



**VIRIDIS**  
**CLEAN ENERGY GROUP**

FACSIMILE

TO	Australian Stock Exchange	DATE	14 May 2010
ATTENTION	Ms Kate Kidson	FACSIMILE	+61 3 9614 0303
FROM	Duncan Jewell		
SUBJECT	Supplementary Notice of Meeting and Supplementary Explanatory Memorandum		

Dear Ms Kidson,

Please find attached the Supplementary Notice of Meeting and Supplementary Explanatory Memorandum that is being sent to securityholders in respect of the meeting scheduled for 11 June 2010 for the Viridis Clean Energy Group (VIR).

Yours sincerely,

Duncan Jewell  
Company Secretary  
Viridis Investment Management Limited

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## **VIRIDIS CLEAN ENERGY GROUP**

### **SUPPLEMENTARY NOTICE OF MEETING AND SUPPLEMENTARY EXPLANATORY MEMORANDUM INCORPORATING ADDITIONAL INFORMATION**

This Supplementary Notice of Meeting and Supplementary Explanatory Memorandum is dated 14 May 2010 ("**Supplementary Notice**") and is given by Viridis Investment Management Limited (ABN 51 099 788 431; AFSL No. 222 547) ("**VIML**") as responsible entity for Viridis Clean Energy Trust I (ARSN 115 340 442) and Viridis Clean Energy Trust II (ARSN 115 340 639) (together, "**VCEG**").

This Supplementary Notice is supplemental to the Explanatory Memorandum and Notice of Meeting issued by VIML dated 28 April 2010 in respect of the meeting of securityholders of VCEG that is scheduled to take place at:

**Place: Level 20, 385 Bourke Street, Melbourne**

**Date and Time: 10:00 am (Melbourne time) on 11 June 2010**

This Supplementary Notice should be read together with the Explanatory Memorandum and Notice of Meeting dated 28 April 2010 and both documents should be read in their entirety.

When deciding how to vote on the resolutions, you should consider your particular financial position, needs and objectives. You should consult a licensed financial adviser or other professional adviser if you are in any doubt as to how to proceed.

## Supplementary Notice of Meeting

Notice is given that additional items of business are to be considered at the joint meeting of the Securityholders of Viridis Clean Energy Trust I and Viridis Clean Energy Trust II to be held at the offices of Herbert Geer, Level 20, 385 Bourke Street, Melbourne, Victoria on 11 June 2010 at 10:00 am, Melbourne time, or if the meeting is adjourned, such date and time as determined by VIML (the "**Meeting**").

The Supplementary Explanatory Memorandum which accompanies and forms a part of this Supplementary Notice of Meeting contains further information about the items of business. Securityholders should read the Supplementary Explanatory Memorandum carefully before deciding how to vote.

### AGENDA

#### **Resolution 7: Ratification of Issue of the Tranche 1 Options**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, the allotment and issue of 14,926,528 options to each of Royal Bank of Scotland, plc, Australia Branch and Investec Bank (Australia) Limited on 30 April 2010, on the terms and for the purpose described in the Supplementary Explanatory Memorandum, be approved and ratified."*

#### **Resolution 8: Approval of Issue of the Tranche 2 Options**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, the issue of options to each of Royal Bank of Scotland, plc, Australia Branch and Investec Bank (Australia) Limited, on the terms described in the Supplementary Explanatory Memorandum, in the event that VCEG draws funds under its corporate debt facility to fund a capital injection into its landfill gas business in the United Kingdom, be approved."*

## **INFORMATION FOR SECURITYHOLDERS**

### **Majority required**

**Resolution 7** will not be passed unless at least 50% of the votes entitled to be cast on that resolution are cast in favour of the resolution.

**Resolution 8** will not be passed unless at least 50% of the votes entitled to be cast on that resolution are cast in favour of the resolution.

### **Voting Exclusion Statement**

Under section 253E of the Corporations Act, VIML and its associates (including the Directors) are not entitled to vote on a resolution if they have an interest in the resolution or matter other than as a Securityholder.

Any votes cast by Investec Bank (Australia) Limited, Royal Bank of Scotland, plc, Australia Branch or any of their associates will be disregarded.

However, VIML need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by the chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.

### **Eligibility to Vote**

VIML has determined that for the purpose of voting at the Meeting, Stapled Securities will be taken to be held by the persons who are the registered holders of those Stapled Securities at 7.00 pm on 9 June 2010. Accordingly, transactions registered after that time will be disregarded in determining entitlement to attend and vote at the Meeting.

### **Voting**

Each of the resolutions is to be decided on a show of hands by the required majority of holders present in person or by proxy and voting on the show of hands or, if a poll is properly demanded, on a poll, by the required majority of votes cast by holders present in person or by proxy and voting on the poll.

