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ASX & MEDIA RELEASE

CBD signs management agreement with AusChina Energy

Key points:

- *CBD entitled to a management fee of 0.5% pa of AusChina's assets*
- *CBD can elect to participate in equity in projects and can receive shareholder loans from other JV members to fund its equity*

Diversified renewable energy company, CBD Energy (ASX: CBD), has signed an agreement to participate in the day to day management of the AusChina Energy Joint Venture (AusChina) and in particular, the execution of AusChina's objective of owning one third of Australia's renewable energy base by 2020.

AusChina intends to acquire or develop A\$6 billion of projects over the next eight years.

The management agreement entitles CBD to annual compensation equal to 0.5% of AusChina's assets.

At present, AusChina is assessing several opportunities, including both operating wind farms as well as development sites in Australia, and expects to make its first asset acquisition in coming weeks.

AusChina is the culmination of several years of discussions and relationship building by each shareholder - CBD Energy and two of China's biggest renewable energy companies, Datang and Tianwei.

AusChina provides CBD with a significant opportunity to take part in the increasing role that large scale renewables will play in meeting Australia's energy requirements and 2020 renewable energy targets.

CBD Managing Director, Mr Gerry McGowan, said it was a privilege for CBD to be in partnership with two very significant Chinese companies which bring size, expertise and a competitive cost base to the renewable energy sector.

"The extent of goodwill between the partners is promising for AusChina's ambitions to be a major participant in Australia's renewable energy sector," Mr McGowan said.

Documentation signed between the AusChina shareholders confirms CBD's ownership of 23.75% of the equity in AusChina.

The documentation also allows that, as each acquisition is made, CBD will have the option but not the obligation to maintain its current shareholding.

Should CBD choose to invest, it may request to borrow the equity by way of a shareholder loan from the other shareholders in AusChina.

CBD will earn its management fee irrespective of its equity participation in projects.

CBD does not intend to raise capital from shareholders to fund any further equity investment in AusChina.

An outcome of this agreement is that it provides CBD shareholders with a more diverse business and a new source of income from long term assets.

AusChina was established in April 2011 and the China Partners, Datang and Tianwei, are subsidiaries of companies which rank as Fortune Global 500 companies.

FOR FURTHER INFORMATION:

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ABOUT CBD ENERGY

CBD is Australia's emerging leader in renewable energy, enabling the efficient use of renewable energy, for utilities, businesses and households, through operations in wind, solar, energy storage and engineering.

ABOUT AUSCHINA ENERGY GROUP

AusChina Energy Group has been established by two of China's largest renewable energy businesses and CBD Energy to develop renewable energy projects. It is a stapled entity which comprises a company (AusChina Energy Development Limited) which will be stapled to a unit trust (AusChina Energy Development Trust), with this stapled entity being owned by the joint venture partners. Ownership of the joint venture is Datang Renewable 63.75 per cent, Tianwei Baobian 12.50 per cent and CBD Energy 23.75 per cent.