



ASX Release

30 March 2012

EXECUTION OF EXTENSION TO BANK SUPPORT AGREEMENT

Redbank Energy Limited (ASX:AEJ) advises that its subsidiary, Redbank Project Pty Limited ("**Redbank Project**"), has agreed with its lenders to extend the Bank Support Agreement to 31 May 2012.

As previously disclosed to the market, on 31 March 2011, Redbank Project entered into a Bank Support Agreement with its lending syndicate which was due to expire on 31 March 2012. The extension means that the lending syndicate has agreed, amongst other things, to continue not to exercise any rights which may accrue to it as the result of a breach by Redbank Project of its loan agreement relating to the replacement of its liquidity facility.

The availability period of the new liquidity facility and working capital facility provided by the lending syndicate in conjunction with the Bank Support Agreement has also been extended to 31 May 2012.

The Redbank Board is working with the lending syndicate to agree new long term amendments to Redbank Project's financing arrangements.

CASH PAYMENT UNDER THE ENERGY SECURITY FUND

The Federal Government has previously announced its establishment of an Energy Security Package whose objective is to manage energy security risks associated with the transition to a carbon pricing regime. The Energy Security Package incorporates the Energy Security Fund which, amongst other things, provides transitional assistance in the form of cash payments to emissions-intensive generators to assist them adjust to a carbon price.

The Department of Climate Change and Energy Efficiency has indicated that a cash payment in the amount of \$8,766,418.74 will be made in relation to the Redbank Power Station generation complex. The cash payment is scheduled to be made by the Federal Government during June 2012.

ENDS

Further Information:

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