### **Jointly held Stapled Securities**

If your Stapled Securities are jointly held, only one of the joint holders is entitled to vote. If both joint holders are present at the Meeting, only the vote of the person named first in the register counts.

### **Meeting Attendance**

If you propose to attend the Meeting, please bring the enclosed proxy form with you. This will assist in registering your attendance.

Unless you are appointing a proxy, you will not need to complete the proxy form.

### **Proxies**

If you do not plan to attend the Meeting, you are entitled to appoint a proxy to attend and vote on your behalf and you are encouraged to do so. You can appoint a proxy by completing and returning the enclosed proxy form.

Proxy forms must be received by Computershare Investor Services Pty Limited, no later than 10.00 am on 9 June 2010.

A proxy need not be a Securityholder. The proxy form must specify the proxy's name or the name of the office held by the proxy. To be valid, the form appointing the proxy may be lodged in one of the ways described in the proxy form accompanying this Supplementary Notice of Meeting. You can simply return the form in the reply paid envelope enclosed with the Supplementary Explanatory Memorandum. Alternatively, you can deliver the proxy form to the registry of Viridis Clean Energy Group, Computershare Investor Services Pty Limited in person at Yarra Falls, 452 Johnston Street, Abbotsford VIC 3067, or by mail to GPO Box 242, Melbourne VIC 3001, or by fax to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

A Securityholder entitled to attend and vote at the Meeting is entitled to appoint no more than two proxies. If two proxies are appointed, each proxy may be appointed to represent a specified number or portion of your votes. If no such number is specified, each proxy may exercise half your votes. If you wish to appoint two proxies, please refer to the back of the proxy form for instructions.

**VIML is issuing an additional proxy form in respect of resolutions 7 and 8. Securityholders are requested to complete and return the proxy form enclosed with this Supplementary Notice of Meeting in respect of resolutions 7 and 8 as well as the proxy form enclosed with the Explanatory Memorandum and Notice of Meeting dated 28 April 2010 in respect of resolutions 1 to 6.**

#### **Corporate Securityholders**

To vote at the Meeting (other than by proxy), a corporation that is a Securityholder must appoint a person to act as its representative. The appointment must comply with section 253B of the Corporations Act. The representative must bring to the Meeting evidence of his or her appointment including any authority under which it is signed.

#### **Enquiries**

Securityholders seeking further information on the Meeting should contact Computershare Investor Services Pty Limited on 1300 850 505 within in Australia or +61 3 9415 4000 outside Australia between 9:00 am and 5:00 pm, Monday to Friday.

By Order of the Board

A handwritten signature in black ink, appearing to read 'A. J. Berry', with a stylized flourish at the end.

Andrew J. Berry

Chair

Viridis Investment Management Limited

## Supplementary Explanatory Memorandum

### Introduction

This Supplementary Explanatory Memorandum includes additional information in respect of resolutions 1 to 4 and also provides information in respect of the resolutions the subject of the Supplementary Notice of Meeting, being resolutions 7 and 8.

This Supplementary Explanatory Memorandum should be read in conjunction with the Supplementary Notice of Meeting to which this Supplementary Explanatory Memorandum is attached and forms part. Please take the time to read through this document. A glossary of terms is included at the end of this Supplementary Explanatory Memorandum.

### Additional information in respect of resolutions 1 to 4

As advised in the Explanatory Memorandum, the Restructure will go ahead if resolutions 1 to 4 are passed at the Meeting by the requisite majorities and none of the events described in Section 6.6 of the Explanatory Memorandum have occurred. Provided that those conditions are satisfied, the Restructure will be implemented shortly after the Meeting.

The table below has been included in this Supplementary Explanatory Memorandum to assist Securityholders to understand the steps involved in the Restructure, including those steps that occur between the date of the Meeting and the date of implementation.

#### Timetable for Restructure:

Event	Timing requirements	Expected timing
"Meeting Date"	On / before Business Day 0	11 June 2010
"Effective Date"	Business Day 1	15 June 2010
"Deferred Trading Start Date" When trading in VIR securities on a deferred settlement basis will start	4 Business Days before the Record Date (see next row), being Business Day 2	16 June 2010
"Record Date" The Securityholders who will participate in the Restructure will be determined after close of trading on this day	5 Business Days after the Effective Date (see row 2), being Business Day 6	22 June 2010
"Implementation Date" The new Trust II units will be issued, the Trust I units will be transferred, the Trust II units will be consolidated and the registers will be updated to reflect these changes.	2 Business Days after the Record Date, being Business Day 8	24 June 2010
"Despatch Date" Notices are sent to Restructure participants and deferred settlement market ends (VIR will notify ASX by noon that despatch has occurred)	Last day for notices to be sent to Restructure participants is 9 Business Days after Deferred Trading Start Date, being noon on Business Day 11	By 29 June 2010
Normal T+3 trading commences	Next Business Day after Despatch Date, being Business Day 12	30 June 2010
Settlement of deferred settlement securities occurs	3 Business Days after T+3 trading starts, being Business Day 15	5 July 2010

