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ASX Release

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REDBANK LIQUIDITY FACILITY UPDATE

Further to the ASX announcement made on 24 December 2010, Alinta Energy (ASX:AEJ) advises that the Redbank liquidity facility (undrawn) will expire on 13 February 2011 following the notice by Bank of Western Australia (Bankwest) on 16 November 2010. The withdrawal of the liquidity facility combined with a consequent downgrade or withdrawal of the credit rating will result in an event of default unless the facility is replaced by the due date.

As foreshadowed in the ASX announcement made on 24 December 2010, Standard & Poors has issued a downgrade of its private rating of Redbank. Redbank does not believe that it will be able to obtain a replacement facility and is discussing with its lenders alternative means by which to manage the company's liquidity requirements from operating cashflows and existing cash reserves.

Alinta now advises that the Redbank lenders have executed a waiver to 31 March 2011 for the requirement to replace the liquidity facility to enable the Redbank lenders and the company to settle the strategy for the future of the power station. The Redbank lenders have appointed an Investigating Accountant to review the financial status of the company. Redbank will continue to discuss with lenders the options available to maximise value for the asset as well as the ongoing liquidity arrangements.

Redbank Project Pty Limited (Redbank) is a wholly owned subsidiary of Alinta Energy which has project funding from a syndicate of four banks (Redbank lenders). Redbank is a 151MW coal fired power station located in the Hunter Valley, New South Wales. Redbank has a Power Purchase and Hedge Agreement with Energy Australia for its electricity production. Redbank is funded by project debt which has no recourse to the rest of the Alinta Energy Group.

ENDS

Further Information:

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About Alinta Energy Group

Alinta Energy Group (ASX: AEJ) is an integrated energy company, operating power generation businesses as well as providing gas and electricity to commercial, industrial and retail customers across Australia.