

SHAREHOLDER CIRCULAR

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take or the contents of this document, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank, solicitor, accountant, or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 (the “FSMA”) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom. If you receive this letter in any country or jurisdiction outside the United Kingdom you may not treat it as an invitation to elect to receive Scrip Shares (as defined below) unless such an invitation could lawfully be made to you without NextEnergy Solar Fund Limited (the “**Company**”) being required to comply with any registration or other legal requirements.

If you have disposed of all your Shares in the Company, please pass this document as soon as possible to the purchaser or transferee or to the stockbroker or other agent through whom you made the disposal for onward transmission to the purchaser or transferee.

NextEnergy Solar Fund Limited

(a company incorporated in Guernsey under The Companies (Guernsey) Law, 2008, as amended, with registered no. 57739)

Notice of First Annual General Meeting

and

Proposed Scrip Dividend Mandate Scheme and offer of a Scrip Dividend Alternative to future dividends declared up to the conclusion of the Sixth Annual General Meeting of the Company

You should read the whole of this document. Your attention is drawn in particular to the letter from the Chairman of NextEnergy Solar Fund Limited which is set out in Part 1 of this document.

Notice of the First Annual General Meeting of the Company to be held at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey GY1 2HL on 19 June 2015 at 2.00 p.m. is set out at the end of this document. The Resolutions described in this document are conditional upon Shareholder approval of the Resolutions at the First Annual General Meeting. Shareholders are requested to complete and return their Form(s) of Proxy.

The Company is a Registered Closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Registered Collective Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission (the “Commission”). The Commission takes no responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

To be valid, Forms of Proxy for use at the First Annual General Meeting must be completed and returned in accordance with the instructions printed thereon to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom, or delivered by hand during office hours only to the same address as soon as possible and in any event so as to arrive by no later than 2.00 p.m. on 17 June 2015.

Alternatively, in respect of shares held in CREST, appointments of proxies in relation to the meeting may be made by means of the CREST system by following the instructions in note 10 on page 12 by means of a CREST proxy instruction transmitted not later than 2.00 p.m. on 17 June 2015.

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EXPECTED TIMETABLE

Latest time and date for receipt of Forms of Proxy	2.00 p.m.	on 17 June 2015
Annual General Meeting	2.00 p.m..	on 19 June 2015

Note: All references to time in this document are to London time.

PART 1:

LETTER FROM THE CHAIRMAN OF NEXTENERGY SOLAR FUND LIMITED

(a company incorporated in Guernsey under The Companies (Guernsey) Law, 2008, as amended, with registered no. 57739)

Directors:

Kevin Lyon (Chairman)
Vic Holmes
Patrick Firth

Registered Office:

1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey GY1 2HL

22 May 2015

Dear Shareholder

1. FIRST ANNUAL GENERAL MEETING OF THE COMPANY

This document is intended to provide you with information relating to the following business to be considered and resolutions to be put to shareholders at the First Annual General Meeting to be held at the registered office of the Company (as above) at 2.00 p.m. on 19 June 2015 (the “**2015 AGM**”).

Ordinary Business

Re-appointment of Directors (Resolutions 1, 2 and 3)

The Board proposes as Resolution 1 the re-election of Kevin Lyon.

The Board proposes as Resolution 2 the re-election of Vic Holmes.

The Board proposes as Resolution 3 the re-election of Patrick Firth.

Biographical details of the Directors proposed for re-election at the AGM is set out in the prospectus for the Company which can be found on the Company's website <http://nextenergysolarfund.com>.

Re-appointment of Auditors (Resolution 4)

The Directors, on the recommendation of the Audit Committee, recommend the re-appointment of PricewaterhouseCoopers CI LLP as auditors, to hold office until the conclusion of the Annual General Meeting of the Company to be held in 2016 at which accounts will be laid.

Auditors Remuneration (Resolution 5)

To authorise the Directors to agree the remuneration of the Auditors.

Scrip Dividend (Resolution 6)

The Board proposes to offer any holders of a particular class of shares (excluding treasury shares) the right to elect to receive further shares (whether or not of that class) created as

fully paid, instead of cash in respect of all or part of any dividend in accordance with the provisions of the Company's Articles of Incorporation.

