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REDBANK ENERGY

ASX Release

31 August 2011

RESULTS FOR ANNOUNCEMENT TO THE MARKET UNDER ASX LISTING RULE 4.3A
REDBANK ENERGY APPENDIX 4E FOR THE PERIOD TO 30 JUNE 2011

Please see attached the Appendix 4E for the year ended 30 June 2011 relating to Redbank Energy Limited (ASX: AEJ).

The Appendix 4E is based on financial reports which are in the process of being audited and are due to be released no later than 30 September 2011.

ENDS

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REDBANK ENERGY GROUP
(FORMERLY ALINTA ENERGY GROUP)

APPENDIX 4E

Preliminary Final Report

Name of entity:	**Redbank Energy Group ("REG") (formerly Alinta Energy Group), comprising Redbank Energy Limited (formerly Alinta Energy Limited) ABN 67 116 665 608 and Controlled Entities**
ABN:	**As Above**

1. Details of the reporting period
(Listing Rule 4.3A 1)

Current Period:	1 July 2010 - 30 June 2011
Previous Corresponding Period:	1 July 2009 - 30 June 2010

2. Results for announcement to the market
(Listing Rule 4.3A 2)

		% Movement	**2011 A$'000**	**2010 A$'000**
2.1	Revenues from ordinary activities	-21.6%	63,174	80,572
2.2	Profit / (loss) from ordinary activities after tax attributable to members	-110.6%	(30,104)	282,624
2.3	Profit / (loss) for the period attributable to members	-110.6%	(30,104)	282,624
2.4	Distributions	**Amount per security**	**Franked amount per security**	
	Current period Final distribution Interim distribution (paid)	- -	- -	
	Previous corresponding period Final distribution (paid)	-	-	
2.5	Record date for determining entitlement to the final distribution	N/A		
2.6	Provide a brief explanation of any of the figures reported above necessary to enable the figures to be understood: Refer to the discussion in Section 14 of this release.			

3. Income statement
(Listing Rule 4.3A 3)

	Note	2011 $'000	2010 $'000
Revenue from continuing operations	B	63,174	80,572
Other income	B	32,798	378,242
Net gain on disposal of business	D	1,800	21,937
Financing income	B	3,991	3,440
Total income		**101,763**	**484,191**
Operating expenses	B	(46,443)	(57,267)
Depreciation and amortisation expense	B	(11,455)	(11,354)
Finance costs	B	(20,044)	(48,436)
Share of profits of associates accounted for using the equity method		-	1,408
Management charges	B	-	(259)
Fair value (loss) on derivatives	B	(18,455)	(13,629)
Impairment loss	B	-	(50,000)
Total expense from ordinary activities		**(96,397)**	**(179,537)**
Loss before income tax		**5,366**	**304,654**
Income tax (expense)/benefit		(35,470)	(22,030)
Profit/(loss) from continuing operations		**(30,104)**	**282,624**
Loss from discontinued operations		**(388,075)**	**(860,017)**
Loss for the year		**(418,179)**	**(577,393)**
Loss attributable to stapled security holders as:			
Equity holders of the Company – REL		(418,179)	(572,036)
Equity holders of the Trust – AET (non-controlling interest)		-	(5,474)
Subsidiary company non-controlling interests		-	117
		(418,179)	**(577,393)**
Other comprehensive income from continuing operations			
Other comprehensive income		-	-
		-	-
Other comprehensive income from discontinued operations		76,879	52,853
Other comprehensive income for the year, net of tax		**76,879**	**52,853**
Total comprehensive income for the year		**(341,300)**	**(524,540)**
Loss and other comprehensive income deficit attributable to security holders are as follows:			
Equity holders of the Company – REL		(341,300)	(519,183)
Equity holders of the Trust – AET (non-controlling interest)		-	(5,474)
Subsidiary company non-controlling interests		-	117
		(341,300)	**(524,540)**
		Cents	**Cents**
Earnings per share of the parent based on earnings attributable to the equity holders of the parent			
Basic earnings per share		(66.11)	(76.56)
Diluted earnings per share		(66.11)	(76.56)

