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THE INFORMATION CONTAINED WITHIN THIS ANNOUNCEMENT CONSTITUTES INSIDE INFORMATION.

15 July 2016

NextEnergy Solar Fund Limited ("NESF" or the "Company")

Net Asset Value Update and Proposed Tap Issuance Programme

Highlights

- Net asset value ("**NAV**") as at 30 June 2016 of £283.1m (31 March 2016: £273.8m).
- NAV per share as at 30 June 2016 increased to 101.9p (31 March 2016: 98.5p). After adjusting for the second interim dividend for the year ended 31 March 2016 of 3.125p per share payable on 22 July 2016 to shareholders on register at 8 July 2016, the NAV per share as at 30 June 2016 was 98.7p (31 March 2016: 95.4p).
- Increase in NAV was principally driven by uplift in power price forecasts from 2017 onwards as well as NESF's operating results over the period.
- Uplift in power price forecasts reflects recent increase in forward power prices, and incorporates an increase until 2022, with forecasts thereafter remaining largely unchanged from previous estimates.
- Proposed Tap Issuance Programme of up to 54,885,000 New Shares (as defined below), equivalent to 19.7% of NESF's existing voting share capital (which excludes 30,850,000 shares currently held in treasury), to respond to market demand.
- In response to interest from existing and new investors, first Tap Issue (as defined below), to be conducted by way of a bookbuilding process to qualifying existing and new investors, now open:
 - Issue price of 100.4p per New Share, equivalent to a premium of 1.75% to the NAV per share of 98.7p per share as at 30 June 2016 (after adjusting for second interim dividend for year ended 31 March 2016).

- New Shares issued pursuant to first Tap Issue will receive first quarterly dividend for year ending 31 March 2017, which is expected to be 1.575p per share and payable in September 2016.

Kevin Lyon, chairman of NESF, said "Operating progress has been very positive over the quarter, with asset management alpha of 4.3% over the period and as we on-board recent acquisitions and focus on portfolio performance. In addition, we have observed a significant increase in power prices, both short- and medium-term, since late April, and are integrating these market developments into our power price forecasts.

I am pleased that there has been investor interest in supporting the Company's further expansion, as we seek to take advantage of the attractive acquisition opportunities we have identified."

NAV Update

The Board is pleased to announce the unaudited NAV per share as at 30 June 2016 of 101.9p (31 March 2016: 98.5p). The Company's NAV as at 30 June 2016 was £283.1 million (31 March 2016: £273.8m).

The increase in NAV over the past quarter has been principally driven by the increase in power price forecasts and the operating results achieved over the three months ended 30 June 2016.

The Company observed an upturn in UK power prices starting in late April, with short- and medium-term forward prices (both for summer and winter contracts) rising significantly. In addition, the UK gas prices (across the duration curve) have also increased significantly over the period. As a result of these market movements, the Company integrated an uplift in power prices into its NAV calculation, having taken into account its portfolio of power purchase agreements. The increment is limited to the period from 2017 to 2022, with power prices thereafter expected to remain largely unchanged. The Company's power price estimates for the period 2017 to 2022 have increased by an average of £3.40 per MWh (an increase of 7.9% of the previous average price estimated over that period).

Operating performance was very positive. During the period, energy generation was 0.7% above budget while irradiation across the portfolio was 3.6% below expectations due to unfavourable weather conditions in June. Asset management alpha on that basis amounted to 4.3% over the period.

Background to the Tap Issuance Programme and Use of Proceeds

At 30 June 2016, the Company's portfolio comprised 33 assets amounting to 414MW installed solar capacity and invested capital of £481.0m. The Company's total financial debt at 30 June 2016 was £216.1m (on a pro-forma look-through basis including project level debt), of which £99.9m was long-term fully amortising debt and the balance of £116.2m was drawn under the Company's short-term credit facilities, and was equivalent to 43.4% of its gross asset value at that date. On 8 July, the Company announced the refinancing of its £22.7m short-term debt facility with NIBC Bank N.V., repaying £1.0m in principal and extending the maturity on the balance to June 2019.

The Company currently has a substantial pipeline of acquisition targets and further growth opportunities under consideration which the Company's investment manager believes are available at valuations which are both attractive and consistent with the Company's investment objective and dividend target.

While the medium- and long-term effects of the Brexit referendum are as yet unknown, the Directors believe the Company may benefit from, amongst others, a lower interest rate environment and investors may also be increasingly attracted to the Company's sole focus on operating solar projects in the UK as they seek infrastructure assets demonstrating long-term low-volatility attributes and with limited correlation to the financial performance of other asset classes in the UK.

Accordingly, the Directors believe that the risk-return characteristics of an investment in the Company remain compelling and are reflected in the Company's closing share price on 14 July 2016 of 102.5p, which was equivalent to a premium of 3.9% to the NAV per share of 98.7p per share as at 30 June 2016 (after adjusting for second interim dividend for year ended 31 March 2016 of 3.125p per share payable on 22 July 2016 to shareholders on the register at 8 July 2016).

