

ASX Release

24 December 2010

TERMINATION OF REDBANK WORKING CAPITAL AND LIQUIDITY FACILITIES – UPDATE

Redbank Project Pty Limited (Redbank) is a wholly owned subsidiary of Alinta Energy Limited (ASX:AEJ).

On 16 November 2010, Alinta Energy advised the ASX that Bank of Western Australia Limited (Bankwest) would not be renewing the \$4.5 million Working Capital Facility (currently drawn to \$2.5 million) or the \$6.75 million Liquidity Facility (undrawn) and the implications of that action, including the requirement to repay the Working Capital Facility outstandings by 30 December 2010. Redbank has the funds to repay the Working Capital Facility by the due date.

Alinta Energy understands that Standard & Poors will today issue a downgrade of its private rating of Redbank for one of its lenders. Under the loan facilities, the withdrawal of the Liquidity Facility will be an event of default if it causes a withdrawal or downgrade of the private rating unless the Liquidity Facility is replaced by the due date. Redbank continues in discussions with its lending group regarding, among other things, a replacement of the Liquidity Facility or the waiver of the requirement and expects that arrangements will be settled shortly and, in any event, on or before the due date which will ensure that Redbank is not in default of its obligation under its loan facilities.

Redbank is a 151MW coal fired power station located in the Hunter Valley, New South Wales. Redbank has a Power Purchase and Hedge Agreement with Energy Australia for its electricity production. Redbank is funded by project debt which has no recourse to the rest of the Alinta Energy Group.

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Further Information:

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About Alinta Energy Group

Alinta Energy Group (ASX: AEJ) is an integrated energy company, operating power generation businesses as well as providing gas and electricity to commercial, industrial and retail customers across Australia.