



VIRIDIS
CLEAN ENERGY GROUP

FACSIMILE

TO	Australian Stock Exchange	DATE	06/08/09
ATTENTION	Ms Kate Kidson	FACSIMILE	+61 3 9614 0303
FROM	Duncan Jewell		
SUBJECT	Revised Internalisation Proposal		

Dear Ms Kidson,

Please find attached announcement titled "Revised Internalisation Proposal" for the Viridis Clean Energy Group (VIR).

Yours sincerely,

Duncan Jewell
Company Secretary
Viridis Investment Management Limited

P: +61 3 9677 8050

F: +61 3 9677 8080

RELEASE

Revised Internalisation Proposal

6 AUGUST 2009

Viridis Clean Energy Group (ASX: VIR) ("VCEG") is pleased to announce that the proposal to internalise the VCEG management arrangements as announced on 28 May 2009 has been enhanced ("Revised Proposal"). It is intended that the Revised Proposal, if implemented, will result in a reduction in the number of stapled securities being issued to the Owners of Viridis Energy Capital Pty Limited ("VEC" or the "Manager") from 14 million stapled securities to 12 million.

Revised Proposal

Under the Revised Proposal:

- the consideration payable to the Owners is reduced from \$3.22 million to \$2.76 million; and
- the Owners will use the \$2.76 million received to subscribe for 12 million stapled securities at an issue price of \$0.23 per stapled security¹ (i.e. the same issue price previously announced in the Explanatory Memorandum and Notice of Meeting despatched to securityholders on 15 July 2009 ("Meeting Materials")).

There are no other material changes to the Proposal as set out in the Meeting Materials. Today, securityholders will be sent a letter providing further information in relation to the Revised Proposal. VCEG securityholders are encouraged to read these updated materials together with the Meeting Materials previously despatched to enable eligible securityholders to exercise their votes. A copy of the letter to be despatched to securityholders today is contained in Appendix A.

Mr Andrew Berry, Chairman of the Independent Board Committee of Viridis Investment Management Limited ("VIML"), the responsible entity of VCEG, said today "The Independent Directors are delighted that the parties to the Internalisation Deed have agreed to revise the terms of the Proposal in favour of VCEG securityholders and unanimously recommend that VCEG securityholders vote in favour of the Revised Proposal."

The Independent Directors are also pleased to advise that the Independent Expert has reviewed the Revised Proposal and remains of the view that the Revised Proposal is fair and reasonable to, and in the best interests of, securityholders. A copy of a letter from the Independent Expert is contained in Appendix B.

¹ Being the volume weighted average price over the 15 trading days leading up to one business day prior to the date of signing the Internalisation Deed (in accordance with the Constitution of each Trust comprising VCEG).

Adjournment of securityholder Meeting

It is proposed that the securityholder Meeting² scheduled for 10:30am Friday, 7 August 2009 will be adjourned to Wednesday 19 August 2009 at 10:30am at Level 61, 1 Farrer Place, Sydney. The adjournment of the Meeting will give securityholders time to consider and vote on the Revised Proposal.

Eligible securityholders are encouraged to exercise their vote either by attending the rescheduled Meeting in person or by completing and returning their proxy form.

Proxy Form information

If eligible Securityholders have already submitted a valid proxy form for the Meeting that is scheduled to take place on 7 August 2009 and do not want to change the way in which they have voted, they do not need to do anything.

If eligible securityholders have already submitted a valid proxy form for the Meeting that is scheduled to be held on 7 August 2009 and wish to change the way in which they have voted, they may do that by completing and returning a new proxy form to VCEG's registry in accordance with the details contained in section 3 of the Meeting Materials. New proxy forms will be sent to all securityholders in due course. The revised time and date for submitting any further proxy forms is by 10:30am on 17 August 2009.