The Company currently has flexibility to raise additional equity capital in an efficient and cost-effective manner by selling, on a non-pre-emptive basis, the 30,850,000 ordinary shares currently held in treasury by the Company pursuant to the general authority granted at the extraordinary general meeting of the Company held on 30 November 2015 and issuing up to a further 24,035,000 new ordinary shares pursuant to the general authority granted at the annual general meeting of the Company held on 19 June 2015 (such treasury shares and new shares being collectively the "**New Shares**"). Accordingly, the Directors have decided to take advantage of this flexibility to introduce a non-pre-emptive tap issuance programme to issue 54,885,000 New Shares (the "**Tap Issuance Programme**") in response to market demand and to invest the net proceeds of each issue of New Shares pursuant to the Tap Issuance Programme (each issue being a "**Tap Issue**") in accordance with the Company's investment policy.

Further Details of the Tap Issuance Programme

The maximum number of New Shares available under the Tap Issuance Programme is currently 54,885,000, equivalent to 19.7% of NESF's existing voting share capital (which excludes the shares currently held in treasury). The Directors are seeking to renew the general authority to issue new shares on a non-pre-emptive basis at the annual general meeting to be held on 24 August 2016. Accordingly, the Directors reserve the right to increase the maximum number of New Shares available under the Tap Issuance Programme following that meeting to such number of New Shares as may be issued without the Company being required to publish a prospectus. Any such increase will be notified to investors by the Company making an announcement via a regulatory information service.

Under the Tap Issuance Programme, the Directors intend first to sell the ordinary shares currently held in treasury by the Company and then to issue new ordinary shares pursuant to the general authority granted at the Company's annual general meeting in 2015 or 2016 (as appropriate).

The New Shares issued pursuant to each Tap Issue will be subject to the Company's memorandum and articles of incorporation and credited as fully paid and will rank *pari passu* in all respects with the existing issued ordinary shares in the capital of the Company, including the right to receive all dividends and other distributions declared, made or paid on or in respect of such ordinary shares by reference to a record date falling after the date of issue of the New Shares. New Shares will only be issued pursuant to the Tap Issuance Programme at a premium to NAV (after costs of the relevant Tap Issue) and, accordingly, will not be NAV-dilutive for existing shareholders.

Cantor Fitzgerald Europe ("**Cantor Fitzgerald**"), Fidante Capital ("**Fidante Capital**"), Macquarie Capital (Europe) Limited ("**Macquarie Capital**") and Shore Capital Stockbrokers Limited and Shore Capital And Corporate Limited (together, "**Shore Capital**") (collectively, the "**Joint Bookrunners**") have been appointed as joint bookrunners in respect of the Tap Issuance Programme pursuant to an agreement entered between the Company and the Joint Bookrunners dated 15 July 2016 (the "**Tap Issuance Agreement**").

The decision to proceed with a Tap Issue, and the number of New Shares to be issued pursuant to a Tap Issue, shall be at the absolute discretion of the Company.

The ordinary shares currently held in treasury by the Company and sold pursuant to the Tap Issuance Programme have already been admitted to the premium listing segment of the Official List (the "**Official List**") of the Financial Conduct Authority (the "**FCA**") and to trading on the main market for listed securities of London Stock Exchange plc. Applications will be made for the new ordinary shares issued pursuant to the Tap Issuance Programme to be admitted to the premium listing segment of the Official List of the FCA and to trading on the main market for listed securities of London Stock Exchange plc with effect from the relevant settlement date (together, "**Admission**"). Tap Issues will be conditional upon the Tap Issuance Agreement not being terminated.

*(Note: Unless the context otherwise requires, references in this announcement, including the appendices to it, (collectively, the "**Announcement**") to issuing New Shares, and similar expressions, are deemed to include references to selling New Shares that are currently held in treasury pursuant to a Tap Issue.)*

First Tap Issue

The Directors announce the first Tap Issue, to be conducted by way of a bookbuilding process to qualifying existing and new investors, at a price of 100.4p per New Share (the "**Issue Price**"), equivalent to:

- a premium of 1.75% to the NAV per share of 98.7p per share as at 30 June 2016 after adjusting for the second interim dividend for the year ended 31 March 2016 of 3.125p per share payable on 22 July 2016 to shareholders on the register at 8 July 2016; and
- a discount of 2.0% to the closing share price on 14 July 2016 of 102.5p.

The New Shares issued pursuant to the first Tap Issue will receive the first quarterly dividend for the year ending 31 March 2017, to be announced by the Company in August 2016 and payable in September 2016.

The timetable for the first Tap Issue is as follows:

Bookbuild commences	Friday, 15 July 2016
Bookbuild closes	3.00 p.m. on Thursday, 21 July 2016
Trade date	Thursday, 21 July 2016
Result of first Tap Issue announced	Friday, 22 July 2016
Settlement date	Wednesday, 27 July 2016

(Note: The dates and times set out above elsewhere in this Announcement are subject to change and may be extended or brought forward by the Company (with the agreement of the Joint Bookrunners). Any such change will be notified to investors by the Company making an announcement via a regulatory information service.)

To participate in the first Tap Issue, investors should communicate their bid by telephone to their usual contact at Cantor Fitzgerald, Fidante Capital, Macquarie Capital or Shore Capital.

The Joint Bookrunners may choose to accept participants' applications, either in whole or in part, on the basis of allocations determined in agreement with the Company, and may scale down any application for this purpose on such basis as the Company and the Joint Bookrunners decide.

The first Tap Issue is subject to the terms and conditions set out in appendix 1 of this Announcement.

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Important Notices

This announcement has been issued by and is the sole responsibility of the Company.

