

5 March 2010

ENHANCED RENEWABLE ENERGY TARGET SCHEME

Small-scale Renewable Energy Schemes ("SRES"), that cover technologies such as solar panels and solar hot water systems will provide a fixed price of \$40 per megawatt hour of electricity produced, from 1 January 2011. This has the effect of providing direct financial support for households that take action to reduce emissions.

This change to the RET creates certainty with regards to Renewable Energy Certificate ("REC") pricing from the 1st of January 2011.

SolarpowerRex Pty Ltd, a wholly owned subsidiary of Tamawood, which generates earnings from dealing in RECs, has legally enforceable contracts with its suppliers and dealers to cover its commitments at lower prices. Accordingly, this change is not expected to have a material impact on our 30 June 2010 results, subject to our review of the legislation once full details are announced.

Tamawood customers will continue to derive measurable economic benefits from solar hotwater and PV solar electric panels used to augment their electricity consumption needs. At the same time, Tamawood will achieve a lower product cost derived from higher and stable REC prices after 1 January 2011.

Lev Mizikovsky
Executive Director

ENDS

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