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REDBANK ENERGY

ASX Release

Thursday, 28 March 2013

REDBANK PROJECT PTY LTD – AUSGRID ARBITRATION TIMING UPDATE

Redbank Energy Limited (ASX:AEJ) advises that its wholly owned subsidiary Redbank Project Pty Ltd (Redbank Project) expects to receive the award in its arbitration with Ausgrid on Wednesday 3 April 2013. As previously announced, the arbitration relates to a dispute concerning Redbank Project's entitlement under the Power Purchase and Hedge Agreement to pass through to Ausgrid the cost incurred by Redbank Project under the Commonwealth Government's *Clean Energy Act 2011*.

As previously advised, Redbank Energy has delayed the release of its Interim Financial Report for the Half Year ended 31 December 2012 pending receipt of the award. This delay has caused Redbank Energy's current suspension from Official Quotation.

The uncertainty in not having received the award has created difficulties in projecting Redbank Project's near-term cash flows. Accordingly, the company has also sought consent from its financiers to a one-month deferral of the repayment of principal and interest of approximately $7.6m due and payable under its finance facilities on 28 March 2013. This consent is still subject to approval by the financiers. Upon the delivery of the award Redbank Energy will move quickly to assess the impact of the award on Redbank Project.

ENDS

Further Information:
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