Each of Cantor Fitzgerald, Fidante Capital, Macquarie Capital or Shore Capital is authorised and regulated in the United Kingdom by the FCA and acting as a joint bookrunner for the Company in connection with the matters described in this Announcement. Persons receiving this Announcement should note that none of Cantor Fitzgerald, Fidante Capital, Macquarie Capital or Shore Capital will be responsible to anyone other than the Company for providing the protections afforded to customers of Cantor Fitzgerald, Fidante Capital, Macquarie Capital or Shore Capital, or for advising any other person on the arrangements described in this Announcement.

None of Cantor Fitzgerald, Fidante Capital, Macquarie Capital or Shore Capital has authorised the contents of, or any part of, this Announcement and no liability whatsoever is accepted by any of Cantor Fitzgerald, Fidante Capital, Macquarie Capital or Shore Capital for the accuracy of any information or opinions contained in this Announcement or for the omission of any information. No representation or warranty, express or implied, is made by Cantor Fitzgerald, Fidante Capital, Macquarie Capital or

Shore Capital as to the accuracy, completeness or verification of the information set out in this Announcement, and nothing contained in this Announcement is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. Accordingly, each disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Announcement or any such statement.

If you are in any doubt about the contents of this Announcement you should consult your accountant, legal or professional adviser or financial adviser. It should be remembered that the price of securities and the income from them can go down as well as up and past performance cannot be relied on as an indicator of future performance.

Tap Issues will only be available to investors who are resident in the United Kingdom, Ireland, the Netherlands or Sweden. Members of the public are not invited to participate in and are not eligible to take part in the Tap Issues.

In the UK, participation in the Tap Issues is limited at all times to persons who are:

- (i) investment professionals within the meaning of paragraph (5) of Article 19, certified high net worth individuals within the meaning of paragraph (2) of Article 48 or high net worth companies or unincorporated associations within the meaning of paragraph (2) of Article 49, of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI 2005/1529); and
- (ii) qualified investors within the meaning of section 86(7) of Financial Services and Markets Act 2000 ("**FSMA**");

(all such persons together being referred to as "**relevant persons**"). Any person who is not a relevant person should not act or rely on this Announcement or any of its contents. Any investment, or investment activity to which this Announcement relates, is available only in the United Kingdom to relevant persons and will be engaged in only with relevant persons. By receiving this Announcement, you are deemed to warrant to the Company and each of the Joint Bookrunners that you fall within the categories of person described above. No New Shares have been offered or sold, or will be offered or sold, to persons in the United Kingdom prior to publication of this Announcement except in circumstances which have not resulted in an offer to the public in the United Kingdom within the meaning of section 102B of FSMA. This Announcement is only addressed to, and the Tap Issues are, and will be, only directed at, persons in member states of the European Economic Area ("**EEA**") who are "qualified investors" within the meaning of Article 2(1) (e) of the Prospectus Directive ("**Qualified Investors**"). This Announcement must not be acted on or relied upon in any member state of the EEA, by persons who are not Qualified Investors. Any investment or investment activity to which this Announcement relates is available, in any member state of the EEA, only to Qualified Investors, and will be engaged in only with such persons. This Announcement has been prepared on the basis that all offers of New Shares will be made pursuant to any exemption under the Prospectus Directive, as implemented in member states of the EEA, from the requirement to produce a prospectus for offers of New Shares. Accordingly, any person making or intending to make any offer within the EEA of or for New Shares of the Company which are not the subject of the Tap Issuance Programme contemplated in this Announcement should only do so in circumstances in which no obligation arises for the Company, Cantor Fitzgerald, Fidante Capital, Macquarie Capital or Shore Capital to produce a prospectus for such offer. None of the Company, Cantor Fitzgerald, Fidante Capital, Macquarie Capital or Shore Capital has authorised, nor do they authorise, the making of any offer of New Shares of the Company through any financial intermediary, other than offers made by Cantor Fitzgerald, Fidante

Capital, Macquarie Capital or Shore Capital which constitute the final placement of New Shares contemplated in this Announcement.

In the case of any New Shares being offered to a financial intermediary (as that term is used and defined in section 86(7) of FSMA), such financial intermediary will also be deemed to have represented, acknowledged and agreed that the New Shares acquired by it in any Tap Issue have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any New Shares to the public other than their offer or resale in a relevant member state to Qualified Investors or in circumstances in which the prior consent of the Company, Cantor Fitzgerald, Fidante Capital, Macquarie Capital and Shore Capital has been obtained to each such proposed offer or resale. Each of the Company, Cantor Fitzgerald, Fidante Capital, Macquarie Capital and Shore Capital and their respective affiliates will rely on the truth and accuracy of the foregoing representation, acknowledgement and agreement.

This Announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any New Shares:

- (i) in any jurisdiction in which such offer, invitation or solicitation is not authorised;
- (ii) in any jurisdiction in which the person making such offer, invitation or solicitation is not qualified to do so; or
- (iii) to any person to whom it is unlawful to make such offer, invitation or solicitation or invitation.

The distribution of this Announcement and the offer of the New Shares may be restricted by law. Persons into whose possession this Announcement comes must therefore inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, this Announcement may not be distributed, forwarded to or transmitted in, into or from the United States, Australia, Canada, Japan, South Africa, or any member state of the EEA (other than the United Kingdom, Ireland, the Netherlands and Sweden) or to any US Person. Any person within the United States and any US Person who obtains a copy of this Announcement must disregard it. No public offering of the New Shares is being made in any jurisdiction. No action has been or will be taken by the Company, Cantor Fitzgerald, Fidante Capital, Macquarie Capital or Shore Capital that would permit the offer of New Shares or possession or distribution of this Announcement in any jurisdiction where action for that purpose is required.