Further details concerning the impact of the Revised Proposal

If the Revised Proposal is implemented after receipt of the requisite majority of votes at the adjourned Meeting:

- the Completion Date will be 20 August 2009, instead of 10 August 2009;
- the form of the Resolutions set out in the Notice Meeting will remain unchanged. However, only 12 million stapled securities will be issued to the Owners in accordance with the Revised Proposal, notwithstanding that Resolution 1 would authorise VIML to issue a higher number of stapled securities to the Owners, namely 14 million³;
- The reduced number of stapled securities to be issued to the Owners represents 6% of the fully diluted stapled securities on issue following implementation of the Revised Proposal. Accordingly, the earnings per security dilution will be reduced under the Revised Proposal; and
- Oaktel Investments Pty Ltd ("Oaktel") will be issued 7,945,200 as opposed to 9,269,400 stapled securities. This means that Oaktel will hold approximately 5.6% of the fully diluted stapled securities on issue following implementation of the Revised Proposal.

Executive Option Plan

Resolution 3 as contained in the Meeting Materials despatched to securityholders on 15 July 2009 deals with an Executive Option Plan ("Plan"). As a result of feedback received from certain securityholders regarding the proposed exercise pricing under the Plan, the Independent Directors have determined to withdraw their recommendation in relation to Resolution 3. Accordingly, Resolution 3 will not be put forward at the adjourned

² Being the meetings of Viridis Clean Energy Trust I and Viridis Clean Energy Trust II to be held concurrently and in conjunction with each other, in accordance with the Meeting Materials.

³ The impact of the Variation Letter (see Annexure C) between VIML, VEC and the Owners is that VIML is only able to issue 12 million stapled securities to the Owners and the Owners have agreed that they will only subscribe for 12 million stapled securities. Under the Revised Proposal VIML, in issuing 12 million stapled securities, is fully discharged from its obligations under the Internalisation Deed, as amended.

Meeting scheduled for 19 August 2009.⁴ It is possible that a revised executive option plan may be put to securityholders at a later date, although no decision to announce a revised executive option plan has been made at this time.

Conditions under the Internalisation Deed, as amended

Under the Internalisation Deed and as outlined in the Meeting Materials, there are conditions under the Internalisation Deed which must be met in addition to the obligation to obtain securityholder approval in relation to the Proposal. The Independent Directors wish to advise that all conditions precedent required to be satisfied by the date of the Meeting under the Internalisation Deed (as amended by the Variation Letter set out in Annexure C) have been satisfied. The remainder of the conditions precedent (unless otherwise waived in accordance with the Internalisation Deed) are required to be satisfied on or prior to the Completion Date, which is now expected to be 20 August 2009.

Alternative Proposal

On 30 July 2009, VCEG received an unsolicited, indicative, non-binding and conditional proposal ("Alternative Proposal") from a securityholder. Under the Alternative Proposal, the securityholder is supportive of the internalisation proposal as outlined in the Meeting Materials provided that a revised strategy for VCEG and new management arrangements (involving the replacement of key VCEG executives), which it has proposed, are adopted by VIML. The securityholder wishes to be engaged to manage the orderly sale of VCEG assets over a three year period for a fee of \$1 million per annum (plus any applicable GST) in addition to incentive fees based on a combination of stapled security price increases and total return of capital to securityholders.

The Independent Directors have considered the Alternative Proposal and believe that it is not in the best interests of securityholders. In particular, the revised strategy under the Alternative Proposal involves the engagement of external management which could potentially involve higher costs to VCEG than are projected if the current management team was to remain in place following implementation of internalisation.

Furthermore, the Independent Directors believe that the present management team that will transfer across to VCEG upon implementation of internalisation under the Revised Proposal is best qualified to execute the chosen strategy of VCEG.

VCEG Board structure

VIML wishes to advise that if the Revised Proposal is approved by securityholders and implemented, it is intended that the VIML Board will be the same as the VEC Board. Accordingly, Mr Duncan Jewell, Mr Stephen Chipkin and Mr Mark Schneider, each current directors of VEC, will resign, and the Independent Directors of VIML, Mr Andrew Berry and Mr Robert Webster, will be appointed as directors of VEC. This is expected to occur around the end of August 2009.