4. Balance sheet
(Listing Rule 4.3A 4)

	Note	2011 $'000	2010 $'000
Current assets			
Cash and cash equivalents		20,638	105,085
Trade and other receivables		7,827	222,678
Derivative financial instruments		23,036	67,205
Inventories		2,366	42,004
Other assets		4,258	36,992
		58,125	473,964
Non-current assets classified as held for sale		41,002	71,516
Total current assets		**99,127**	**545,480**
Non-current assets			
Trade and other receivables		105	61,822
Derivative financial instruments		43,097	67,078
Property, plant and equipment		197,727	2,156,417
Intangibles		15,809	1,298,043
Deferred tax assets		17,549	128,538
Other assets		18,915	20,219
Total non-current assets		**293,202**	**3,732,117**
Total assets		**392,329**	**4,277,597**
Current liabilities			
Trade and other payables		9,749	201,907
Current tax payables		-	626
Derivative financial instruments		-	5,507
Borrowings	C	219,559	20,621
Employee benefits		1,071	26,589
Provisions		-	28,965
		230,379	284,215
Liabilities directly associated with non-current assets held for sale		70,000	80,735
Total current liabilities		**300,379**	**364,950**
Non-current liabilities			
Borrowings	C	-	2,901,662
Deferred tax liabilities		74,697	151,382
Derivative financial instruments		-	132,471
Other payables		-	516
Employee benefits		-	49,842
Provisions		18,235	255,788
Total non-current liabilities		**92,932**	**3,491,661**
Total liabilities		**393,311**	**3,856,611**
Net assets		**(982)**	**420,986**

4. Balance sheet (continued)

	2011 $'000	2010 $'000
Equity holders of the Company – REL		
Contributed equity	656,224	656,224
Reserves	1,038,409	(72,879)
Accumulated losses	(1,695,615)	(1,283,067)
	(982)	(699,722)
Equity holders of the Trust – AET (Minority interest)		
Contributed equity	-	1,122,137
Accumulated losses	-	(1,429)
	-	1,120,708
Total equity holding of Stapled Security holders – REG	(982)	420,986
Total equity	**(982)**	**420,986**

5. Cash flow statement

(Listing Rule 4.3A 5)

	2011 $'000	2010 $'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	1,174,482	1,583,487
Payments to suppliers and employees (inclusive of GST)	(1,004,978)	(1,553,320)
Interest received	5,170	6,568
Interest and other costs of finance paid	(165,395)	(173,509)
Dividends received	2,280	2,671
Income/withholding tax paid	(1,747)	(627)
Net cash inflow/(outflow) from operating activities	**9,812**	**(134,730)**
Cash flows from investing activities		
Payment for property, plant and equipment	(35,458)	(92,313)
Proceeds from sale of property, plant and equipment	3	7
Payment for purchase of subsidiaries (net of cash acquired from subsidiaries, inclusive of GST on transaction costs)	-	(2,735)
Proceeds from sale of subsidiaries (net of cash and cash equivalents disposed of)	(64,127)	18,533
Net cash (outflow) from investing activities	**(99,582)**	**(76,508)**
Cash flows from financing activities		
Payments for trust units bought back	(80,706)	-
Proceeds from borrowings	81,616	142,691
Repayment of borrowings	(59,695)	(54,272)
Loans repaid by related party	64,510	-
Loan establishment costs	-	(11,859)
Net cash inflow from financing activities	**5,725**	**76,560**
Net (decrease) in cash and cash equivalents	**(84,045)**	**(134,678)**
Cash and cash equivalents at the beginning of the year	105,085	239,815
Effect of exchange rate changes on cash and cash equivalents	(402)	(52)
Cash and cash equivalents at the end of the year	**20,638**	**105,085**

Notes to financial information

(Listing Rule 4.3A 3,4,5)

Note A – Going concern and impairment

Going concern

The financial information presented in this preliminary financial report has been prepared on the basis that the Redbank Energy Group (REG or Group) and Redbank Energy Limited (REL), the Group's ultimate parent entity are a going concern.

Redbank Project Pty Ltd (Redbank Project) is the Group's operating subsidiary which holds the Redbank Power Station and which has its own project finance facility (**Redbank Credit Facility**).

During the FY2011 reporting period, the Boards of REL and Redbank Project altered their composition.

In respect of REL, the Board was comprised of Len Gill, Ross Rolfe, Peter Kinsey and Rod Keller until 6 April 2011. On that date, Ross Rolfe resigned as a director of REL.

In respect of Redbank Project, the Board was comprised of Ross Rolfe, Peter Brook and Brian Green until 28 March 2011. On that date, Messrs Rolfe, Brook and Green resigned and were replaced by Len Gill, Peter Kinsey and Rod Keller. On 13 July 2011, Richard Butler and Simon Maher were appointed to the Redbank Project Board. On 12 August 2011, Messrs Gill, Kinsey and Keller resigned from the Redbank Project Board.

