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## ASX & MEDIA RELEASE

# CBD Energy Raises US\$6.25M through Convertible Note Issue

### *Initiates Funding Partnership with US Financing Group*

**Sydney, Australia, May 31, 2012** – Diversified renewable energy company, CBD Energy Limited (ASX:[CBD](#)), has raised US\$6.25 million through the issue of Convertible Notes.

Partners for Growth (PFG), a San Francisco based financing group with a focus on technology and life science companies, was the lead investor in the issue. This funding enables CBD to pursue its domestic and international growth strategies.

In particular, CBD will use the proceeds to:

- fund expansion of its restructured residential solar businesses which is showing increasing signs of growth
- progress opportunities within the commercial solar market in Australia, Europe and the U.S.
- move forward with its wind farm development program in Australia
- contribute to costs of the merger with Westinghouse Solar and transition to listing on NASDAQ which is expected to be completed in the last quarter.
- maximise opportunities from the US\$25 million line of construction financing to deliver a large pipeline of European solar projects of which we have two projects currently under construction.

According to CBD Managing Director, Mr Gerry McGowan: “The funding is not only timely in relation to enabling value to be created from our substantial international project pipeline but also reflects an understanding from a major US institution of the business model CBD has developed”.

“Achieving funding in this market at a premium to our current share price is a positive reflection on the team we have built and the opportunities we have created,” Mr McGowan said

The Convertible Notes are secured and have a term of 36 months with a conversion price of \$0.053. Interest is payable at the rate of 9.75% per annum. Warrants were issued amounting

to 25% of the Convertible Note are excisable for the same price and are valid for five years.

The conversion of the Convertible Notes and exercise of the attaching warrants is conditional on shareholder approval to the extent CBD has insufficient capacity to issue new shares in accordance with ASX Listing Rules. CBD plans to announce a special meeting of shareholders shortly and in the notice of meeting will provide additional details on the terms of the agreements.

CBD is focused on solar power installations, wind farm developments and energy efficiency in Australia, Europe and the U.S.

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**About CBD Energy (ASX:CBD), <http://www.cbdenergy.com.au/>**

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. For its fiscal year ended 30 June 2011, CBD recorded revenue of A\$164.5 million and profit after tax of A\$4.8 million. CBD is one of the largest non-utility suppliers and installers of solar energy generation equipment for both large- and domestic-scale operation in Australia. Utilising its globally competitive supply chain, CBD is also currently developing and profitably installing solar projects in Australia, Europe, U.S. and Southeast Asia, both directly and through joint ventures.

**About Partners for Growth, <http://www.pfgrowth.com/index.html>**

Established in 2004, PFG provides custom debt solutions to private and public emerging growth technology and life science companies. PFG's custom approach results in a variety of structures and terms including working capital lines of credit, term loans and convertible debt. PFG looks to share in the success of its clients by taking equity participation rights in the form of stock warrants or convertibility of its debt.. Investments in the energy and cleantech area have included Windlab Systems, an Australian based wind mapping and wind farm development company; Comverge, a public company providing demand response and energy efficiency software and hardware and; EnergyConnect, an energy demand response software company recently purchased by Johnson Controls.

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