Special Business

As Special Business, to consider and, if thought fit, to pass the following Resolutions as special resolutions:

Authority to allot and issue shares (Special Resolution 7)

That the Directors be and hereby generally and unconditionally authorised pursuant to the Articles of Incorporation of the Company to allot and issue up to 24,035,000 ordinary shares of no par value in the capital of the Company ("shares") (representing 10% of the Share capital in issue on 19 June 2015) as if Article 7.2 does not apply to such allotment and issue. This authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2016 (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or issued after such expiry and the Directors may allot and issue shares in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

Purchase of own shares by the Company (Special Resolution 8)

That the Company be and is hereby generally and unconditionally authorised in accordance with section 315 of the Law to make market purchases (as defined in Section 316 of the Law) of ordinary shares (which may be cancelled or held as treasury shares), provided that:

- (i) the maximum number of ordinary shares hereby authorised to be purchased is equal or lesser than 14.99 per cent of the total number of ordinary shares in issue as at the date of the passing of this resolution;
- (ii) the minimum price which may be paid for an ordinary share shall be 1 pence;
- (iii) the maximum price (exclusive of expenses) that the Company may pay for each ordinary share is the higher of (i) an amount equal to 105% of the average of the mid-market quotations for the ordinary shares of the Company as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately before the day on which such ordinary share is contracted to be purchased and (ii) an amount equal to the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out; and

unless renewed, the authority hereby conferred shall expire at the conclusion of the Company's Annual General Meeting to be held in 2016 save that the Company may, prior to such expiry, enter into a contract to purchase ordinary shares which will or may be completed or executed wholly or partly after such expiry.

2. SCRIP DIVIDEND ALTERNATIVE

It is proposed that Shareholders with Ordinary Shares registered in their names be offered the choice of receiving the whole or part of their dividends in fully paid new Ordinary Shares of the Company ("**Scrip Shares**") instead of in cash (the "**Scrip Dividend Alternative**") up to the conclusion of the sixth annual general meeting of the Company. This is subject to the

passing of an ordinary resolution at the First Annual General Meeting of the Company authorising the Company to offer a Scrip Dividend alternative to cash.

The Company's Articles of Incorporation permit payment of a Scrip Dividend Alternative, instead of cash in respect of all or part of any dividend, if approved by the Board, pursuant to section 306 of the Law, or if authorised by an ordinary resolution of the Company. The proposed ordinary resolution covers the period ending at the conclusion of the fifth annual general meeting of the Company to be held following the date of the meeting at which the ordinary resolution is passed. Shareholders who elect to take the Scrip Shares instead of receiving cash dividends will increase their holdings without incurring dealing costs or stamp duty. The Company benefits from the retention of cash which would otherwise be paid out as dividend.

Subject to the passing of Resolution 6 all shareholders will be sent a form of election at the time that the interim dividend is declared in 2015 with further details regarding the Scrip Dividend Alternative election process.

3. Annual Report and Audited Financial Statements

The Company is required under the Law and its Articles of Incorporation to hold its First Annual General Meeting within 18 months of incorporation, such date being 20 June 2015.

The Company is currently in the process of finalising its first Annual Report and Audited Financial Statements for the year ended 31 March 2015 and it is envisaged that they will be approved and released to the market shortly after the First Annual General Meeting, within the four month timeframe stipulated by the Disclosure and Transparency Rules.

To enable the Shareholders to vote on the ordinary resolutions to :

- i. receive the Annual Report and Audited Financial Statements for the period ended 31 March 2015, together with the reports of the Directors and auditors therein; and
- ii. approve the Directors' Remuneration Report for the period ended 31 March 2015, contained within the Annual Report and Audited Financial Statements.

the Company will hold a separate General Meeting as soon as practicable following the approval and release of the Annual Report and Audited Financial Statements, with the intention that the notice for such meeting be included in the printed Annual Report and Audited Financial Statements. It is envisaged that this meeting will be held before the 31 July 2015.

Action to be taken

The only action that you need to take is to complete the accompanying Form of Proxy.

Shareholders are asked to complete and return the Form of Proxy in accordance with the instructions printed thereon to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom, or delivered by hand during office hours only to the same address as soon as possible and in any event so as to arrive by no later than 2.00 p.m. on 17 June 2015.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual. CREST personal members or

other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Shareholders are requested to complete and return a Form of Proxy, whether or not they wish to attend the First Annual General Meeting. The completion and return, or submission electronically, of a Form of Proxy will not preclude you from attending the First Annual General Meeting and voting in person, if you so wish.

