



ASX Release

Thursday, 4 April 2013

REDBANK PROJECT PTY LTD – AUSGRID ARBITRATION AWARD

The Arbitration Award

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

Redbank Project has been successful in the arbitration and was also awarded its costs of the proceedings.

The award means that Redbank Project will be entitled to pass on to Ausgrid the liability imposed on it by the *Clean Energy Act 2011* in relation to the Contract Amount covered by the PPHA. Redbank is entitled to retain the payment of \$8.7M that it received from the Commonwealth Government's Energy Security Fund.

The adjustment to the prices under the PPHA resulting from the award will continue to apply unless there is a reconsideration of the Contract Strike Price effective from 1 January 2020 as provided for by the PPHA.

Redbank Energy Delayed Interim Financial Report & Suspension from Official Quotation

Redbank Energy is currently suspended from Official Quotation on the ASX. As previously advised, this is because Redbank Energy was required to delay the finalisation and release of its Interim Financial Report for the Half Year ended 31 December 2012 pending receipt of the arbitration award. Redbank Energy, with the assistance of its auditors, PriceWaterhouseCoopers, will now proceed to finalise its Interim Financial Report for the Half Year ended 31 December 2012. Once this occurs, Redbank Energy expects the current suspension from Official Quotation will cease and the shares will recommence trading.

Thanks

Redbank would like to thank all our advisors for their outstanding work in relation to the arbitration and without which this result could not have been achieved, those advisors being: Ian Jackman SC, Justin Hewitt & Joseph Carney of counsel; Robert McGregor & Paul O'Donnell (HWL Ebsworth); Mike Daniel (Resolve Litigation Lawyers); Stephen Weston (ACIL Tasman); and Daren Castle (Gresham). Redbank would also like to thank Andrew McIntosh, Redbank Project's Commercial Manager, for his invaluable assistance with the arbitration.

ENDS

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