



17 September 2015

Purchase of Redbank Project's Assets

Redbank Energy Limited (ASX: AEJ) (REL) wishes to provide the following market update.

The REL consortium has entered into a number of agreements pursuant to which:

- a wholly owned subsidiary of REL, Biogreen Energy Pty Limited (**Biogreen**), purchased the land, plant and equipment and water rights owned by Redbank Project for \$5 million (**Purchase Price**);
- the Purchase Price was provided by a special purpose company (**SPC**) that was established by some members of the REL consortium;
- the water rights were transferred to the SPC in consideration of the payment of the Purchase Price;
- SPC and REL have entered into a put and call option over the water rights and SPC has granted REL a mortgage to secure performance of the call option; and
- additional funds are to be advanced by the SPC to REL and/or Biogreen to commence the work to raise the funds necessary to recommence the operation of the Redbank Power Station.

There is still a significant amount of work to be undertaken to recommence operations at the Redbank Power Station.

I would also like to thank REL's solicitors: Paul O'Donnell, Robert McGregor, Nicola Key and Ritam Mitra (HWL Ebsworth, Sydney) for their excellent work on the transaction.

ENDS

Further Information:

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