Since 30 June 2011, there have been further changes in the composition of the REL Board, being:

1. on 13 July 2011, both Richard Butler and Simon Maher were appointed to the REL Board;
2. on 12 August 2011, Len Gill (Chairman), Peter Kinsey (Director) and Rod Keller (Director) resigned from the REL Board, as well as from all other companies in the Group;
3. on 12 August 2011, Richard Butler was appointed as Chairman of the REL Board; and
4. on 12 August 2011, Todd Plutsky and Vlad Artamonov were appointed as Directors of the REL Board.

Each of the four recently appointed directors either hold directly or are representatives of organisations that hold significant equity interests in the Group.

Prior to 2011, BankWest, in addition to being one of the lenders under the Redbank Credit Facility, provided Redbank Project with working capital and liquidity facilities. These working capital and liquidity facilities were required to be rolled over by BankWest on a yearly basis. The applicable roll over date for 2011 was 13 February 2011.

Early in 2011, BankWest informed Redbank Project that it would not roll over its working capital and liquidity facilities as at 13 February 2011.

The terms of the Redbank Credit Facility are drafted in such a way that, in the absence of the BankWest working capital and liquidity facilities, or equivalent working capital and liquidity facilities, after 14 February 2011, there would have been created a default under the Redbank Credit Facility. In the event of such a default, the Redbank Project lenders would have been entitled to accelerate the amount owing by Redbank Project.

On 11 January 2011, a waiver of this default was granted by the Redbank Project lenders up until 31 March 2011. The Banking Support Agreement, referred to below, requiring the refinance or sale of Redbank Project was signed on 31 March 2011.

On 29 March 2011, REG implemented a Trust Scheme and four Creditors' Schemes to significantly reduce the Group's overall debt levels.

Note A – Going concern and impairment (continued)

On 31 March 2011, Redbank Project entered into a Bank Support Agreement with its lenders whereby they conditionally agreed not to enforce their rights under the Redbank Credit Facility on the condition that the Group inject further equity capital into Redbank Project and appoint independent external advisors to work with the Group on a sale process or refinancing (**BSA**). The equity injections and appointments have been made and all other requisite aspects of the BSA are in progress.

The BSA requires for either a sale or refinance of the business to occur. In this regard, it should be noted that if a carbon pollution scheme is legislated by the Federal Government, the Federal Government has announced that it may offer to refinance coal fired power stations in distressed circumstances. It is beholden on the Board to investigate this opportunity, as well as any other opportunities that may arise, while continuing to comply with Redbank Project's obligations under the BSA.

On 1 July 2011, the Group completed the sale of its interest in the Oakey Power Station, which resulted in it being released from its remaining debt obligation to Babcock & Brown International Pty Ltd. As a result of these transactions, the Group has only one remaining asset, being the Redbank Power Station.

The new directors are currently in the early stages of considering a range of options for the future of the Redbank business. Potential options range from a sale of the operating entity through to a refinancing of the Redbank Credit Facility. At the time of this preliminary earnings release, the Board have not formed a view on the Group's strategic direction. If the Group is unable to realise a strategy that secures its longer term future, it is unlikely that the Group will be able to continue to operate as a going concern. However, the Board currently remains committed to identifying and implementing a strategy that secures the Group's longer term future. Nevertheless, there exists material uncertainty in relation to the Group's ability to continue as a going concern.

The directors regularly monitor and review the Group's operating and financial performance, including the profile of its debt facilities and forecast cash flows. The directors are committed to ensuring that the Group delivers on its undertakings in relation to the Bank Support Agreement.

As this preliminary financial report has been prepared on a going concern basis, no adjustments have been made relating to the recoverability and classification of the asset carrying amounts, and the classification of liabilities as at 30 June 2011 that might have been necessary had the Group not been able to continue as a going concern. The carrying values of the Group's operating assets have been assessed for impairment purposes as at 30 June 2011 using a 'value in use' approach.

The directors will continue to assess the ongoing appropriateness of the going concern basis of preparation for the Group's annual financial report, which is expected to be released on or before 30 September 2011.

Impairment

No impairment has been recognised in the continuing Group's 2011 result against the Redbank assets.

