

FACSIMILE

TO	Australian Stock Exchange	DATE	31 August 2010
ATTENTION	Ms Kate Kidson	FACSIMILE	+61 3 9614 0303
FROM	Duncan Jewell		
SUBJECT	Market Release		

Dear Ms Kidson,

Please find attached a market release for Viridis Clean Energy (VIR).

Yours sincerely,



Duncan Jewell
Company Secretary
Viridis Investment Management Limited

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RELEASE

Viridis preliminary final report for the financial year ended 30 June 2010 and market update

31 AUGUST 2010

Viridis Clean Energy (ASX: VIR) ("**Viridis**") today lodged its Appendix 4E preliminary final report for the financial year ended 30 June 2010. The preliminary final report notes the following:

- The sale process is ongoing.
- As a consequence of the sale process, the directors have classified the principal assets of Viridis as "held for sale".
- The directors have decided to write down the carrying value of the "assets held for sale" to reflect the three month volume weighted average price ("**VWAP**") of Viridis securities for the period ended 30 June 2010. This results in an impairment charge of \$73.6 million. The directors consider that using a 3 month VWAP to determine the fair value of "assets held for sale" is reasonable given that Viridis is engaged in commercially sensitive discussions in relation to the sale of its assets and that the market was aware of the intention to pursue a sale process for the majority of this period.
- The net result for the financial year ended 30 June 2010 was a loss after income tax benefit of \$64.15 million, which includes the impairment charge described above.

Sale process

The directors are continuing with the structured sale process previously announced under which Viridis has sought proposals for the sale of individual asset portfolios, the sale of the entire business or other transactions which deliver value to securityholders.

Viridis and its financial advisor (Macquarie Capital Advisors) continue to progress discussions in respect of a number of proposals that have been forthcoming. Parties are actively engaged in reviewing the data room material and conducting other due diligence investigations.

The process is taking longer to conclude than originally anticipated, reflecting the scope and complexity of Viridis' assets, the volume of assets and materials to be reviewed and general market conditions. The timing for concluding the process is in part driven by other parties. Nevertheless the directors are seeking to reach a conclusion to the sale process as expeditiously as possible.

Debt facilities

In April 2010, Viridis reached agreement with its Corporate lenders to extend the Corporate debt facility to 31 March 2011. The current outstanding balance of the facility is \$12.6 million, reduced from \$61.6 million at 30 June 2009.

Provided the Corporate lenders are satisfied with the progress of the sale process and other conditions precedent (including that there is no event of default or potential event of default under the Corporate debt facility or UK LFG debt facility) Viridis is able to draw further funds under the facility to cover working capital requirements during the sale process and to enable Viridis to fund a £4.1 million capital injection required under the UK LFG debt facility by 30 September 2010.

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As noted above, the sale process is still ongoing and may not be completed by 30 September 2010, meaning that drawing any additional funds under the Corporate debt facility at that time will remain subject to the Corporate lenders' discretion.

If Viridis does not make the UK capital injection by 30 September 2010, this would constitute an event of default under the UK LFG debt facility. That breach would in turn constitute a breach of the Corporate debt facility, meaning that Viridis may not be able to use the Corporate debt facility to fund its working capital requirements.

Over the coming period the directors will continue to progress the asset sale process so as to reach a conclusion as expeditiously as possible.

The Corporate lenders have indicated that they are satisfied with the progress of the sales process to date.

END

For further information please contact:

Edward Northam

Managing Director

Viridis Clean Energy Group

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Background

Viridis Clean Energy is an ASX listed energy infrastructure fund that has been established by Viridis Energy Capital Pty Limited as a special purpose investment vehicle focused exclusively on direct, long-term investment in a global portfolio of clean energy projects. Viridis invests in projects employing proven renewable, waste and other clean energy fuels and technologies in selected geographical markets, with a primary focus on Europe, North America and Australia.

The Fund's current investment portfolio includes ownership interests in 43 projects located in the USA and UK with a total capacity of 106 MW.

Viridis Energy Capital Pty Limited is the investment manager for Viridis Clean Energy (ARSN 115 340 639). Viridis Investment Management Limited (ABN 51 099 788 431) is the responsible entity of Viridis Clean Energy.