The Meeting Materials advised that if the Proposal is implemented, Mr Stephen Chipkin will resign as director of VIML and Mr Edward Northam will be appointed as a director of VIML on Completion. In light of the adjournment of the Meeting and the revised timing of the implementation of the Revised Proposal should it be approved by securityholders, VIML intends to effect the resignation of Mr Stephen Chipkin and the appointment of Mr Edward Northam immediately after the announcement of VCEG's annual results, expected on Friday 28 August 2009.

⁴ With the agreement in writing of the executives affected, Mr Edward Northam and Mr Duncan Jewell.

Update on current initiatives

The Independent Directors are continuing to focus on capital management initiatives, and in particular, reduction of the corporate debt facility. VCEG has commenced a process for the sale of some or all of its German wind assets and has appointed an internationally recognised financial adviser to manage this process. A confidential information memorandum has been provided to a range of interested parties and indicative bids are due in mid-August 2009.

Following recent discussions with several institutional securityholders, VIML has received feedback on various potential strategies for VCEG, including an orderly sale of all the assets of VCEG over a three year period or focussing on organic growth from existing assets rather than pursuing new acquisition opportunities. The VIML Board has undertaken, following the adjourned Meeting, to review the strategy of VCEG to determine whether or not either of these strategies should be pursued by VCEG in the interests of all securityholders. The VIML Board will continue to update the market on the outcome of this review.

VIML Chairman

Andrew J Berry

APPENDIX A - LETTER TO SECURITYHOLDERS

Viridis Investment Management Limited ABN 51 099 788 431

Level One 167 Flinders Lane

Melbourne 3000 Australia

www.viridisenergy.com

Telephone 613 9677 8000

Facsimile 613 9677 8080

enquiries@viridisenergy.com

6 August 2009

Dear Securityholder,

Revised Proposal

The Independent Directors of Viridis Investment Management Limited ("**VIML**") as responsible entity of Viridis Clean Energy Group ("**VCEG**") announced on 28 May 2009 that they have entered into an internalisation deed with shareholders ("**Owners**") of Viridis Energy Capital Pty Limited ("**VEC**") in relation to the proposed internalisation of the management arrangements of VCEG ("**Proposal**"). Full details of the Proposal are set out in the Explanatory Memorandum and the accompanying Notice of Meeting which were despatched to Securityholders on 15 July 2009 ("**Meeting Materials**").

The Independent Directors announced today that VIML has agreed with the Owners the terms of amendment to the Internalisation Deed by way of a letter deed of variation ("**Variation Letter**"). The effect of the Variation Letter is to reduce the number of stapled securities VCEG is required to issue to the Owners from 14 million Stapled Securities to 12 million, and accordingly, reduce the consideration payable to them for VCEG's purchase of all the shares in VEC ("**Revised Proposal**").

In summary, under the Revised Proposal:

- the purchase price payable to the Owners is reduced from \$3.22 million to \$2.76 million; and
- the Owners will use the \$2.76 million received to subscribe for 12 million stapled securities at an issue price of \$0.23 per stapled security¹ (i.e. the same issue price previously announced in the Meeting Materials).

Meeting of Securityholders and intended adjournment

VIML, as responsible entity of VCEG, intends to adjourn the Meeting of Securityholders scheduled for 10.30 am on 7 August 2009 to give Securityholders time to consider the Revised Proposal. The adjourned Meeting of Securityholders is scheduled for 10.30am on 19 August 2009 at Level 61, 1 Farrer Place, Sydney NSW 2000.

Independent Expert reaffirms its conclusions

The Independent Expert, Grant Samuel & Associates Pty Limited, has reviewed the Revised Proposal and has reaffirmed its conclusion as set out in its Independent Expert's Report (contained in the Meeting Materials) that the Proposal (as revised in the form described above) is fair and reasonable to, and in the best interests of, Securityholders. A copy of the letter from the Independent Expert to this effect is attached to today's ASX announcement.

¹ Being the volume weighted average price over the 15 trading days leading up to one business day prior to the date of signing the Internalisation Deed (in accordance with the Constitution of each Trust comprising VCEG).

Independent Directors' Recommendation

Each of the Independent Directors continues to recommend that Securityholders vote in favour of Resolution 1 in respect of the Proposal (as revised in the form described above) and Resolution 2 in respect of the Constitution Amendments, as the Independent Directors are of the opinion that, in the absence of a superior proposal, the Proposal is fair and reasonable to, and in the best interests of, Securityholders.

