



ASX Release

10 January 2013

REDBANK PROJECT – EXTENSION OF THE BANK SUPPORT AGREEMENT

Redbank Energy Limited (ASX:AEJ) advises that its wholly owned subsidiary, Redbank Project Pty Ltd, has successfully negotiated a 5 month extension of the Bank Support Agreement with its lending syndicate.

The extended Bank Support Agreement is to take effect for the period to 31 May 2013.

The key terms of the extended Bank Support Agreement are:

- The current debt facilities remain in place, including the undrawn Working Capital and Liquidity Facilities.
- The permitted use of the Working Capital and Liquidity Facilities are amended to allow Redbank Project to draw on these Facilities to repay principal and interest owing on the already drawn debt facilities. The priority of the Working Capital and Liquidity Facilities has been amended so that they rank ahead of the other debt facilities amongst the lending syndicate.
- Redbank Project obtained consent to defer the repayment of the principal and interest owing in respect of the period ending 31 December 2012.
- Redbank Project and the lending syndicate have agreed a series of detailed steps aimed at achieving completion of a permanent restructure of the Redbank Project debt facilities by 31 May 2013. The permanent restructure is to involve either amendments to the current obligations under the financing documents or, if such restructure cannot be agreed, a refinancing of the existing facilities. The lenders will be entitled to review the parties' progress towards the restructure at 31 March 2013 and determine whether any further steps should be taken.
- Redbank Project will work with the lending syndicate throughout January 2013 to agree a strategy to ameliorate potential asset value destruction should Redbank Project's directors form the view that the company is insolvent or likely to become insolvent during the bank support period.

The Redbank Project Board continues to work in conjunction with the lending syndicate with the aim of putting Redbank Project on a sound financial footing.

ENDS

Further Information:

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