The recoverable amount of the Redbank assets are determined on the basis of 'value in use' calculations. These calculations use cash flow projections based on board approved financial forecasts. Given that the Federal Government's proposed Carbon Tax has not been legislated, no impairment has been recognised in relation to the cost of this potential impost. The valuations determined under the value in use approach may differ significantly from valuations prepared under a fair value less costs to sell approach.

The pre-tax discount rate applied in the Redbank CGU value in use calculation was 11.6% (2010: 11.6%).

Note B. Profit/(loss) from operations

	2011 $'000	2010 $'000
Revenue		
Revenue from the sale of energy products	63,138	75,303
Other revenue	36	5,269
	63,174	80,572
Other income		
Release of provisions	-	32,421
Debt forgiveness	32,809	345,818
Net profit/(loss) on disposal of property, plant and equipment	(11)	3
	32,798	378,242
Financing Income		
Interest income		
Bank deposits	3,991	3,440
	3,991	3,440
(Loss)/profit before income tax has been arrived at after charging the following expenses:		
Operating expenses:		
Operating costs	30,088	44,936
Corporate and administrative costs	9,436	5,181
Employee benefit expenses		
Salaries and wages	6,919	7,150
	46,443	57,267
Management charges:		
Manager expense amount	-	1,127
Custodian fee	-	(145)
Responsible Entity fees	-	(723)
	-	259
Impairment loss		
Intangibles (i)	-	50,000
	-	50,000

Note B. Profit/(loss) from operations (continued)

	2011 $'000	2010 $'000
Depreciation and amortisation		
Depreciation of property, plant and equipment	10,680	9,571
Amortisation of intangible assets	775	1,783
	11,455	11,354
Finance costs:		
Interest expense – External 3rd parties	21,126	46,823
Unwinding of discount on provisions	(1,156)	354
Other borrowing costs	74	1,259
	20,044	48,436
Derivative movement		
Fair value (loss)/gain on Redbank PPHA derivative (ii)	(18,455)	(13,629)
	(18,455)	(13,629)

(i) No impairment charges were recognised in the current year. In the 2010 comparative period an impairment of charge of $50.0 million was recognised against the goodwill and other intangible assets of the Redbank cash generating unit.

(ii) The non cash derivative movement reported in the accounts represents an assessment of the present value of the difference between the Energy Australia contract (Redbank PPHA) value and the projected value of the gross revenue Redbank could potentially achieve if they sold electricity on market over the theoretical whole of remaining life of the contract. At no time can and will this derivative instrument calculation impact the cash position or underlying profits generated by the operations of REG. Given that the Federal Government's proposed Carbon Tax has not been legislated, the impacts of this potential impost have not been included in the calculation of the Redbank PPHA contract.

Note C. Borrowings

	2011 $'000	2010 $'000
Current		
Secured		
Redbank Credit Facility Agreement (i)	219,559	16,701
Total secured current borrowings	219,559	16,701
Unsecured		
Other borrowings (ii)	-	3,920
Total unsecured current borrowings	-	3,920
Total current borrowings	219,559	20,621
Non-current		
Secured		
Redbank Credit Facility Agreement (i)	-	219,559
AFA Syndicated Facility Agreement (iii)	-	2,649,173
Total secured non-current borrowings	-	2,868,732
Unsecured		
Other borrowings (ii)	-	32,930
Total unsecured non-current borrowings	-	32,930
Total non-current borrowings	-	2,901,662

(i) Redbank Credit Facility Agreement

This facility consists of two tranches.

- Tranche 1, expiring in 2018 has $43,413,000 outstanding as at 30 June 2011 (30 June 2010: $48,590,000).
- Tranche 2, expiring in 2023 has $176,146,000 outstanding as at 30 June 2011 (30 June 2010: $183,170,000).

The effective average interest rate was 8.05% as at 30 June 2011 (30 June 2010: 8.05%).

The Group also has liquidity and working capital facilities which were undrawn at 30 June 2011. In the prior year an equivalent working capital facility was drawn to $4,500,000 and the equivalent liquidity facility was undrawn.

Redbank Project Pty Ltd, the operating and borrowing subsidiary, was required under the terms of its financing documents to replace its previous liquidity facility which was not extended by BankWest with effect from 13 February 2011. In the absence of a replacement liquidity facility, the Redbank lending syndicate had the ability to call an event of default and accelerate all amounts owing to it by Redbank.

New facilities were obtained, they comprise a $2.5 million liquidity facility and a $3.0 million working capital facility, both provided by a subset of the existing lender group. The facilities are for a term of 12 months and are available to support the liquidity and working capital requirements of Redbank.