Executive Option Plan

Resolution 3 as set out in the Notice of Meeting included in the Meeting Materials deals with an Executive Option Plan. As a result of feedback received from certain Securityholders regarding the proposed exercise pricing under the Plan, the Independent Directors have each withdrawn their recommendation in relation to Resolution 3. Accordingly, and with the agreement in writing of the two executives affected, Mr Edward Northam and Mr Duncan Jewell, VIML does not intend to put Resolution 3 to a vote.

Proxy Forms

If you have already submitted a valid proxy form for the Meeting of Securityholders scheduled to be held on 7 August 2009 and you do not want to change the way in which you have voted, you do not need to do anything.

If you have already submitted a valid proxy form for the Meeting of Securityholders scheduled to be held on 7 August 2009 and you want to change the way in which you have voted, you may do that by completing and returning the new proxy form enclosed with this letter.

Updated Key Dates for Adjourned Meeting

Event	Date and Time
Last time and date by which proxy forms for the Adjourned Meeting must be received	10.30 am, 17 August 2009
Time and date for determining eligibility to vote at the Adjourned Meeting	7.00 pm, 17 August 2009
Adjourned Meeting to be held at Level 61, 1 Farrer Place, Sydney NSW 2000	10.30 am, 19 August 2009 or such other date to which the Adjourned Meeting is further adjourned

If the Resolutions voted on at the Adjourned Meeting are approved by Securityholders:

Completion Date	One business day after the Adjourned Meeting, expected to be 20 August 2009
-----------------	-----------------------------------------------------------------------------

Other important information

If you require more information in relation to the Revised Proposal, you can request a copy of the Variation Letter or download a copy from either VCEG's website or ASX. In any event, the Independent Directors of VIML urge you to read the updated materials (including this letter and today's ASX announcement) in their entirety, together with the Meeting Materials, before making any decision on how to vote on the resolutions.

Attached to this letter are some answers to some frequently asked questions that you may have on the Revised Proposal.

As you know, VCEG is a disclosing entity for the purposes of the Corporations Act and as such is subject continuous disclosure obligations. Should you require more information in connection with the exercise of your vote, please refer to the ASX website at www.asx.com.au (ASX: VIR) and/or VCEG's website at <http://www.viridisenergy.com/>.

If you are in doubt as to whether to vote in favour of or against the resolutions, you should consult your financial or other professional adviser.

I look forward to welcoming you to the adjourned Meeting of Securityholders at Level 61, 1 Farrer Place, Sydney NSW 2000 at 10.30 am, Sydney time, on Wednesday 19 August 2009.

A handwritten signature in black ink, appearing to read 'A. Berry'.

Andrew J. Berry
Chairman

FREQUENTLY ASKED QUESTIONS

Q. Will the Resolutions set out in the Notice of Meeting change?

A. The Resolutions set out in the Notice Meeting will remain unchanged. Whilst approval of Resolution 1 will authorise VIML to issue 14 million stapled securities to the Owners, VIML has agreed with the Owners the terms of amendment to the Internalisation Deed in the Variation Letter, the effect of which is to require only the issue of 12 million stapled securities following Securityholder approval.

Q. How will the reduction in stapled securities affect the dilutive impact of the Revised Proposal?

A. The reduced number of Stapled Securities to be issued to the Owners represents 6.0% of the fully diluted Stapled Securities on issue following implementation of the Revised Proposal, which is less than the amount set out in the Meeting Materials. Accordingly, the earnings per Stapled Security dilution will be reduced under the Revised Proposal.

