



ASX Release

Wednesday, 12 November 2014

REDBANK ENERGY UPDATE

Redbank Energy Limited (ASX: AEJ) wishes to provide a market update in relation to Redbank Project Pty Ltd.

Redbank Project Pty Ltd is the entity within the Redbank Energy Limited corporate structure that owns the Redbank Power Station.

As previously advised, Martin Madden and Janna Roberterson (both partners of KordaMentha) were appointed by the secured creditors as Receivers and Managers to Redbank Project Pty Ltd on 5 October 2013.

Redbank Energy advised by KordaMentha of a “transaction” concerning Redbank Project

Janna Robertson has written to Redbank Energy Limited and informed us of the following 3 things in respect of Redbank Project Pty Ltd:

- a) on 30 October 2014, “the Security Trustee action on the participants’ instructions completed a transaction for the monetisation of a portion of the security over which it was appointed for consideration”;
- b) on 31 October 2014, as a consequence of the transaction referred to in paragraph (a)(i) above, 39 of Redbank Project’s employees were made redundant, “Redbank’s operations would be wound down”; termination entitlements of the employees would be paid in full; and receivership related trade counterparties / supplier would be paid in the ordinary course; and
- c) that “(t)he Receivers remain in control of the residual property including the physical power stations plant and equipment which will be realised.”

Redbank Energy Limited has received no further information from KordaMentha about the “transaction” other than the words quoted in paragraph (a)(i) above.

Redbank Energy Limited has sought a meeting with KordaMentha in order to seek further information about “the transaction” referred to above and the process that KordaMentha is proposing to take to realise the “residual property including the physical power stations plant and equipment”. This meeting is now to occur at the end of this week.

Retirement of Receivers and appointment of Controllers

Redbank Energy has also been alerted by ASIC that KordaMentha has lodged a number of documents with ASIC describing changes in their role in respect of Redbank Project Pty Ltd.

In summary, the changes described in the documents lodged with ASIC are as follows:

- a) on 29 October 2014:
 - i. Janna Robertson and Martin Madden ceased to act as Receiver Managers of Redbank Project (Form 505 document lodged with ASIC on 4 November 2014); and.
 - ii. Cassandra Matthews and Scott Kershaw (both employees of KordaMentha) were appointed jointly as Controllers (other than Receiver Manager /Controllers) (Form 505 lodged with ASIC on 6 November 2014).
- b) Cassandra Matthews and Scott Kershaw are described in the relevant ASIC Form 505 referred to above as being:
 - i. appointed under the Fixed and Floating Charge granted by Redbank Project on 17 September 1997 (originally provided to Dresdner Keinwert Wasserstien and subsequently assigned to Westpac Administration 3 Limited on 31/1/2012); and
 - ii. the controllers of "the "Contractual Rights" as defined in the deeds of assignment dated 27/10/14 to which Westpac Administration 3 Limited (in its capacity as Security Trustee) is a party."

Redbank Energy Limited has not been provided with copies of the deeds of assignment dated 27/10/14 referred to in paragraph (b)(ii) above and therefore does not know:

- a) what the "Contractual Rights" are; or
- b) the identities of the other contractual parties, other than the named security trustee, Westpac Administration 3 Limited.

Further, yesterday (Tuesday, 11 November 2014) KordaMentha lodged a Form 504 with ASIC, being a notification of an appointment of a Controller in respect of Redbank Project Pty Ltd. However, as at the close of business today, ASIC is not yet been able to provide Redbank Energy Limited with a copy of the document. When a copy of the document becomes available we will update the market.

Finally, it should be noted that:

- a) Redbank Project Pty Ltd's company address remains KordaMentha's Sydney Office; and
- b) Ryan Shaw (appointed on 9 October 2013 by KordaMentha / the Secured Creditors) remains its sole director.

The Redbank Energy Limited Directors continue to explore potential options to procure an exit for shareholders, and will make the necessary announcement should any arrangement be concluded.

ENDS

Further Information:

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