

FACSIMILE

TO	Australian Stock Exchange	DATE	17/9/2010
ATTENTION	Ms Kate Kidson	FACSIMILE	+61 3 9614 0303
FROM	Duncan Jewell		
SUBJECT	Market Update		

Dear Ms Kidson,

Please find attached Market Update for Viridis Clean Energy (VIR).

Yours sincerely,



Duncan Jewell  
Company Secretary  
Viridis Investment Management Limited

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RELEASE

## Market Update

**17 SEPTEMBER 2010**

Viridis Clean Energy (ASX: VIR) ("Viridis") today advised that it had entered into exclusive negotiations with a US-based infrastructure fund regarding the sale of Viridis' US landfill gas generation portfolio. The agreed sale price is US\$13.3 million, pre-completion adjustments and transaction costs.

The transaction arrangements remain subject to the purchaser completing its remaining confirmatory due diligence items and the parties entering into a binding sale and purchase agreement. The parties are seeking to complete these activities over the next few weeks.

Under the terms of the Corporate debt facility Viridis must apply the net proceeds from the sale of its US business to pay down the facility. As at 1 September 2010 the balance outstanding on the facility was A\$13.4 million.

As previously advised, Viridis with the assistance of its financial adviser, Macquarie Capital Advisers, has conducted a comprehensive process for the sale of Viridis' UK landfill gas generation portfolio. At this stage Viridis has not received an executable proposal for the sale of the business.

There are a number of important upcoming requirements for the portfolio, namely:

1. a requirement under the UK project debt facility to inject £4.1 million into the business on 30 September 2010; and
2. the expiry of the current operations and maintenance contract in April 2011 and the need to implement a revised O&M resourcing structure for the portfolio prior to that date.

The directors consider that it is unlikely that an executable sale proposal will be received for the UK business in the near-term.

As previously advised, Viridis' ability to draw funds under its Corporate debt facility to fund the UK capital injection and to fund its Australian working capital requirements is contingent on the Corporate lenders being satisfied with the progress of the sale process and the ability of Viridis to repay any funds advanced under the facility before its maturity date of 31 March 2011.

Due to the uncertainty around these arrangements the directors are pursuing other options for meeting Viridis' near-term commitments, including commencing discussions with the UK banking group about re-scheduling the UK project debt and equity injection requirement and seeking alternative funding avenues in the event that the Corporate facility is not able to be drawn.

These activities and associated discussions are ongoing. At this stage the outcome remains uncertain.

END

For further information please contact:  
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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.