Q. How will the Revised Proposal impact on the interests of Owners in VEC and VCEG?

A. The respective proportion of each Owner, and a description of securities held by or on behalf of each Owner in VEC and VCEG as at 15 July 2009 (being the date of the Explanatory Memorandum) and following implementation of the Revised Proposal are and will be as follows:

Owner	Respective Proportions	Stapled Securities before Completion	Percentage of Stapled Securities before Completion	Stapled Securities after Completion	Percentage of Stapled Securities after Completion
Investec Bank (Australia) Limited	17.253% ²	-	-	2,070,360	1.040%
PEP Energy Pty Ltd	15.106% ³	-	-	1,812,720	0.911%
Chetwyn Investments Pty Ltd	0.509% ⁴	34,289	0.018%	95,369	0.048%
Hurstwood Road Pty Ltd	0.922% ⁵	24,252	0.013%	134,892	0.068%
Oaktel Investments Pty Ltd	66.210% ⁶	3,177,777	1.699%	11,122,977	5.589%

² Investec Bank (Australia) Limited holds 2,678 ordinary shares in VEC.

³ PEP Energy Pty Ltd holds 624 ordinary shares in VEC and 680,740 redeemable preference shares in VEC, which will be redeemed prior to Completion.

⁴ Chetwyn Investments Pty Ltd holds 32 ordinary shares in VEC.

⁵ Hurstwood Road Pty Ltd holds 58 ordinary shares in VEC.

⁶ Oaktel Investments Pty Ltd holds 2,897 ordinary shares in VEC and 2,645,678 redeemable preference shares in VEC, which will be redeemed prior to Completion.

APPENDIX B - LETTER FROM THE INDEPENDENT EXPERT

Viridis Investment Management Limited ABN 51 099 788 431

Level One 167 Flinders Lane

Melbourne 3000 Australia

www.viridisenergy.com

Telephone 613 9677 8000

Facsimile 613 9677 8080

enquiries@viridisenergy.com

6 August 2009

The Independent Directors
Viridis Investment Management Limited
(as Responsible Entity of Viridis Clean Energy Trust I and Viridis Clean Energy Trust II)
Level One, 167 Flinders Lane
Melbourne VIC 3000

Dear Directors

Internalisation Proposal

Viridis Clean Energy Group ("VCEG") consists of two trusts (units in which are stapled together), for which the Responsible Entity is Viridis Investment Management Limited ("VIML"). VCEG is managed under a 25 year management agreement by an external manager, Viridis Energy Capital Pty Limited ("VEC"). VEC also holds all the shares in VIML.

On 20 April 2009, VCEG announced that it had reached in principle agreement to internalise management of VCEG. On 28 May 2009, VCEG announced that a binding agreement had been reached with the shareholders of VEC. Under the agreement, VCEG is to acquire all the shares in VEC (the "Internalisation Proposal"). The consideration for the shares in VEC was to be \$3.22 million, which was to be settled through the issue by VCEG of 14 million stapled securities to the shareholders of VEC ("Consideration"), at an issue price of \$0.23 per security.

The independent directors of VIML engaged Grant Samuel & Associates Pty Limited ("Grant Samuel") to prepare an independent expert's report setting out Grant Samuel's opinion as to whether the Internalisation Proposal is fair and reasonable to, and in the best interests of, holders of securities in VCEG. In Grant Samuel's report dated 10 July 2009 ("Expert's Report") Grant Samuel concluded that "in Grant Samuel's opinion the Internalisation Proposal is fair and reasonable to, and in the best interests of, the holders of VCEG securities."

On 6 August 2009, VCEG announced that it has reached agreement with the shareholders of VEC to vary the terms of the Internalisation Proposal. Pursuant to these varied terms, the Consideration will be the issue of 12 million stapled securities to the shareholders of VEC, at an issue price of \$0.23 per security, for nominal value of \$2.76 million.

The independent directors of VIML have requested that Grant Samuel advise whether this variation to the terms of the Internalisation Proposal will affect the opinion set out in the Expert's Report that "the Internalisation Proposal is fair and reasonable to, and in the best interests of, the holders of VCEG securities."

This letter serves to confirm that the variation in the terms of the Internalisation Proposal, as described above, does not affect Grant Samuel's opinion set out in the Expert's Report that "the Internalisation Proposal is fair and reasonable to, and in the best interests of, the holders of VCEG securities."

The advice set out in this letter should be read in conjunction with, and is provided subject to the conditions, disclaimers, limitations and other matters set out in, the Expert's Report. The advice is given as at the date of this letter and reflects circumstances and conditions as at that date.