No offering document or prospectus has been, or will be, submitted to be approved by the FCA in relation to the Tap Issuance Programme or any Tap Issue and investors' commitments to participate in the first Tap Issue will be made solely on the basis of the information contained in this Announcement. Investors should not consider any information in this Announcement to be legal, tax or business advice.

All statements in this Announcement other than statements of historical fact are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements may be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the Announcement and include statements regarding the intentions, beliefs or current expectations of the Company and/or Directors concerning, among other things, the performance, results of operations, financial condition, liquidity, prospects and dividend policy of the Company. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements

are not guarantees of future performance. The Company's actual performance, result of operations, financial condition, liquidity and dividend policy may differ materially from the impression created by the forward-looking statements contained in this Announcement. In addition, even if the performance, results of statements contained in this Announcement, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to: changes in economic conditions generally; changes in interest rates; impairments in the value of the Company's assets; legislative/regulatory changes; changes in taxation regimes; the availability and cost of capital for future expenditure; the availability of suitable financing. Prospective investors should specifically consider the factors identified in this Announcement which could cause actual results to differ before making an investment decision.

NESF has raised equity proceeds of £285.4m since its initial public offering on the main market of the London Stock Exchange in April 2014. It also has credit facilities of £241.6m in place (Macquarie Bank Limited and Santander: £120m; MIDIS: £55.0m; Bayerische Landesbank: £44.9m; NIBC Bank B.V.: £21.7m).

Appendix 1 - Terms and Conditions of the First Tap Issue

In this Announcement, unless the context otherwise requires, "**Participating Investor**" means a person (including individuals, funds or others) on whose behalf a commitment to acquire New Shares has been given.

1. Introduction

- 1.1 Each Participating Investor which confirms its agreement to the Company and/or Cantor Fitzgerald and/or Fidante Capital and/or Macquarie Capital and/or Shore Capital to acquire New Shares pursuant to the Tap Issue will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.2 The Company and/or Cantor Fitzgerald and/or Fidante Capital and/or Macquarie Capital and/or Shore Capital may require any Participating Investor to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as they (in their absolute discretion) see fit and/or may require any such Participating Investor to execute a separate placing letter.

2. Agreement to subscribe for New Shares

Conditional on:

- (i) Admission of any New Shares to be issued pursuant to the first Tap Issue occurring and becoming effective by 8.00 a.m. on 27 July 2016 (or such later time and/or date, not being later than 8.00 a.m. on 4 August 2016, as the Company and the Joint Bookrunners may agree) (the "**Settlement Date**");
- (ii) the Tap Issuance Agreement being otherwise unconditional in all respects in respect of the first Tap Issue and not having been terminated on or before the Settlement Date, a Participating Investor agrees to become a member of the Company and agrees to acquire those New Shares allocated to it pursuant to the Tap Issuance Programme at the Issue Price.

To the fullest extent permitted by law, each Participating Investor acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Participating Investor may have.

3. Payment for New Shares

- 3.1 Each Participating Investor must pay the Issue Price for the New Shares acquired by the Participating Investor in the manner and by the time directed by relevant Joint Bookrunner. If any Participating Investor fails to pay as so directed and/or by the time required, the relevant Participating Investor's application for New Shares may, at the discretion of the Joint Bookrunners, either be rejected or accepted and, in the latter case, paragraph 3.2 of these terms and conditions shall apply.
- 3.2 Each Participating Investor is deemed to agree that if it does not comply with its obligation to pay the relevant Issue Price for the New Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and the Joint Bookrunners elect to accept that Participating Investor's application, Cantor Fitzgerald, Fidante Capital, Macquarie Capital or Shore Capital (as appropriate) may sell all or any of the New Shares allocated to the Participating Investor on such Participating Investor's behalf and retain from the proceeds, for their own account and profit, an amount equal to the aggregate amount owed by the Participating Investor plus any interest due. However, the Participating Investor will remain liable for any shortfall below the

aggregate amount owed by such Participating Investor and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such New Shares on such Participating Investor's behalf.

4. Representations and Warranties

By agreeing to acquire New Shares pursuant to the Tap Issue, each Participating Investor which enters into a commitment to acquire New Shares will (for itself and any person(s) procured by it to acquire New Shares and any nominee(s) for any such person(s)) be deemed to represent and warrant to each of the Company, NextEnergy Capital IM Limited (the "**Investment Manager**"), NextEnergy Capital Limited (the "**Investment Adviser**"), Cantor Fitzgerald, Fidante Capital, Macquarie Capital, Shore Capital and Pershing Securities Limited ("**PSL**") (acting as the settlement agent of Fidante Capital in connection with the Tap Issuance Programme) that:

- (i) (a) it is relying solely on this Announcement and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Tap Issuance Programme or the Tap Issue, (b) it agrees that none of the Company, the Investment Manager, the Investment Adviser, any of the Joint Bookrunners, PSL or the Company's registrar (the "**Registrar**"), nor any of their respective affiliates, officers, employees or agents, will have any liability for any other information or representation and (c) it irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- (ii) it has read this Announcement in its entirety and that its acquisition of New Shares is subject to the Company's articles of incorporation (the "**Articles**") and the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Announcement and undertakes not to redistribute or duplicate this Announcement;
- (iii) the content of this Announcement is exclusively the responsibility of the Company and its Directors and none of the Joint Bookrunners, PSL or any person acting on their respective behalf nor any of their respective affiliates are responsible for or shall have any liability for any information, representation or statement contained in this Announcement or any information published by or on behalf of the Company and will not be liable for any decision by a Participating Investor to participate in the Tap Issue based on any information, representation or statement contained in this Announcement or otherwise;
- (iv) it acknowledges that no offering document or prospectus has been prepared in connection with the Tap Issue and represents and warrants that it has not received and will not receive a prospectus or other offering document in connection therewith;
- (v) it acknowledges that (a) none of the Company, the Joint Bookrunners, PSL or any of their respective affiliates or any person acting on behalf of any of them has provided, and will not provide it, with any material regarding the Company or the New Shares other than this Announcement and (b) it has not requested any of the Company, the Joint Bookrunners, PSL, any of their respective affiliates or any person acting on behalf of any of them to provide it with any such information;
- (vi) it has not relied on any of the Joint Bookrunners, PSL or any person affiliated with any of them in connection with any investigation of the accuracy of any information contained in this Announcement;
- (vii) it acknowledges that no person is authorised in connection with the Tap Issue to give any information or make any representation other than as contained in this Announcement and, if

- given or made, any information or representation must not be relied upon as having been authorised by the Company, the Investment Manager, the Investment Adviser, any of the Joint Bookrunners or PSL;
- (viii) represents and warrants that, save for the inside information disclosed in this announcement, it has neither received nor relied on any inside information (as defined in section 118C of FSMA) in connection with the Tap Issue;
 - (ix) it is entitled to acquire the New Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the New Shares and that it has not taken any action, or omitted to take any action, which may result in any of the Company, the Manager, the Investment Adviser, the Joint Bookrunners, PSL or their respective directors, partners, officers, employees, agents and advisers being in breach of the laws of any jurisdiction in connection with the Tap Issuance Programme or its acceptance of participation in the Placing Programme;
 - (x) it acknowledges that, where it is acquiring New Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (a) to acquire the New Shares for each such account; (b) to make on each such account's behalf the representations, warranties and agreements set out in this Announcement; and (c) to receive on behalf of each such account any documentation relating to the Tap Issue in the form provided by the Company and/or any of the Joint Bookrunners (and it agrees that this sub-paragraph (x) shall survive any resale of the New Shares by or on behalf of any such account);
 - (xi) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for New Shares pursuant to the Tap Issue, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in any of the Company, the Investment Manager, the Investment Adviser, the Joint Bookrunners, PSL or the Registrar or any of their respective affiliates, officers, employees or agents acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Tap Issue;
 - (xii) it accepts that none of the New Shares has been or will be registered under the laws of the United States, Australia, Canada, Japan or South Africa and, accordingly, the New Shares may not be offered, sold, issued or delivered, directly or indirectly, within any of United States, Australia, Canada, Japan or South Africa unless an exemption from any registration requirement is available;
 - (xiii) it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Announcement or any other offering materials concerning the Tap Issue or the New Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing;
 - (xiv) it represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading "United States Purchase and Transfer Restrictions" in paragraph 5 below;
 - (xv) if it is within the United Kingdom, it is a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or it is a

- person to whom the New Shares may otherwise lawfully be offered under such Order or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, it is a person to whom the New Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- (xvi) if it is a resident in the EEA (other than the United Kingdom), (a) it is a qualified investor within the meaning of the law in the relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of Directive 2003/71/EC and (b) if that relevant Member State has implemented the AIFM Directive, that it is a person to whom the New Shares may lawfully be marketed under the AIFM Directive or under the applicable implementing legislation (if any) of that relevant Member State;
 - (xvii) in the case of any New Shares acquired by a Participating Investor as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, (a) the New Shares acquired by it in the Tap Issue have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive 2010/73/EU, or in circumstances in which the prior consent of the Joint Bookrunners has been given to the offer or resale or (b) where New Shares have been acquired by it on behalf of persons in any relevant Member State other than qualified investors, the offer of those New Shares to it is not treated under the Prospectus Directive as having been made to such persons;
 - (xviii) if it is outside the United Kingdom, neither this Announcement nor any other offering, marketing or other material in connection with the Tap Issue constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to acquire or subscribe for New Shares pursuant to the Tap Issue unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and New Shares could lawfully be distributed to and acquired or subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
 - (xix) it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the New Shares and it is not acting on a non-discretionary basis for any such person;
 - (xx) it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services);
 - (xxi) if the Participating Investor is a natural person, such Participating Investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such Participating Investor's agreement to acquire New Shares pursuant to the Tap Issue and will not be any such person on the date any such agreement to acquire pursuant to the Tap Issue is accepted;
 - (xxii) in connection with its participation in the Tap Issue it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering ("**Money Laundering Legislation**") and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied and, in addition, it warrants that it is a person: (a) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; (b) subject to the

- Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing) (the "**Money Laundering Directive**"); or (c) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- (xxiii) it acknowledges that due to anti-money laundering requirements, the Company and/or any of the Joint Bookrunners and/or PSL may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, the Company, the Joint Bookrunners and/or PSL may refuse to accept the application and the application moneys relating thereto and it holds harmless and will indemnify the Company, each of the Joint Bookrunners and PSL against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it;
 - (xxiv) it acknowledges that any person in Guernsey involved in the business of the Company who has a suspicion or belief that any other person (including the Company or any person subscribing for New Shares) is involved in money laundering activities, is under an obligation to report such suspicion to the Financial Intelligence Service pursuant to the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002 (as amended);
 - (xxv) that they are aware of, have complied with and will at all times comply with their obligations in connection with money laundering under the Proceeds of Crime Act 2002;
 - (xxvi) it acknowledges that none of the Joint Bookrunners nor any of their respective affiliates, nor any person acting on behalf of any of the Joint Bookrunners (which, for the avoidance of doubt, in the case of Fidante Capital in connection with the Tap Issuance Programme includes PSL) is making any recommendations to it or advising it regarding the suitability of any transactions it may enter into in connection with the Tap Issue or providing any advice in relation to the Tap Issue and its participation in the Tap Issue is on the basis that it is not and will not be a client of any of the Joint Bookrunners and that none of the Joint Bookrunners has any duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Tap Issue nor in respect of any representations, warranties, undertaking or indemnities otherwise required to be given by it in connection with its application pursuant to the Tap Issue;
 - (xxvii) where it or any person acting on behalf of it is dealing with any of the Joint Bookrunners or PSL, any money held in an account with a Joint Bookrunner or PSL on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require the relevant Joint Bookrunner or PSL to segregate such money, as that money will be held by the relevant Joint Bookrunner or PSL under a banking relationship and not as trustee;
 - (xxviii) any of its clients, whether or not identified to any of the Joint Bookrunners or PSL, will remain its sole responsibility and will not become clients of any of the Joint Bookrunners or PSL for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
 - (xxix) save in the event of fraud on the part of Cantor Fitzgerald, none of Cantor Fitzgerald, any direct or indirect subsidiary undertakings of Cantor Fitzgerald, any other member of the Cantor

Fitzgerald, L.P. group or any of their respective directors, members, partners, officers and employees shall be responsible or liable to a Participating Investor or any of its clients for any matter arising out of Cantor Fitzgerald's role as joint bookrunner and financial adviser or otherwise in connection with the Tap Issue and that, where such responsibility or liability nevertheless arises as a matter of law, the Participating Investor and, if relevant, its clients, will immediately waive any claim against such persons which the Participating Investor or any of its clients may have in respect thereof;

- (xxx) save in the event of fraud on the part of Fidante Capital, none of Fidante Capital, any direct or indirect subsidiaries of Fidante Capital, any other member of Fidante Capital's group or any of their respective directors, members, partners, officers and employees shall be responsible or liable to a Participating Investor or any of its clients for any matter arising out of Fidante Capital's role as joint bookrunner or otherwise in connection with the Tap Issue and that, where such responsibility or liability nevertheless arises as a matter of law, the Participating Investor and, if relevant, its clients, will immediately waive any claim against such persons which the Participating Investor or any of its clients may have in respect thereof;
- (xxxi) save in the event of fraud on the part of Macquarie Capital, none of Macquarie Capital, any direct or indirect subsidiaries of Macquarie Capital, any other member of Macquarie Capital's group or any of their respective directors, members, partners, officers and employees shall be responsible or liable to a Participating Investor or any of its clients for any matter arising out of Macquarie Capital's role as joint bookrunner or otherwise in connection with the Tap Issue and that, where such responsibility or liability nevertheless arises as a matter of law, the Participating Investor and, if relevant, its clients, will immediately waive any claim against such persons which the Participating Investor or any of its clients may have in respect thereof;
- (xxxii) save in the event of fraud on the part of Shore Capital, none of Shore Capital, any direct or indirect subsidiaries of Shore Capital, any other member of Shore Capital's group or any of their respective directors, members, partners, officers and employees shall be responsible or liable to a Participating Investor or any of its clients for any matter arising out of Shore Capital's role as joint bookrunner or otherwise in connection with the Tap Issue and that, where such responsibility or liability nevertheless arises as a matter of law, the Participating Investor and, if relevant, its clients, will immediately waive any claim against such persons which the Participating Investor or any of its clients may have in respect thereof;
- (xxxiii) it irrevocably appoints any director of the Company and any director, partner, officer or authorised employee of any of the Joint Bookrunners to be its agent and on its behalf (without any obligation or duty to do so) to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its acquisition of all or any of the New Shares for which it has given a commitment pursuant to the Tap Issue, in the event of its own failure to do so;
- (xxxiv) it accepts that if the Tap Issue does not proceed or the conditions to the Tap Issuance Agreement are not satisfied for any reason whatsoever then none of the Company, the Joint Bookrunners or PSL, or any persons controlling, controlled by or under common control with any of them or any of their respective directors, partners, officers, employees, agents, representatives or shareholders, shall have any liability whatsoever to it or any other person;
- (xxxv) the Company and each of the Joint Bookrunners are entitled to exercise any of their rights under the Tap Issuance Agreement or any other right in their absolute discretion without any liability whatsoever to it;

