

28 September 2017

Acquisition

Foresight Solar Fund Limited ("The Company") is pleased to announce that it has entered into a binding contract to acquire its first asset outside of the UK with a commitment to acquire 48.5% of the share capital of Bannerton Solar Farm ("The Project") in Victoria, Australia (the "Transaction"). The Project will have a peak capacity of 110MWp once operational. KDB Infrastructure Asset Management Co. Ltd on behalf of Global Infrastructure Fund 3 and Hanwha Energy Corporation Singapore Pte. Ltd, a subsidiary of Hanwha Energy Corporation, are co-investors in the Project.

The Project will be acquired from a joint venture between Syncline Energy Pty Limited and Foresight Solar Australia (UK) Limited, for consideration of AUD 5.5 million which will consist of an initial payment and deferred payments during construction. Foresight Solar Australia (UK) Limited and Foresight Group CI Limited, the Company's investment manager (the "Investment Manager") are both subsidiaries of Foresight Group Holdings Limited. Once operational, the Project will increase the Company's portfolio to 20 assets with a peak installed capacity of 528MW.

The consideration may increase subject to the Project generating revenue early and construction cost savings. The Project is expected to connect to the grid in July 2018. The Project benefits from a 10 year contract with the Victorian Government for the sale of a proportion of the Large-Scale Generation Certificates ("LGCs") produced and a 17 year fixed-price PPA with Alinta Energy, an Australian retailer, for a proportion of the electricity generated. The remaining electricity generated and LGCs will be sold at the prevailing market price.

The acquisition of the portfolio will be funded through the existing revolving credit facility provided by Santander Global Corporate Banking. The acquisition is subject to certain conditions being met. In addition, the Project will benefit from an Australian Dollar denominated debt facility provided by the Clean Energy Finance Corporation during the construction and operational phase.

Foresight Solar Australia (UK) Limited is deemed to be a related party of the Company under LR 15.5.4R as it is a member of the Investment Manager's group. The Transaction is classed as a smaller related party transaction under Listing Rule 11.1.10R. Stifel Nicolaus Europe Limited as Sponsor in accordance with Listing Rule 11.1.10R (2)(b), has confirmed that the terms of the Transaction are fair and reasonable as far as the shareholders of the Company are concerned. The terms of the Transaction were also agreed to by the unrelated parties named above who participated in the sale and in the purchase of the Project.

Commenting on the acquisition, Alex Ohlsson, Chairman of the Company, said: "This first overseas acquisition represents the development of the Company's international growth strategy, which sees the Company's portfolio now reach a total of 528MW of capacity installed or under construction. This demonstrates the Company's ability to grow the fund in attractive new geographies with expected attractive risk-adjusted returns, while leveraging the Investment Manager's experience and track record

in both the UK and Australia. This acquisition follows the Investment Manager's move to establish an office in Sydney in early 2016 prior to bringing its first Australian asset under management, Barcaldine Solar Farm, in early 2017."

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