



ASX Release

24 November 2011

REDBANK ENERGY LIMITED 2011 ANNUAL GENERAL MEETING – CHAIRMAN’S ADDRESS & PRESENTATION

Attached is the Chairman’s Address and slide presentation (including the results of the proxy voting) to be delivered at today’s Annual General Meeting of Redbank Energy Limited (ASX:AEJ) shareholders, to be held at 10.00am at Customs House, Level 1, 31 Alfred Street, Circular Quay, Sydney.

ENDS

Further Information:

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ANNUAL GENERAL MEETING OF SHAREHOLDERS

REDBANK ENERGY LIMITED



REDBANK ENERGY

10.00AM, THURSDAY, 24 NOVEMBER 2011

RICHARD BUTLER:

Good morning ladies and gentlemen, welcome to the meeting. My name is Richard Butler and I'm the Redbank Energy Chairman.

1. Open the AGM

- Today we are holding the Annual General Meeting for Redbank Energy Limited.
- We have a quorum of shareholders present, so I declare the meeting open.
- The Notice of Meeting was distributed to all shareholders, so with your consent, I'll take the Notice as read. Additional copies are available from our registry staff if any shareholders would like a copy.

2. Introductions

I'd like to now introduce the other people on stage:

- Simon Maher, who is also a Director of Redbank Energy;
- John Remedios, the Company Secretary and Corporate Manager of Redbank; and
- Sam Barber, the General Manager of the Redbank Power Station.

Also in attendance are:

- Daren Castle from Gresham (Sale and Refinance Advisors);
- Marc Upcroft from PricewaterhouseCoopers (External Auditors); and
- David Speiser from Arnold Bloch Leibler.

3. Thanks

I would like to take this opportunity to thank all the people involved in helping Redbank during the period that I have been Chairman, including:

- John Remedios (Company Secretary);
- Sam Barber, and the Management Team at Redbank Power Station, Peter Wilson, Martin Addinall and Andrew McIntosh;
- Chris Hoskins at Alinta and Marc Upcroft from PWC;
- Daren Castle and Nick Goh from Gresham;
- Robert McGregor and his team at Ebsworths; and
- Andrew Silberberg and David Speiser at Arnold Bloch Leibler.

4. Business of the Meeting

The agenda for today's meeting is as follows:

- a) a summary of the events that have occurred to the Company over the last year; and
- b) formal items of business outlined in the Notice of Meeting:
 - To receive the financial statements for the financial year ended 30 June 2011.
 - To consider the Remuneration Report.
 - Elections for each of the 4 Directors who have been appointed since the last AGM.
 - To approve the future delisting of Redbank Energy from the ASX.

5. Questions

- As we move through the formal items of business outlined in the Notice of Meeting, any questions or comments you may have should relate to those particular items.
- I request that all questions be directed through me, and that you wait for me to call on you and you are provided with a microphone, so all shareholders may hear your question.
- However, if you have any questions which relate specifically to your own Redbank Energy shares, rather than to matters more broadly relating to Redbank, could I ask you to raise these matters with our registry staff after the meeting, and they will be happy to assist you.

Chairman's Address

Board Composition / Election

- Since the last meeting of the shareholders in March this year, Redbank Energy has 4 new Board members:
 - Simon Maher and myself who were appointed on 13 July 2011; and
 - Todd Plutsky and Vlad Artamonov who were appointed on 12 August 2011.
- All 4 directors are up for election today.
- None of the current Directors were directors in the 2010/11 Financial Year.
- All 4 directors are shareholders in Redbank and are committed to doing our best to enhance shareholder value by maximising the value of the Redbank Power Station which is the sole operating asset left in the Company.

Overview of Operations in FY2011

- The main activity impacting the business in the 2011 Financial Year was the implementation of the Deleveraging Transaction involving TPG.
- This transaction involved an EGM, a lot of associated paper work and commentary which were included in the meeting materials and the Annual Report.
- Since none of the current Directors were on the Board at the time the transaction was decided and implemented, and it was the subject of previous shareholder, creditor and court approvals, I don't propose to talk in any detail about it.
- Redbank Energy is a very different company now than it was last financial year: it has one asset, Redbank Power Station, which is currently the subject of a sale process.

Operating Performance of Redbank

- In terms of operating performance, the Redbank Power Station contributed \$24.5 million of Management EBITDA to 30 June 2011.

- Generation earnings at the plant were approximately 5% below budget due to a series of operating issues which are being addressed, and slightly lower than expected electricity pool prices.
- Operating costs at the plant were approximately 16% above budget, mainly as a consequence of unexpected additional contract labour costs and transaction costs associated with the sale process during 2011 Financial Year.

Basis of Preparation of Accounts & Impairment for 2010 / 2011 Financial Year

- The Redbank Energy accounts were prepared on a non-going concern basis – this was in accordance with the advice of the auditors, the basis for this decision being that the Redbank Power Station is subject to a sale process and the balance of the business is being progressively wound down.
- Preparing the accounts on a non-going concern basis resulted in a non-cash impairment charge of \$22.5 million for the Redbank Power Station for the 2011 Financial Year.