Yours faithfully
Grant Samuel & Associates Pty Limited



APPENDIX C - VARIATION LETTER TO INTERNALISATION DEED

Viridis Investment Management Limited ABN 51 099 788 431

Level One 167 Flinders Lane

Melbourne 3000 Australia

www.viridisenergy.com

Telephone 613 9677 8000

Facsimile 613 9677 8080

enquiries@viridisenergy.com

6 August 2009

Investec Bank (Australia) Limited
Level 31, 2 Chifley Square
SYDNEY NSW 2000
Attention: Mr Mark Schneider

Oaktel Investments Pty Ltd
PO Box 181
PORT MELBOURNE VIC 3207
Attention: Mr Walter Pahor

PEP Energy Pty Ltd
PO Box 5979
GOLD COAST QLD 9276
Attention: Mr David Scaysbrook

Hurstwood Road Pty Ltd
Level 16, 607 Bourke Street
Melbourne VIC 3000
Attention: Mr Edward Northam

Chetwyn Investments Pty Ltd
23 Chetwyn Court
MOUNT ELIZA VIC 3930
Attention: Mr Duncan Jewell

Viridis Energy Capital Pty Ltd
Level 1, 167 Flinders Lane
MELBOURNE VIC 3000
Attention: Company Secretary

Dear Ladies and Gentlemen

Variation of Internalisation Deed

Background

The independent directors of Viridis Investment Management Limited ("**Independent Directors**") refer to the internalisation proposal set out in the Explanatory Memorandum and accompanying Notice of Meeting dated 15 July 2009 ("**Meeting Materials**").

In the absence of a superior proposal, the Independent Directors continue to unanimously recommend that securityholders of Viridis Clean Energy Group ("**VCEG**") vote in favour of the Proposal contained in the Meeting Materials.

However, as result of investor feedback received by the Independent Directors and having regard to VIML's duties as responsible entity to act in the best interests of VCEG securityholders, the Independent Directors have decided to enhance the proposal and vary and/or waive certain provisions contained in the Internalisation Deed pursuant to clause 21.4 in the manner set out in the attached Annexure.

Unless defined otherwise, capitalised terms used in this letter (and attached Annexure) have the same meaning given to them in the Internalisation Deed and references to clauses are to clauses of the Internalisation Deed.

Consideration

In consideration for the incurrence of obligations and the giving of rights under this letter and other valuable consideration, VIML is giving this letter and each of the Owners and VEC acknowledges and agrees, by countersigning this letter, to the variations to the Internalisation Deed as documented by this letter.

Variation to the Internalisation Deed

We refer to the Internalisation Deed dated 28 May 2009 ("**Internalisation Deed**") entered into by:

- Viridis Investment Management Limited (as responsible entity of Viridis Clean Energy Trust I and Viridis Clean Energy Trust II) (ACN 099 788 431) ("**VIML**");
- Investec Bank (Australia) Limited (ACN 071 292 594), PEP Energy Pty Ltd (ACN 095 764 088), Chetwyn Investments Pty Ltd (ACN 098 552 704), Oaktel Investments Pty Ltd (ACN 050 400 390) and Hurstwood Road Pty Ltd (ACN 098 552 759) (together, the "**Owners**"); and
- Viridis Energy Capital Pty Limited (ACN 098 467 988) ("**VEC**").

VIML, and, by countersigning this letter, the Owners and VEC acknowledge and agree that the Purchase Price and the number of Stapled Securities to be issued to the Owners by VIML in application of the Purchase Price be reduced. This variation, and certain other necessary consequential amendments are contained in the attached Annexure.

Adjournment

We refer to:

- clause 4.1 and the convening of a Securityholder Meeting on 29 July 2009 or such later date agreed by the parties to consider and approval the Proposal and the Ancillary Resolutions; and
- the rights of adjournment held by the chairman in accordance with the VCET 1 Constitution and VCET II Constitution (together, the "**Constitutions**").