In conjunction with the above facilities, Redbank has entered into a Bank Support Agreement with its lenders. Subject to the occurrence of certain trigger events, including the occurrence of an event of default, in which event the Bank Support Agreement would terminate earlier, the Bank Support Agreement lasts until 31 March 2012 and provides for, among other things, the following:

- the Redbank lenders may not exercise any rights which accrue to them as the result of Redbank Project's inability to replace the liquidity facility;
- the calculation of the financial covenants has been amended so as to ensure these can be met under most foreseeable operating conditions; and
- management will work to either refinance or sell Redbank Project Pty Ltd during the term of the Bank Support Agreement, with an orderly sale process commencing in Q3 2011.

Note C. Borrowings (continued)

(ii) Other borrowings

Redbank EATM Pty Ltd ('Redbank EATM', formerly Alinta EATM Pty Ltd) had a loan payable to Prime Infrastructure of $32,930,000 as at 30 June 2010. This loan was settled in a compromise agreement in April 2011.

(iii) AFA Syndicated Facility Agreement

The Alinta Finance Australia Syndicated Facility Agreement consisted of the following six tranches at 30 June 2010:

- Tranche A: $1,600,000,000 maturing 16 June 2011, but extendable to 30 September 2012 at REL's option
- Tranche B: $960,000,000 maturing 30 September 2012
- Working Capital: $60,000,000 revolving working capital facility maturing 16 June 2011, but extendable to 30 September 2012 at REL's option
- Letter of Credit: $80,000,000 revolving letter of credit facility maturing 16 June 2011, but extendable to 30 September 2012 at REL's option
- NWS Price Dispute facility: $70,000,000 maturing 22 July 2011 used to settle the North West Shelf arbitrated outcome
- Liquidity facility: $30,000,000 additional liquidity facility maturing 22 November 2010 (not drawn).

As all amounts were extinguished as part of the Creditors' Schemes implemented during the 30 June 2011 financial year under which the AFA Syndicated Facility Agreement debt was exchanged for the equity interests of the subsidiaries of Redbank Finance Pty Ltd (formerly Alinta Finance Australia Pty Ltd), the amounts outstanding as at 30 June 2011 were $nil for Tranche A & B (30 June 2010: $2,552,167,000), $nil for Working Capital (30 June 2010: $50,000,000) and $nil (30 June 2009: $70,000,000) for NWS Price Dispute Facility. The effective interest rate on the debt as at 30 June 2010 was 7.82%.

Letters of Credit amounting to $nil were outstanding as at 30 June 2011 (30 June 2010: $58,379,000).

Following the Creditors' Scheme implementation, the facilities listed above no longer exist as at 30 June 2011.

Note D. Changes in the composition of the consolidated Group

(a) Disposal of business

Alinta Energy
On 29 March 2011, REG successfully implemented a Trust Scheme and four Creditors' Schemes to substantially de-leverage the Group.

As part of this de-leveraging exercise, the Creditors' Schemes saw the full discharge of the AFA Syndicate debt in exchange for the equity interests in Redbank Finance Pty Ltd's (RFA, formerly Alinta Finance Australia Pty Ltd) subsidiary entities and the provision of approximately 70% of the funding to enable the acquisition of the Alinta Energy Trust units under the Trust Scheme. As a result, the subsidiaries of RFA transferred to a new entity wholly owned by the AFA Syndicate Lenders.

(i) Financial performance and cash flow information of operations disposed

The results of the discontinued operations for the year until disposed are presented below:

	2011 $'000	2010 $'000
Revenue	1,478,342	1,353,992
Expenses	(1,859,221)	(2,232,205)
Loss before income tax	(380,879)	(878,213)
Income tax benefit	23,477	18,196
Loss before tax from discontinued operations	(357,402)	(860,017)
Loss on sale of the division before income tax	(30,673)	-
Income tax expense	-	-
Loss on sale of the division after income tax	(30,673)	-
Loss from discontinued operations	(388,075)	(860,017)
Profit/(loss) attributable to owners of the parent entity relates to:		
Profit/(loss) from continuing operations	(30,104)	282,624
Loss from discontinued operations	(388,075)	(860,017)
	(418,179)	(577,393)
Net cash (outflow)/inflow from operating activities	15,164	10,269
Net cash (outflow)/inflow from investing activities	(24,540)	(93,609)
Net cash (outflow)/inflow from financing activities	41,616	130,691
Net increase in cash generated by the disposed operations	32,240	47,351