Recommendation

The Board considers that the Resolutions are in the best interests of the Company and its Shareholders as a whole. Accordingly the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the First Annual General Meeting.

The Directors intend to vote in favour of the Resolutions in respect of their holdings of Shares amounting to 90,000 Shares in aggregate (representing approximately 0.037 per cent of the issued Share capital of the Company as at 22 May 2015).

Yours faithfully

Kevin Lyon
(*Chairman*)

PART 2: DEFINITIONS

In this document the words and expressions listed below have the meanings set out opposite them, except where the context otherwise requires:

AGM or First Annual General Meeting	the annual general meeting of the Company to consider the Proposal, convened for 19 June 2015 at 2.00 p.m. (or, if later, as soon as reasonably practicable following the conclusion or adjournment of the Annual General Meeting of the Company convened for the same date and place) or any adjournment thereof
Articles of Incorporation	the articles of incorporation of the Company, as amended from time to time
Board	the board of Directors of the Company
Business Day	a day on which the London Stock Exchange and banks in Guernsey are normally open for business
C Shares	Redeemable shares of no par value issued and designated as "C" shares in the capital of the Company
Company	NextEnergy Solar Fund Limited
CREST	the system for the paperless settlement of trades in securities and the holding of Uncertificated securities operated by Euroclear in accordance with the Uncertificated Securities Regulations 2001
Daily Official List	the daily publication of official quotations for all securities traded on the London Stock Exchange
Directors	the directors of the Company or any duly constituted committee thereof
Euroclear	Euroclear UK & Ireland Limited, being the operator of CREST
FCA	the Financial Conduct Authority of the United Kingdom
Form of Proxy	the form of proxy provided with this document for use in connection with the First Annual General Meeting
Law	The Companies (Guernsey) Law, 2008, as amended
London Stock Exchange	London Stock Exchange plc
Notice of Annual General Meeting or Notice	the notice of the Annual General Meeting as set out at the end of this document

Ordinary Shares	redeemable ordinary shares of no par value in the capital of the Company
Ordinary Business	ordinary business of the Company taking place at a general meeting of the Company as set out in Article 23.1 of the Articles of Incorporation
Resolutions	the resolutions to be proposed at the First Annual General Meeting, as set out in the Notice of First Annual General Meeting
Shareholder	a registered holder of Ordinary Shares or C Shares (as applicable)
Shares	ordinary shares and / or C Shares of no par value in the capital of the Company
Special Business	special business of the Company taking place at a general meeting of the Company as set out in Article 23.1 of the Articles of Incorporation
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK Listing Authority	the FCA as the competent authority for listing under Part VI of the Financial Services and Markets Act 2000

PART 3:

NOTICE OF FIRST ANNUAL GENERAL MEETING

NEXTENERGY SOLAR FUND LIMITED

(a company incorporated in Guernsey under The Companies (Guernsey) Law, 2008, as amended, with registered no. 57739)

Notice is hereby given that the First Annual General Meeting of NextEnergy Solar Fund Limited (the "Company") will be held at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey GY1 2HL on 19 June 2015 at 2.00 p.m., to consider and, if thought fit, approve the following resolutions, Resolution 1 to 6 as ordinary resolutions, and Special Resolutions 7 and 8, as special resolutions:

Ordinary Business

As Ordinary Business, to consider and, if thought fit, pass resolutions 1 to 6 as ordinary resolutions of the Company:

1. To re-elect as a Director of the Company, Kevin Lyon.
2. To re-elect as a Director of the Company, Vic Holmes.
3. To re-elect as a Director of the Company, Patrick Firth.
4. To re-appoint PricewaterhouseCoopers CI LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which the accounts are laid before the Company.
5. To authorise the Directors to agree the remuneration of the auditors.
6. In accordance with Article 43.1 of the Articles of Incorporation, the Board may, in respect of dividends declared for any financial period or periods of the Company ending at the conclusion of the fifth annual general meeting of the Company to be held following the date of the First Annual General Meeting, offer any holders of a particular class of shares (excluding treasury shares) the right to elect to receive further shares (whether or not of that class) created as fully paid, instead of cash in respect of all or part of any dividend or dividends declared in respect of any such period or periods in accordance with the provisions of the Company's Articles of Incorporation.

