



ASX Release

1 October 2013

REDBANK PROJECT SEPTEMBER 2013 PRINCIPAL PAYMENT

Redbank Energy Limited (ASX:AEJ) advises that its wholly owned subsidiary, Redbank Project Pty Limited (“Redbank Project”), has withheld payment of the principal component of the scheduled quarterly payment due on 30 September 2013 to its lending syndicate under the Credit Facility Agreement. Redbank Project intends to place the withheld principal amount of approximately \$3 million into an escrow account maintained by Redbank Project, while the interest component of the scheduled payment (approximately \$3.9 million) has been serviced as usual. Redbank Project has informed its lenders that it intends to repay the withheld principal amount upon entry into a long-term debt restructuring agreement.

As a consequence of Redbank Project withholding the principal payment, the Lenders may following the expiry of the relevant grace period have the right to take enforcement action under the relevant finance documents.

Redbank Project believes that a long-term debt restructuring is necessary to strengthen its financial condition, and that doing so without further delay is in the best interests of all stakeholders. By re-scheduling its debt repayments, the company is implementing a restructuring proposal previously put to the Lenders but not yet agreed by the parties. Redbank Project believes that taking this course of action gives the company and the Lenders an opportunity to now work on a mutually beneficial solution.

Redbank Project now hopes and expects to engage in good faith with the Lenders to agree a long-term debt restructure. The company was previously informed that the Lenders were working on a restructuring proposal that would be provided to it in due course. However, Redbank Project has not yet received this proposal and awaits the Lenders’ response to this withholding of principal.

ENDS

Further Information:

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