Remuneration Report

- The Board has not made a recommendation either in favour of or against this year's Remuneration Report resolution.
- The current Board had no involvement with the payments which are the subject of the Remuneration Report as it relates to the previous Board and management.
- For this reason, I, as Chairman am abstaining from voting any undirected proxies in relation to the Remuneration Report resolution.

Redbank Power Station

- As you would be aware, on 31 March 2011, under the previous Board, Redbank Project entered into a Bank Support Agreement with its syndicate lenders which made provision for a number of matters, including:
 - the refinancing or sale of the Redbank Power Station during the period up until 31 March 2012; and

- the appointment of independent external advisors to work with Redbank on either a refinancing or sale of the Redbank Power Station.
- Progress is being made in relation to the sale process for the Redbank Power Station, however at this stage, discussions are incomplete and confidential, and I am therefore unable to say anything further about the status and content of that process.
- It is important to note that, as a listed entity, Redbank Energy is required to obtain shareholder approval before any proposed sale of Redbank Power Station occurs.

Federal Carbon Legislation

- As you are probably all aware, the federal carbon legislation has recently been passed.
- The Government has indicated that it will provide transitional assistance over 6 years, in the form of cash payments and free carbon permits, to the higher emissions-intensive generators to assist them adjust to a carbon price.
- Redbank is already engaged in a dialogue with the Department of Climate Change and Energy Efficiency to determine the company's eligibility for assistance.

Corporate Costs / Redbank Energy Limited's Cash Balance

- As part of the Deleveraging Transaction, \$3.7 million was set aside to fund the operations of Redbank Energy Limited during the Redbank Power Station sale process and concurrent winding down of the balance of the Redbank Energy business.
- At the time of the Deleveraging Transaction, it was forecasted that the cash resources would be able to provide the necessary funding for the company to operate for 18-24 months, being the estimated period to deal with the Redbank Power Station and then wind down the balance of the business in an orderly manner.
- The company's cash has been tightly managed and is only being used to meet the claims of professional service providers and other creditors, director fees and to pay the necessary regulatory fees in order to stay in business and remain listed.
- The current cash balance is approximately \$3 million dollars which is ahead of the original budget.

Unmarketable Parcels of shares

- There are currently around 19,000 shareholders of Redbank Energy – but the vast majority of these shareholders hold unmarketable parcels of shares which cannot be traded on the ASX.
- The aggregate of Redbank Energy's unmarketable share parcels totals about 14% of the company's issued capital.
- A number of shareholders have:
 - expressed their concerns about: the costs associated with running a share register in these circumstances, as well as their inability to sell their shares; and
 - suggested that the company undertake an unmarketable parcel mop-up process in order to “clean up” the register.
- At the current time, Redbank Energy, is not in a position to undertake mop-up transaction in respect of the unmarketable parcels held by shareholders.

Proposed Future Delisting of Redbank Energy

- Shareholders will recall that a resolution proposing the delisting of Redbank Energy was approved by shareholders earlier this year.
- The previous Board made a delisting application immediately prior to Simon Maher and I being appointed to the Board.
- The delisting application was subsequently withdrawn, upon the change in the composition of the Board. This was because the current Board believed that it was important to preserve the right of shareholders to vote on any proposed sale of Redbank Power Station.
- However, at some future point in time, it is likely that it will be appropriate for Redbank Energy to be delisted. The Board has been advised that in order to have this option to delist in the future, another resolution of the Company is required.

I'll now turn to the formal business of the meeting.



REDBANK POWER

ANNUAL GENERAL MEETING: REDBANK ENERGY LIMITED

24 November 2011



Agenda



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1. Opening & Introductions
2. Outline of the Business of the Meeting
3. Chairman's Address
4. Formal Business of the Meeting
5. Conduct of the Poll – Remuneration Report Resolution
6. Final Questions & Answers / Closing

Board Composition



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- Entirely new composition of the Redbank Energy Board
- All new directors face election at the AGM
- All new directors are also shareholders of Redbank Energy and are committed to enhancing shareholder value by seeking to maximize the value of the Redbank Power Station

Overview of Operations in FY2011



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- The Deleveraging Transaction
- Reduction in the scale of the business after the Deleveraging Transaction
- Operating performance of the Redbank Power Station in FY2011
 - Management EBITDA of \$24.5 million
 - Generation earnings and operating costs

Basis of Preparation of Accounts & Impairment



REDBANK ENERGY

- The appropriate basis of preparation for the FY2011 Financial Report
- Consequences of adopting a non-going basis of preparation of accounts:
 - Recognition of non-cash impairment charge of \$22.5 million for the Redbank Power Station in FY2011

Remuneration



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- Rationale of the Board in not making a recommendation either FOR or AGAINST the Remuneration Report resolution
- Chairman to abstain from voting any undirected proxies in relation to the Remuneration Report resolution