Special Business

As Special Business, to consider and, if thought fit, pass resolutions 7 and 8 as special resolutions of the Company:

7. That in accordance with Article 7.7 of the Articles of Incorporation of the Company, the Directors be and hereby generally and unconditionally authorised pursuant to the Articles of Incorporation of the Company to allot and issue up to 24,035,000 ordinary shares of no par value in the capital of the Company ("shares") (representing 10% of the Share capital in issue on 19 June 2015) as if the pre-emption rights in Article 7.2 do not apply to such allotment and issue. This authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2016 (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or issued after such expiry and the Directors may allot and issue shares in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

8. That the Company be and is hereby generally and unconditionally authorised in accordance with section 315 of the Companies (Guernsey) Law, 2008, as amended, (the "Law") to make market purchases (as defined in Section 316 of the Law) of ordinary shares (which may be cancelled or held as treasury shares), provided that:
- (i) the maximum number of ordinary shares hereby authorised to be purchased is equal or lesser than 14.99 per cent of the total number of ordinary shares in issue as at the date of the passing of this resolution;
 - (ii) the minimum price which may be paid for an ordinary share shall be 1 pence;
 - (iii) the maximum price (exclusive of expenses) that the Company may pay for each ordinary share is the higher of (i) an amount equal to 105% of the average of the mid-market quotations for the ordinary shares of the Company as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately before the day on which such ordinary share is contracted to be purchased and (ii) an amount equal to the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out; and

unless renewed, the authority hereby conferred shall expire at the conclusion of the Company's second annual general meeting in 2016 save that the Company may, prior to such expiry, enter into a contract to purchase ordinary shares which will or may be completed or executed wholly or partly after such expiry.

BY ORDER OF THE DIRECTORS
Ipes (Guernsey) Limited
Date: 22 May 2015

Registered Office: 1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey
Channel Islands
GY1 2HL

Notes:

Notes:

1. Members who want to attend and vote should either attend in person or appoint a proxy or corporate representative. A member is entitled to appoint one or more proxies to exercise all or any of his/her rights to attend, speak and vote at the meeting and any adjournment(s) thereof. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to a different share or shares held by him/her. A proxy need not be a member of the Company.
2. A proxy can be appointed by completing a personalised proxy form in paper or electronic form or through the CREST electronic proxy appointment service.
3. A paper form of proxy is enclosed. Please read carefully the instructions on how to complete the form. To be effective, a duly completed paper proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or other authority, must be received by Capita Asset Services at PXS, 34 Beckenham Road, Beckenham BR3 4TU not later than 2.00 p.m. on 17 June 2015.
4. The appointment of a proxy does not preclude a member from subsequently attending and voting at the meeting in person if he/she so wishes.
5. Any person to whom this notice is sent who is a person nominated to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
6. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 to 5 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
7. A copy of this notice and further information about the Meeting can be found at the website of the Company www.nextenergysolarfund.com.
8. Only those shareholders registered in the register of members of the Company as at 2.00 p.m. on 17 June 2015 or, in the event that the meeting is adjourned, in such register 48 hours before the time of the adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their names at the relevant time. Changes to entries after the relevant time will be disregarded in determining the rights of any person to attend or vote at the meeting.
9. As at 21 May 2015 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 240,350,000 ordinary shares carrying one vote each. Therefore, the total voting rights in the Company as at 21 May 2015 are 240,350,000. There are no treasury shares.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as specified in the CREST Manual (available via <http://www.euroclear.com/CREST>). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID RA10) not later than the time stated in Note 3 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change in instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. Reference should be made to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 34 of the Uncertified Securities (Guernsey) Regulations 2009.

11. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
12. Any member attending the meeting has the right to ask questions. The Company has to answer any questions raised by members at the meeting which relate to the business being dealt with at the meeting unless:
 - to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information
 - the answer has already been given on a website in the form of an answer to a question, or
 - it is undesirable in the interests of the company or the good order of the meeting to answer the question.
13. The following documents are available for inspection at the place of the General Meeting from 9.00 a.m. on the date of the General Meeting until its closure and also at the offices of NextEnergy Capital at 23 Hanover Square, London W1S 1JB:
 - (a) Copies of the Article of Incorporation of the Company
 - (b) copies of this document.