### Background to resolutions 7 and 8

On 30 April 2010, VIML announced that it had entered into an agreement with (among others) Investec Bank (Australia) Limited and Royal Bank of Scotland, plc, Australia Branch (VCEG's "Corporate Lenders"), to extend VCEG's corporate debt facility to 31 March 2011.

Pursuant to the terms of that agreement, options in respect of VCEG were issued to the Corporate Lenders. Those options are referred to in the Supplementary Explanatory Memorandum as the Tranche 1 Options and the terms of those options are summarised below.

In addition to the issue of those options, it was agreed that VCEG may, if it so requires, draw funds under the facility to enable it to fund a capital injection that is likely to be required in VCEG's landfill gas business in the United Kingdom ("UK LFG business") by 30 September 2010, provided that VCEG (among other conditions) issues further options to the Corporate Lenders. Those further options are referred to in this Supplementary Explanatory Memorandum as the Tranche 2 Options and the terms of those options are also summarised below.

### Resolution 7: Ratification of Issue of the Tranche 1 Options

Resolution 7 is an approval, in accordance with ASX Listing Rule 7.4, of the allotment and issue of 14,926,528 options to each of Investec Bank (Australia) Limited and Royal Bank of Scotland, plc, Australia Branch (the "Tranche 1 Options") on 30 April 2010. In total, 29,853,056 Tranche 1 Options were issued, being equivalent to 15% of VCEG's issued equity as at 30 April 2010.

ASX Listing Rule 7.4 provides that where securities have been issued without approval under ASX Listing Rule 7.1, such issue can be treated as having been made with approval for the purpose of ASX Listing Rule 7.1 if the holders of ordinary securities subsequently approve the issue.

Securityholder approval is now sought, pursuant to ASX Listing Rule 7.4, to approve the prior issue of the Tranche 1 Options to the Corporate Lenders so that the issue of the Tranche 1 Options will not be counted towards the Listing Rule 7.1 restriction that an entity must not issue more than 15% of its issued capital in any 12 month period.

Listing Rule 7.5 requires certain information to accompany a notice of meeting in relation to an approval sought under Listing Rule 7.4. This information is set out below:

Date of issue	30 April 2010
Number of securities allotted	29,853,056 options (14,926,528 to each of the Corporate Lenders)
Issue price per security	The total consideration paid for the issue of the options was \$2.00
Terms of the securities	Each option entitles the holder to subscribe for one Stapled Security (or, if the Restructure is implemented, one Trust II unit)  Each option has an exercise price of 10 cents (or that sum as adjusted, in accordance with the mechanics agreed between VIML and the relevant Corporate Lender, as a result of a pro rata issue or a reorganisation of capital)
Names of the allottees and basis on which the allottees were determined	Investec Bank (Australia) Limited and Royal Bank of Scotland, plc, Australia Branch
Use of funds	To cover working capital requirements

The Directors unanimously recommend that Securityholders vote in favour of this resolution.

#### Resolution 8: Approval of Issue of the Tranche 2 Options

Resolution 8 seeks Securityholder approval, in accordance with ASX Listing Rule 7.1, of the issue of further options (the "Tranche 2 Options") on or before 1 October 2010 in the event that VCEG draws further funds under its corporate debt facility to fund a capital injection into the UK LFG business by 30 September 2010. If VCEG is unable to provide this capital injection, it may cause a default under the terms of the senior debt facility provided to subsidiaries of VCEG in respect of the UK LFG business.

The number of Tranche 2 Options to be issued will be equal to:

$$\text{Total number of VCEG securities on issue on the drawdown date} \times \left[ \frac{\text{Amount drawn to fund the capital injection into the UK LFG business}}{\text{Total number of VEG securities on issue immediately prior to the drawdown date} \times 30 \text{ day volume weighted average sale price of the VCEG securities}} \right]$$

The number of Tranche 2 Options to be issued will be capped at 15% of the total number of VCEG securities on issue immediately prior to the draw down date. The maximum number of options that may be issued is 34,331,050, which is 15% of the sum of the number of securities currently on issue and the maximum number of securities that would be issued if all of the Tranche 1 Options are exercised prior to 30 September 2010.

The exercise price of each Tranche 2 Option will be equal to the 30 day volume weighted average price of VCEG securities ending immediately prior to the date of issue of the Tranche 2 Options.