Notwithstanding VIML's discretion to adjourn the meeting in accordance with the Constitutions, the parties also acknowledge and agree that the Securityholder Meeting scheduled to take place on the Meeting Date on 7 August 2009 will be held and adjourned to a date on or around 19 August 2009.

Miscellaneous

The parties acknowledge that clauses 1.7, 15, 17 and 18 in relation to VIML's capacity, obligations of confidentiality, VIML's limitation of liability and certain other acknowledgments, representations and warranties given by Oaktel, Hurstwood and Chetwyn, respectively, apply to this letter as if they were set out in full.

Each party represents and warrants to the other that:

- it has full power and authority to enter into and perform its obligations under this letter, which constitute valid and binding obligations upon it, enforceable in accordance with its terms; and
- it has complied with its constitutional documents in all respects and the signing and performance of this letter does not violate any laws and

Viridis Investment Management Limited ABN 51 099 788 431

Level One 167 Flinders Lane
Melbourne 3000 Australia
www.viridisenergy.com

Telephone 613 9677 8000
Facsimile 613 9677 8080
enquiries@viridisenergy.com

regulations applicable to it or any obligation (including statutory, contractual or fiduciary obligation), or constitute default under any agreement or undertaking, by which it is bound.

General

The parties agree that the waiver of rights and/or amendments set out in this letter will take effect on 6 August 2009 (the "**Effective Date**").

This letter may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together will be taken to constitute one and the same instrument.

Except as specifically amended and/or waived by this letter in accordance with clause 21.4, all terms and conditions of the Internalisation Deed remain in full force and effect.

With effect from the Effective Date, the Internalisation Deed as amended and/or waived by this letter is to be read as a single integrated document incorporating the amendments effected by this letter and if an inconsistency arises between the Internalisation Deed and this letter, the parties acknowledge that the contents of this letter will prevail to the extent of the inconsistency.

This letter shall be governed by, and construed in accordance with, the laws in force in Victoria.

Please confirm your acceptance to the terms of this letter by signing and dating the enclosed copy and returning it to us.

Yours faithfully

Andrew Berry
on behalf of Viridis Investment Management Limited

Annexure - Variations to Internalisation Deed

1. Number of Stapled Securities

The parties acknowledge and agree the following:

- (a) if Completion occurs, the Owners will apply the consideration received by them in subscription for 12 million Stapled Securities at an issue price of \$0.23 per Stapled Security and accordingly all references to the Purchase Price are to be read as references to "\$2,760,000";
- (b) the issue of 12 million Stapled Securities to the Owners will be taken to be full and good discharge of VIML's obligations under the Internalisation Deed notwithstanding any provision to the contrary in the Internalisation Deed or any other document (including, but not limited to, any subscription letter issued by an Owner in connection with their reinvestment of the Purchase Price) and VIML will be released from its obligations to issue 14 million Stapled Securities and held harmless for any claim or action for the difference between this amount and the original Purchase Price stated in the Internalisation Deed.

2. Executive Option Proposal

The parties further acknowledge that:

- (a) the Independent Directors of VIML intend to withdraw their recommendation in relation to the Ancillary Resolution in respect of the Executive Option Proposal ("**EOP Ancillary Resolution**") and this will not constitute a breach of clauses 4.5 or 4.6;
- (b) the EOP Ancillary Resolution will be withdrawn and lapse and not be put to Securityholders at the Securityholder Meeting or any adjourned meeting; and
- (c) in relation to the Executive Option Proposal:
 - (i) VIML's obligations under clause 4.9 are waived and in particular, the withdrawal of any recommendations in relation to the EOP Ancillary Resolution and the EOP Ancillary Resolution itself will not be taken to be a breach of VIML's obligations under that clause; and
 - (ii) each of Chetwyn and Hurstwood, on behalf of the relevant Executive, agree to procure that the relevant Executive does all things necessary or desirable to give effect to this variation.

3. Redeemable preference shares

- (a) VIML confirms that, notwithstanding clause 3.4(a), if any of the Redeemable Preference Shares are redeemed after the Meeting Date but before Completion, it will not seek to terminate the Internalisation Deed as a result of redemption taking place after the time specified in the Internalisation Deed.
- (b) For clarity, VIML also confirms that it does not consider the issue of further ordinary shares and redemption of Redeemable Preference Shares after the Meeting Date but prior to Completion will constitute a Prescribed Event or result in a breach of any term of the Internalisation Deed, including, but not limited to, a breach of an Owner's Warranty.