- (xxxvi) the representations, undertakings and warranties contained in this Announcement are irrevocable and it acknowledges that the Company, each of the Joint Bookrunners and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the New Shares are no longer accurate, it shall promptly notify the Company and the Joint Bookrunners;
- (xxxvii) it accepts that the allocation of New Shares shall be determined by the Joint Bookrunners in their absolute discretion but in consultation with the Company and the Investment Adviser and that the Joint Bookrunners may scale down any commitments for this purpose on such basis as they may determine;
- (xxxviii) authorises the Joint Bookrunners to deduct from the total amount paid pursuant to the Tap Issue the commission (if any) payable to the Joint Bookrunners in accordance with the terms of the Tap Issuance Agreement;
- (xxxix) time shall be of the essence as regards its obligations to settle payment for the New Shares and to comply with its other obligations pursuant to the Tap Issue;
- (xl) it acknowledges and agrees that information provided by it to the Company, the Registrar or the Company's administrator (the "**Administrator**") will be stored on the Registrar's and the Administrator's computer system and manually and also acknowledges and agrees that, for the purposes of the Data Protection (Bailiwick of Guernsey) Law 2001 (the "**Data Protection Law**") and other relevant data protection legislation which may be applicable, the Registrar and the Administrator are required to specify the purposes for which they will hold personal data and that the Registrar and the Administrator have specified that they will only use such information for the following purposes (collectively, the "**Purposes**"):
 - (a) process its personal data (including sensitive personal data) as required by or in connection with its holding of New Shares, including processing personal data in connection with credit and money laundering checks on it;
 - (b) communicate with it as necessary in connection with its affairs and generally in connection with its holding of New Shares;
 - (c) provide personal data to such third parties as the Registrar or the Administrator may consider necessary in connection with its affairs and generally in connection with its holding of New Shares or as the Data Protection Law may require, including to third parties outside the Bailiwick of Guernsey or the European Economic Area; and
 - (d) without limitation, provide such personal data to the Company, the Joint Bookrunners, PSL, the Investment Manager and/or the Investment Adviser, as applicable, and their respective associates for processing, notwithstanding that any such party may be outside the Bailiwick of Guernsey or the EEA;
- (xli) process its personal data for the Administrator's internal administration; and
- (xlii) in providing the Registrar and the Administrator with information, it represents and warrants to the Registrar and the Administrator that it has obtained the consent of any data subjects to the Registrar and the Administrator and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the purpose set out in sub-paragraph (xl) above).

For the purposes of this Announcement, "data subject", "personal data" and "sensitive personal data" shall have the meanings attributed to them in the Data Protection Law;

5. United States Purchase and Transfer Restrictions

By participating in the Tap Issue, each Participating Investor acknowledges and agrees that it will (for itself and any person(s) procured by it to acquire New Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Investment Manager, the Investment Adviser, the Joint Bookrunners and the Registrar that:

- (i) it is not a US Person and it is not acquiring the New Shares for the account or benefit of a US Person;
- (ii) it acknowledges that the New Shares have not been and will not be registered under the US Securities Act of 1933, as amended, or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons; and
- (iii) it acknowledges that the Company has not registered under the US Investment Company Act of 1940, as amended, and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under that Act;
- (iv) unless the Company expressly consents in writing otherwise, no portion of the assets used to acquire, and no portion of the assets used to hold, the New Shares or any beneficial interest therein constitutes or will constitute the assets of:
 - (a) an "employee benefit plan" as defined in Section 3(3) of the US Employee Retirement Income Security Act of 1974, as amended, ("**ERISA**") that is subject to Title I of ERISA;
 - (b) a "plan" as defined in Section 4975 of the US Internal Revenue Code of 1986, as amended, (the "**Internal Revenue Code**"), including an individual retirement account or other arrangement that is subject to Section 4975 of the Internal Revenue Code; or
 - (c) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the Internal Revenue Code;
- (v) if the Participating Investor is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Internal Revenue Code, its purchase, holding, and disposition of the New Shares will not constitute or result in a non-exempt violation of any such substantially similar law;
- (vi) it acknowledges that, if any New Shares offered and sold pursuant to Regulation S are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

"NEXTENERGY SOLAR FUND LIMITED (THE "COMPANY") HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS EXCEPT IN ACCORDANCE WITH THE SECURITIES ACT OR AN EXEMPTION THEREFROM

AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS."

- (vii) if in the future it decides to offer, sell, transfer, assign, pledge or otherwise dispose of the New Shares, it will do so only in compliance with an exemption from the registration requirements of the Securities Act and under circumstances which will not require the Company to register under the Investment Company Act and it acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- (viii) it is purchasing the New Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the New Shares in any manner that would violate the Securities Act, the Investment Company Act or any other applicable securities laws;
- (ix) it acknowledges that the Company reserves the right to make inquiries of any holder of the New Shares or interests therein at any time as to such person's status under the US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under the US federal securities laws to transfer such New Shares or interests in accordance with the Articles;
- (x) it acknowledges and understands the Company is required to comply with the US Foreign Account Tax Compliance Act of 2010, as amended, ("**FATCA**") and that the Company will follow FATCA's extensive reporting and withholding requirements and it agrees to furnish any information and documents which the Company may from time to time request, including but not limited to, information required under FATCA; and
- (xi) it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Announcement or any other presentation or offering materials concerning the New Shares to or within the United States or to any US Persons, nor will it do any of the foregoing.