Redbank Power Station



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- The Bank Support Agreement
- The Redbank Power Station sale process is currently taking place
- Shareholder approval is required for any disposal while Redbank Energy remains listed on the ASX
- Current engagement with the Department of Climate Change and Energy Efficiency to determine Redbank's eligibility for transitional assistance

Corporate Costs



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- Limited cash resources available to fund Redbank Energy at the “corporate” level
- Sufficient cash resources to fund ongoing “corporate” operations of Redbank Energy throughout Calendar Year 2012
- Cash is being very tightly managed
- The high number of unmarketable parcels of shares
- Redbank Energy not in a position to implement an unmarketable parcel mop-up facility for shareholders

Delisting of Redbank Energy



REDBANK ENERGY

- Previous shareholder approval for delisting and the rationale for seeking a refreshed shareholder approval
- Preservation of shareholder right to vote on any proposed sale of the Redbank Power Station while listed
- ASX requirement for shareholder approval as a prerequisite for delisting

Presentation of the Financial Report



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To receive and consider, for the year ended 30 June 2011:

- The consolidated financial report of Redbank Energy Limited; and
 - The reports of the Directors and Auditor.
-
- Questions and answers on the financial report, audit and/or management of Redbank Energy

Resolution 1



REDBANK ENERGY

Remuneration Report

That the Remuneration Report for the year ended 30 June 2011 be adopted.

Proxy Summary – Resolution 1



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Remuneration Report

For	Against	Discretionary*	Abstain
35,042	11,631	582	231,653

Percentage Vote FOR	74.16%
Percentage Vote AGAINST	24.61%
Percentage Vote DISCRETIONARY	1.23%

*There were an additional 5,260 discretionary votes in favour of the Chairman, who will abstain from exercising them.

Resolution 2



REDBANK ENERGY

Director Election – Richard Butler

That Richard Butler, being a Director of REL who retires as a Director in accordance with rule 7.1(c) of the REL Constitution and, being eligible, offers himself for election, is elected as a Director of REL.

Proxy Summary – Resolution 2



REDBANK ENERGY

Director Election – Richard Butler

For	Against	Discretionary	Abstain
271,129	5,512	6,701	826

Percentage Vote FOR	95.69%
Percentage Vote AGAINST	1.95%
Percentage Vote DISCRETIONARY	2.36%



Director Election – Simon Maher

That Simon Maher, being a Director of REL who retires as a Director in accordance with rule 7.1(c) of the REL Constitution and, being eligible, offers himself for election, is elected as a Director of REL.

Proxy Summary – Resolution 3



REDBANK ENERGY

Director Election – Simon Maher

For	Against	Discretionary	Abstain
271,237	5,385	6,694	852

Percentage Vote FOR	95.74%
Percentage Vote AGAINST	1.90%
Percentage Vote DISCRETIONARY	2.36%

Resolution 4



REDBANK ENERGY

Director Election – Todd Plutsky

That Todd Plutsky, being a Director of REL who retires as a Director in accordance with rule 7.1(c) of the REL Constitution and, being eligible, offers himself for election, is elected as a Director of REL.

Proxy Summary – Resolution 4



REDBANK ENERGY

Director Election – Todd Plutsky

For	Against	Discretionary	Abstain
270,299	6,242	6,707	919

Percentage Vote FOR	95.43%
Percentage Vote AGAINST	2.20%
Percentage Vote DISCRETIONARY	2.37%



Director Election – Vlad Artamonov

That Vlad Artamonov, being a Director of REL who retires as a Director in accordance with rule 7.1(c) of the REL Constitution and, being eligible, offers himself for election, is elected as a Director of REL.

Proxy Summary – Resolution 5



REDBANK ENERGY

Director Election – Vlad Artamonov

For	Against	Discretionary	Abstain
270,204	6,333	6,706	924

Percentage Vote FOR	95.40%
Percentage Vote AGAINST	2.24%
Percentage Vote DISCRETIONARY	2.37%



Delisting of Redbank Energy Limited

That REL will be delisted from the Australian Securities Exchange with effect from a date to be determined by the Board and which will be no earlier than one month after the date on which this resolution is passed.

Proxy Summary – Resolution 6



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Delisting of Redbank Energy Limited

For	Against	Discretionary	Abstain
265,846	11,647	6,002	672

Percentage Vote FOR	93.77%
Percentage Vote AGAINST	4.11%
Percentage Vote DISCRETIONARY	2.12%

Conduct of Poll – Remuneration Report Resolution



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- Conduct of Poll in relation to Resolution 1 – Remuneration Report
- Appointment of PricewaterhouseCoopers as Scrutineers
- Poll Instructions
- Later announcement of the poll result to the ASX and published on Redbank Energy's website

Final Questions & Answers / Closing



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- Final Questions & Comments from Shareholders
- Closure of Meeting

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