(ii) Details of sale of the division

	2011 $'000	2010 $'000
Net consideration received or receivable[1]	-	-
Carrying amount of net assets sold	30,673	-
Loss on sale before income tax	**(30,673)**	**-**
Income tax expense	**-**	**-**
Loss on sale after income tax	**(30,673)**	**-**

[1] *Nil consideration was received for the disposal of Alinta Energy. Cash balances in entities disposed totalled $74.7 million.*

Note D. Changes in the composition of the consolidated Group (continued)

(a) Disposal of business (continued)

(iii) Statement of financial position at 16 March 2011

	16 Mar 11 $'000
Assets	
Cash and cash equivalents	74,645
Trade and other receivables	233,071
Inventories	40,570
Other assets	37,920
Derivative financial instruments	25,761
Deferred tax assets	221,720
Property, plant and equipment	1,870,481
Intangibles	747,731
Total assets	**3,251,899**
Liabilities	
Trade and other payables	205,064
Current tax payables	323
Derivative financial instruments	117,155
Deferred tax liabilities	246,183
Employee benefits	56,729
Borrowings	2,349,329
Provisions	246,443
Total liabilities	**3,221,226**
Net assets /(liabilities)	**30,673**

Cawse Power Station

During the year, on 10 August 2010, the Group disposed of its 100% interest in the Cawse Power Station, a gas-fired co-generation plant located in Western Australia. The Group had previously impaired this asset to its recoverable value and did not make a gain on sale. The proceeds from sale of the Cawse Power Station were $8.5 million.

Energy Markets

During the previous financial year REG sold its interest in Alinta Energy Markets Pty Ltd. A working capital adjustment amount of $0.3 million related to the sale was received in July 2011. There is a contingent asset in relation to further proceeds that may be realised up until 31 December 2011 subject to the entity's operating performance.

Note D. Changes in the composition of the consolidated Group (continued)

(a) Disposal of business (continued)

Tamar Power Project

During the 2009 financial year REG sold its interest in the Tamar Power Station to the Tasmanian Government (Aurora Energy Tamar Valley). The asset was under construction at the date of sale and the contract for sale provided for REG to continue to manage the construction to completion. Whilst REG was to be paid (and has received) fees for its services, REG was also entitled, as an incentive, to share in any unspent contingency. Until the contract was complete and all costs and charges discharged, there was uncertainty on the recoverability of this sum. During the 2011 year, contingent consideration received was $1.8 million (2010: $15.6 million). No further amounts are expected to be received.

(b) Acquisition of business

No entities were acquired by REG during the year ended 30 June 2011.

Note E. Segment information

Primary reporting format – business segments

(Listing Rule 4.3A 14.4)

a) Segment performance

The Group's operations are primarily in Australia. The segment information provided to the Board of Directors for the year ended 30 June 2011 is as follows:

	Generation Aust $'000	Other Aust $'000	Elimination $'000	Total $'000
30 June 2011				
Revenue from external customers	63,328	(154)	-	63,174
Inter-segment revenue [1]	-	1,681	(1,681)	-
Total segment revenue	**63,328**	**1,527**	**(1,681)**	**63,174**
Management EBITDA	**24,500**	**(7,769)**	**-**	**16,731**
30 June 2010				
Revenue from external customers	58,105	22,467	-	80,572
Inter-segment revenue [1]	-	1,550	(1,550)	-
Total segment revenue	**58,105**	**24,017**	**(1,550)**	**80,572**
Management EBITDA	**23,873**	**(822)**	**-**	**23,051**

The Board assesses the performance of the operating segments based on a measure of Management EBITDA. This measurement excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs, onerous contract provisions and goodwill impairments, when the impairment is the result of an isolated non-recurring event. The Group's assets and liabilities are reported on a consolidated basis.

(1) Revenue earned between segments is recognised in inter-segment revenue and is eliminated to reconcile to the Group result.