The Company, the Investment Manager, the Investment Adviser, the Joint Bookrunners, PSL and their respective directors, partners, officers, employees, agents, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements. If any of the representations, warranties, acknowledgments or agreements made by the Participating Investor are no longer accurate or have not been complied with, the Participating Investor will immediately notify the Company and the Joint Bookrunners.

6. Supply and Disclosure of Information

If the Company, any of the Joint Bookrunners, PSL, the Registrar or any of their agents request any information about a Participating Investor's agreement to acquire New Shares pursuant to the Tap Issue, such Participating Investor must promptly disclose it to them.

7. Miscellaneous

- 7.1 PSL is acting as settlement agent for Fidante Capital in connection with the Tap Issuance Programme and for no-one else and will not treat a Participating Investor or any other person as its customer by virtue of such application being accepted or owe a Participating Investor or any other person any duties or responsibilities concerning the price of New Shares or concerning the suitability of New Shares for a Participating Investor or for any other person or

- be responsible to a Participating Investor or to any other person for providing the protections afforded to its customers.
- 7.2 The rights and remedies of the Company, the Investment Manager, the Investment Adviser, each of the Joint Bookrunners, PSL and the Registrar under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 7.3 On application, if a Participating Investor is a discretionary fund manager, that Participating Investor may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Tap Issue will be sent at the Participating Investor's risk. They may be returned by post to such Participating Investor at the address notified by such Participating Investor.
- 7.4 Each Participating Investor agrees to be bound by the Articles once the New Shares, which the Participating Investor has agreed to acquire pursuant to the Tap Issue, have been acquired by the Participating Investor. The contract to acquire New Shares pursuant to the Tap Issue and the appointments and authorities mentioned in this Announcement and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Company, the Investment Manager, the Investment Adviser, the Joint Bookrunners, PSL and the Registrar, each Participating Investor irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Participating Investor in any other jurisdiction.
- 7.5 In the case of a joint agreement to acquire New Shares pursuant to the Tap Issue, references to a "Participating Investor" in these terms and conditions are to each of the Participating Investors who are a party to that joint agreement and their liability is joint and several.
- 7.6 The Company and each of the Joint Bookrunners expressly reserve the right to modify the Tap Issue (including, without limitation, the timetable and settlement) at any time before allocations are determined.
- 7.7 The representations, warranties, acknowledgments and undertakings contained in this Appendix are given to each Joint Bookrunner for itself and on behalf of the Company and are irrevocable.
- 7.7 The agreement to settle a Participating Investor's acquisition (and/or the acquisition by a person for whom such Participating Investor is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to an acquisition by it and/or such person direct from the Company for the New Shares in question. Such agreement assumes that the New Shares are not being acquired for or in connection with arrangements to issue depositary receipts or to transfer the New Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other subsequent dealing in the New Shares, UK stamp duty or stamp duty reserve tax may be payable, for which neither the Company nor the Joint Bookrunners will be responsible, and the Participating Investor to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Tap Issue as an agent or nominee) the allocation, allotment, issue or delivery of New Shares has given rise to such UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless

the Company and the Joint Bookrunners in the event that any of the Company and/or the Joint Bookrunners has incurred any such liability to UK stamp duty or stamp duty reserve tax. If this is the case, each Participating Investor should seek its own advice and notify the Joint Bookrunners accordingly.

- 7.8 Participating Investors should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by them or any other person on the subscription by them of any New Shares or the agreement by them to subscribe for any New Shares.
- 7.9 Each Participating Investor, and any person acting on behalf of the Participating Investor, acknowledges that the Joint Bookrunners do not owe any fiduciary or other duties to any Participating Investor in respect of any representations, warranties, undertakings or indemnities in the Tap Issuance Agreement.
- 7.10 Each Participating Investor and any person acting on behalf of the Participating Investor acknowledges and agrees that the Joint Bookrunners and any of their respective affiliates, acting as investors for their own respective accounts, may acquire New Shares pursuant to the Tap Issue and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such New Shares and other securities of the Company or related investments in connection with the Tap Issue or otherwise. The Joint Bookrunners do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.
- 7.11 Should the Tap Issue be aborted or fail to complete for any reason, monies received will be returned without interest at the risk of the applicant.

Appendix 2 – Article 23 and AIFMD Disclosure

The regulatory regime in the European Union covering the management, administration and marketing of alternative investment funds, widely referred to as "**AIFMD**", requires the alternative investment fund manager (the "**AIFM**") of a fund such as NESF to disclose information in accordance with AIFMD. NESF is a Guernsey-domiciled, non-EU alternative investment fund for the purposes of the AIFMD and the UK Alternative Investment Fund Managers Regulations 2013 (the "**UK AIFM Regulations**"). NESF's AIFM is the Investment Manager.

AIFMD has been implemented in the United Kingdom by a combination of HM Treasury Regulations and FCA Handbook rules and requires that, among other things, certain information is made available by the AIFM to potential investors prior to their making an investment in the Company. The required information is set out in Article 23 of the AIFMD. The UK AIFM Regulations also require the AIFM to disclose certain information on a periodic basis.

Investors are referred to NESF's prospectus dated 10 November 2014 (the "**Last Prospectus**") and annual report and accounts for the year ended 31 March 2016 (the "**2016 Annual Report**"), both of which are available at the Company's website (www.nextenergysolarfund.com).

By participating in the Tap Issue, each Participating Investor is certifying that it has read and understood the Last Prospectus, the 2016 Annual Report and this Appendix.