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ASX & MEDIA RELEASE

CBD SELLS ITALY SOLAR PROJECT FOR €12.3M (~A\$15.3M) CONTRACTS 4MW EXTENSION TO THAILAND PROJECT

Diversified renewable energy company, CBD Energy Limited (ASX: CBD), advises it has sold its first large scale solar project in Italy to a UK based institution for €12.3 million (approximately A\$15.3 million).

Additionally, this same institution has signed a binding Framework Agreement committing to a further 25MW of solar projects in Europe.

Separately, CBD has signed documents for a 4MW extension to the 8MW solar project it built in Thailand 18 months ago.

According to CBD Managing Director, Mr Gerry McGowan, successful progress with this international work underlined the value of CBD seeking diversity across renewable energy projects and geographical locations.

“These projects also provide valuable reference sites that demonstrate the considerable delivery capability we have built over the past two years. Both these projects will positively contribute to this years results,” Mr McGowan said.

CBD Group Chief Financial Officer, Richard Pillinger, said: “The sale of this project enables CBD to retire \$10.8 million of short term construction finance debt from its balance sheet thereby reducing current liabilities. The proceeds will also be used to further reduce bank debt within the Group. This project builds on our previously demonstrated ability to deliver international projects in a predictable and cost effective manner,” Mr Pillinger said.

Italy Project background and funding

The project sold has installed capacity of 5MW and came about from contacts established by CBD Solar International in Europe.

CBD provided design, engineering, procurement and project delivery & management services.

Funding for the project was from a US\$25 million revolving construction finance facility negotiated with a US financial institution and intended to cover CBD’s growing solar project pipeline in Europe.

Further European projects

The same UK institution which has purchased the Italy project is party to a binding framework agreement with CBD for it to buy a further 25MW of solar projects in Europe to be constructed by CBD.

The institution will pre-commit on a project by project basis after completion of each due diligence process. Recent meetings in London have established a streamlining of this process.

CBD is evaluating a pipeline of European projects at present and expects to commence construction of the next 5MW project under this arrangement early in 2013.

Thailand

CBD commenced its original 8MW project in Thailand in November 2010 and completed it in June 2011.

A 4MW extension to this project is due to commence in early 2013, with documentation for this now completed.

The contract for the project is with a prominent private business group in Thailand which has ventures across manufacturing, chemical, insurances, transport and real estate.

Located in Pattaya in Thailand's Chonburi province near the eastern seaboard, the project is supported by a power purchase agreement with Thailand's electricity authority, Provincial Electricity Authority of Thailand.

Similarly to Australia, Thailand has an intention of sourcing 20 per cent of its electricity from renewable energy by 2020 and has a range of tax and investment incentives to attract investment in its renewable energy sector.

Corporate update

CBD is working with its auditors PricewaterhouseCoopers to achieve a release of its results for the half year to December in February 2013.

CBD expects to accompany this announcement with earnings guidance for the full year to June 2013.

This will assist CBD in discussions as it proceeds with its merger with US company, Westinghouse Solar Inc., and listing of the merged entity on NASDAQ.

A shareholders meeting to consider the transaction is to be held in early 2013.

CBD also intends to provide Australian shareholders with information around trading of shares in the merged entity.



Financial effects of Italy sale, Thai project

Net proceeds of sale of the Italy project together with CBD receiving a development fee in November 2012 in relation to the Taralga Wind Farm project confirm CBD's earlier advice that it expects to return to profitability in financial year 2013.

Additionally, completion of the Thailand extension project is at this stage expected to be completed within FY13 and contribute to FY13 earnings although more clarity on this will be given in earnings guidance to be issued in January/February 2013.

FOR FURTHER INFORMATION:

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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. It has become 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 Europe, the United States and Southeast Asia, both directly and through joint ventures.