Under ASX Listing Rule 7.1, an entity must not, without the approval of ordinary securityholders, issue or agree to issue during any 12 month period any equity securities if the number of those securities (together with certain other issues in the past 12 months) exceeds 15% of the total number of securities in the same class that were on issue at the commencement of that 12 month period.

Securityholder approval is now sought pursuant to ASX Listing Rule 7.1 to approve the issue of the Tranche 2 Options in the event that VCEG draws further funds under its corporate debt facility to fund a capital injection into the UK LFG business by 30 September 2010. This approval will mean that the Tranche 2 Options will not be counted towards the Listing Rule 7.1 restriction that an entity must not issue more than 15% of its issued capital in any 12 month period.

ASX Listing Rule 7.3 requires that the following information be provided to securityholders for the purpose of obtaining securityholder approval pursuant to ASX Listing Rule 7.1:

Number of securities allotted	Equivalent to the amount of funds drawn under the corporate debt facility for the purposes of satisfying the capital injection into the UK LFG business divided by the implied market capitalization of VCEG at that time, provided that the total number of options does not exceed 15% of the then issued capital. (See above formula.)
Date by which VCEG will issue securities	30 September 2010
Issue price per security	The total consideration to be paid for the issue of the Tranche 2 Options is \$2.00
Terms of the securities	Each option entitles the holder to subscribe for one Stapled Security (or, if the Restructure has been implemented, one Trust II unit)  The exercise price of each option will be equal to the 30 day volume weighted average price of the quoted securities ending immediately prior to the date of issue
Names of the allottees and basis on which the allottees were determined	Investec Bank (Australia) Limited and Royal Bank of Scotland, plc, Australia Branch (in equal proportions)
Use of funds	To cover working capital requirements
The dates of allotment	By 30 September 2010



Listing Rule 7.3.2 requires that this Supplementary Notice of Meeting, which seeks Securityholder approval pursuant to Listing Rules 7.3 and 7.1, disclose to Securityholders the date by which the securities will be issued, being a date that is "*no later than 3 months after the date of the meeting*". As the table above indicates, if the Tranche 2 Options are issued, they will be issued by 30 September 2010, which is *more than* 3 months after the date of the Meeting. As such, VIML applied to ASX for a waiver from listing rule 7.3.2. This waiver was received from the ASX on 10 May 2010 and was granted on the basis that no more than 34,331,050 Tranche 2 Options are issued and the Tranche 2 Options are issued no later than 1 October 2010.

The Directors unanimously recommend that Securityholders vote in favour of this resolution.

## GLOSSARY

In the Supplementary Notice of General Meeting and the Supplementary Explanatory Memorandum, the following definitions apply, unless the context requires otherwise.

**AFSL** means Australian financial services licence

**Agreement** means the amended and restated loan facility agreement between, among others, VIML and the Corporate Lenders dated 30 April 2010 in relation to the extension of the corporate debt facility

**ASX** means ASX Limited (ACN 008 624 691) or the market operated by it, as the context requires

**ASX Listing Rules** means the Listing Rules of ASX

**Corporations Act** means the Corporations Act 2001 (Cth)

**Corporate Lenders** means Investec Bank (Australia) Limited and Royal Bank of Scotland, plc, Australia Branch

**Directors** means the directors of VIML

**Explanatory Memorandum** means the Explanatory Memorandum issued by VIML dated 28 April 2010 and the Annexures, including the Notice of Meeting

**Meeting** means the meeting of Securityholders and any adjournment of the meeting

**Notice of Meeting** means the notice of meeting issued by VIML on 28 April 2010

**Responsible Entity** means VIML

**Restructure** means the proposed restructure of VCEG as described in the Explanatory Memorandum

**Securityholders** means persons holding Stapled Securities

**Stapled Security** means an interest in VCEG, comprising a unit in Trust I stapled to a unit in Trust II

**Supplementary Explanatory Memorandum** means this supplementary explanatory memorandum

**Supplementary Notice of Meeting** means the supplementary notice of meeting provided with this Supplementary Explanatory Memorandum

**Tranche 1 Options** means the 29,853,086 options issued to the Corporate Lenders

**Tranche 2 Options** means the further options to be issued as a condition to VCEG drawing funds to provide a capital injection into the UK LFG business

**Trust I** means Viridis Clean Energy Trust I (ARSN 115 340 442)

**Trust II** means Viridis Clean Energy Trust II (ARSN 115 340 639)

**UK LFG business** means the landfill gas fuelled power generation business located in the United Kingdom

**VCEG** means Viridis Clean Energy Group comprising Trust I and Trust II

**VIML** means Viridis Investment Management Limited (ABN 51 099 788 431) (AFSL 222 547)