Capital's team has developed in excess of 1,700MW of generation capacity in Australia. Its team has overseen the successful deployment of nearly AU\$2 billion of development capital and managed AU\$320 million in equity investments in operating domestic renewables projects.

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Peloton's subsidiary companies have provided corporate advisory consulting services to the agriculture, energy, infrastructure, transport and Government business sectors for up to 10 years