Note E. Segment information (continued)

b) Reconciliation of Management view EBITDA to Statutory EBITDA:

	Generation Aust $'000	Other Aust $'000	Elimination $'000	Total $'000
30 June 2011				
Management EBITDA	**24,500**	**(7,769)**	**-**	**16,731**
Gain on disposal of business	-	1,800	-	1,800
Mark to market derivative movements	(18,455)	-	-	(18,455)
Debt forgiveness	-	32,798	-	32,798
Management adjustments	**(18,455)**	**34,598**	**-**	**16,143**
Statutory EBITDA	**6,045**	**26,829**	**-**	**32,874**
Net finance costs				(16,053)
Taxation				(35,470)
Amortisation and depreciation				(11,455)
Loss from continuing operations				**(30,104)**

	Generation Aust $'000	Other Aust $'000	Elimination $'000	Total $'000
30 June 2010				
Management EBITDA	**23,873**	**(822)**	**-**	**23,051**
Movement in provisions & other abnormal items	-	32,419	-	32,419
Impairment	(50,000)	-	-	(50,000)
Gain on disposal of business	-	21,937	-	21,937
Mark to market derivative movements	(13,629)	-	-	(13,629)
Non controlling interest and equity accounted investments	-	1,408	-	1,408
Debt forgiveness	-	345,818	-	345,818
Management adjustments	**(63,629)**	**401,582**	**-**	**337,953**
Statutory EBITDA	**(39,756)**	**400,760**	**-**	**361,004**
Net finance costs				(44,996)
Taxation				(22,030)
Amortisation and depreciation				(11,354)
Profit from continuing operations				**282,624**

6. Details of distributions

(Listing Rule 4.3A 6)

	Record Date	Payment Date
2011 Interim Distribution	N/A	N/A
2011 Final Distribution	N/A	N/A

The Board of Directors of REG have suspended distributions for the foreseeable future. Accordingly no distribution for the year ended 30 June 2011 will be paid. No distributions were paid in the prior year.

7. Details of distribution reinvestment plan

(Listing Rule 4.3A 7)

There will be no distributions paid by REG for the year to 30 June 2011. As a consequence there is no reinvestment plan.

8. Statement of retained earnings showing movements

(Listing Rule 4.3A 8)

	2011 $'000	**2010 $'000**
Balance at beginning of financial year	(1,284,496)	(703,586)
Prior period adjustments	-	1,889
Net loss attributable to stapled security holders	(418,179)	(577,510)
Movement in Defined Benefit Obligation	7,060	(5,289)
Balance at end of financial year	**(1,695,615)**	**(1,284,496)**
Attributable to:		
Equity holders of the Company – REL	(1,695,615)	(1,283,067)
Equity holders of the Trust - AET	-	(1,429)
	(1,695,615)	**(1,284,496)**

9. Net tangible asset backing per security

(Listing Rule 4.3A 9)

	Current Period	**Previous Period**
Net tangible assets backing per security	$0.06	($1.13)
Net assets backing per security	$0.00	$0.53

REG has net tangible assets per security of $0.06 (2010: -$1.13). The prior year negative net tangible assets per security is primarily attributable to the significant amount of intangibles and goodwill recognised by the Group from its acquisition of businesses in the 2008 financial year. These businesses were disposed of during the 2011 financial year.

Net assets per security at 30 June 2011 was $0.00 (2010: $0.53).

10. Control gained or lost over entities during the period

(Listing Rule 4.3A 10)

10.1 Name of entity (or group of entities) over which control was gained:	10.2 Date control was gained:
Redbank Energy (NZ) Limited	14 March 2011

10.3 Profit (loss) after tax from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) from the date of control to the end of the current period	**A$'000** $Nil

10. Control gained or lost over entities during the period (continued)

10.1 Name of entity (or group of entities) over which control was lost:	10.2 Date control was lost:
Alinta Power Cat Pty Ltd, Alinta Braemar Pty Ltd, Alinta Servco Pty Ltd and CMO Energy (NZ) Ltd and controlled entities as the disposed "Alinta Energy business"	29 March 2011

10.3 Profit (loss) after tax from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the beginning of the current period up to when control was ceased.	**A$'000** (388,075)
10.4 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) disposed for the whole of the previous corresponding period.	**A$'000** (860,017)

11. Details of associates and joint venture entities
(Listing Rule 4.3A 11)

11.1 Name of entity (or group of entities) over which significant influence was gained N/A	11.2 Date significant influence ceased. N/A
11.3 Percentage holding in the partnership	N/A
11.4 Consolidated profit after tax from ordinary activities and extraordinary items after tax of the associate (or group of entities) since the date in the current period.	**($000)** N/A
11.5 Profit (loss) from ordinary activities and extraordinary items after tax of the associate (or group of entities) for the whole of the previous corresponding period	**($000)** N/A

12. Other significant information
(Listing Rule 4.3A 12)

All significant information in respect of REG has been presented in Note A of this release.