4. Subscription steps

On the basis of the amendments described above, the parties acknowledge that the subscription steps set out in clause 5.7 are amended as follows:

- (a) in clause 5.7(a), "2,415,420" is deleted and replaced with "2,070,360";
- (b) in clause 5.7(b), "2,114,840" is deleted and replaced with "1,812,720";

- (c) in clause 5.7(c), "71,260" is deleted and replaced with "61,080";
- (d) in clause 5.7(d), "9,269,400" is deleted and replaced with "7,945,200"; and
- (e) in clause 5.7(e), "129,080" is deleted and replaced with "110,640".

5. General

- (a) As a consequence of these amendments, the Completion is scheduled to take place on Thursday, 20 August 2009 or on any other date agreed by the parties.
- (b) The parties acknowledge and agree that any reference to "Explanatory Memorandum" shall include a reference to any supplementary material despatched to Securityholders relation to the variations contained in the Internalisation Deed as set out in this letter.

EXECUTED as a deed.

DATED: _____ 2009

VIML

**EXECUTED by VIRIDIS INVESTMENT
MANAGEMENT LIMITED** as responsible entity
of Viridis Clean Energy Trust I and Viridis Clean
Energy Trust II in accordance with section
127(1) of the Corporations Act 2001 (Cwlth) by
authority of its directors:

.....)
Signature of director) Signature of director/company secretary*
*delete whichever is not applicable

.....)
Name of director (block letters)) Name of director/company secretary* (block
letters)
*delete whichever is not applicable

Owners

SIGNED, SEALED AND DELIVERED)
as attorneys for **INVESTEC BANK**)
(AUSTRALIA) LIMITED under power)
of attorney dated 26 February 2009:)

.....)
Signature of attorney) Signature of attorney

.....)
Name of attorney (block letters)) Name of attorney (block letters)

EXECUTED by CHETWYN)
INVESTMENTS PTY LTD as trustee of)
the Jewell Family Trust in accordance)
with section 127(1) of the Corporations)
Act 2001 (Cwlth):)
) Signature of Duncan Jewell who states
) that he is the sole director and sole
) company secretary of CHETWYN
) INVESTMENTS PTY LTD

SIGNED, SEALED AND DELIVERED)
by **WALTER PAHOR** as attorney for)
PEP ENERGY PTY LTD under power)
of attorney dated)
2009 in the)
presence of::)
)
) By executing this deed the attorney
) states that the attorney has received no
) notice of revocation of the power of
Signature of witness) attorney
)
) Name of witness (block letters)

EXECUTED by OAKTEL)
INVESTMENTS PTY LTD as trustee of)
the Pahor Family Trust in accordance)
with section 127(1) of the Corporations)
Act 2001 (Cwlth) by authority of its)
directors:)
)
) Signature of director/company
) secretary*
Signature of director) *delete whichever is not applicable
)
) Name of director/company secretary*
Name of director (block letters)) (block letters)
) *delete whichever is not applicable
)

EXECUTED by HURSTWOOD ROAD)	
PTY LTD as trustee of the Hurstwood)	
Road Trust No. 1 in accordance with)	
section 127(1) of the Corporations Act)	
2001 (Cwlth):)	
)
	)	Signature of Edward Northam who
	)	states that he is the sole director and
	)	sole company secretary of
	)	HURSTWOOD ROAD PTY LTD
)	

VEC

EXECUTED by VIRIDIS ENERGY)	
CAPITAL PTY LIMITED in accordance)	
with section 127(1) of the Corporations)	
Act 2001 (Cwlth) by authority of its)	
directors:)	
)
	)	Signature of director/company
.....	)	secretary*
Signature of director	)	*delete whichever is not applicable
)	
)
.....	)	Name of director/company secretary*
Name of director (block letters)	)	(block letters)
	)	*delete whichever is not applicable