13. Accounting standards used by foreign entities
(Listing Rule 4.3A 13)

Not applicable.

14. Commentary on results

(Listing Rule 4.3A 14)

Review of operations

Corporate structure matters

To the date of this report, the following important matters were addressed by the Group:

De-leveraging transaction

Following an extensive process, on 15 March 2011 the Group's Securityholders voted on and approved a number of resolutions for the purpose of allowing the realisation of Creditors' and a Trust Scheme that saw the Group's lenders forgiving debts of approximately $2.9 billion owed by Redbank Finance Pty Ltd (RFA, formerly Alinta Finance Australia Pty Ltd) in exchange for all the assets held as security against the loan.

Broadly, the passed resolutions resulted in approval for the following actions to take place:

- Disposal of the Group's interest in substantially all of its operating businesses, with the exception of the Redbank and Oakey businesses, in effective consideration for the release of it major external borrowing obligation under Creditors' Schemes of Arrangement,
- De-stapling of Redbank Energy Limited's (formerly Alinta Energy Limited) shares from the units in the Alinta Energy Trust (AET) from the Trust Scheme Implementation Date,
- Payment to securityholders of $0.10 per security as consideration for the sale of their AET units to RFA. Securityholders payments were made off a record date of 25 March 2011.
- Change of the Group's parent entity name of from Alinta Energy Limited to Redbank Energy Limited. The registration of name change took place on 18 March 2011.
- Delisting of the Group from the Australian Securities Exchange (ASX) at a date selected by its then directors, from a time one month after the passing of the resolutions. It should be noted that there is presently no proposal to delist REL from the ASX at the date of this report.
- Reduction in the minimum number of board members from four to three. At the date of this report there are four directors on the REL board.
- Consolidation of REL shares in a 1,000:1 ratio. The record date for the consolidation, which has been completed, was 12 April 2011.

On the 17th of March 2011, the Supreme Court of New South Wales made orders to implement the Creditors' Schemes and gave judicial advice on the Trust Scheme. The Creditors' and Trust Schemes were implemented on 29 March 2011.

Following the deleveraging exercise, the Group retained its economic interest in the Redbank Power Station, a 151MW coal fired generation asset located in the Hunter Valley, New South Wales.

Bank support agreement – Redbank facility support agreement

Following the deleveraging exercise outlined above, the only external debt obligation of the remaining Group was the Redbank Credit Facility, a project finance obligation of Redbank Project Pty Ltd (Redbank Project), the operating subsidiary which holds the Redbank Power Station.

Following the withdrawal of its original working capital and liquidity facilities, on 31 March 2011, the Group entered into a Bank Support Agreement and revised working capital and liquidity facilities with the lenders to Redbank Project on terms which were substantially more preferable than any alternative facilities which could have then been achieved in the market.

14. Commentary on results (continued)

The Bank Support Agreement lasts until 31 March 2012 and provides for, among other things, the following:

- the Redbank Project lenders may not exercise any rights which accrue to them under the Redbank Credit Facility as the result of Redbank Project's inability to replace the liquidity facility;
- the calculation of the financial covenants has been amended so as to ensure these can be met under most foreseeable operating conditions; and
- management will work to either refinance or sell Redbank Project during the term of the Bank Support Agreement, with an orderly sale process which is currently under way.

Appointment of sale advisor - Gresham

On 14 April 2011, the Group appointed Gresham Asset Finance Limited to provide specified sale, advisory and capital arranging services relating to the proposed disposal and potential refinancing of the Redbank Power Station.

Operating performance

Redbank

Redbank (contributed $24.5 million Management EBITDA to 30 June 2011).

Generation earnings were approximately 5% below budget due to a series of operating issues, and lower than expected pool prices. 16% OPEX above expectation – refinance costs – Operating costs were approximately 16% above budget, driven primarily by transaction costs associated with the restructuring process and additional labour costs.

15. Audit / review of accounts upon which this report is based

(Listing Rule 4.3A 15)

This report is based on accounts which are in the process of being audited and due to be released no later than 30 September 2011.

16. Qualification of audit / review

(Listing Rule 4.3A 16)

The directors do not anticipate receiving a qualified or disputed audit report from its external auditor in relation to the Group's 30 June 2011 financial statements. If however the uncertainties relating to the going concern status of the Group as outlined in Note A of this release persist at the date the financial statements are released, the directors expect the external auditor will refer to that uncertainty in an *emphasis of matter* paragraph in their audit report.