

18 December 2009



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2009 Share Purchase Plan

On behalf of the Board of Directors of CBD Energy Limited (**CBD**), I am pleased to invite you to participate in CBD's 2009 Share Purchase Plan (**SPP**).

Under the SPP, Eligible Shareholders have the opportunity to subscribe for up to \$15,000 of new fully paid ordinary shares in CBD (**New Shares**) free of brokerage and other transaction costs.

On 17 December 2009 CBD announced a capital raising to raise up to \$27.5m consisting of:

- a placement to institutional and sophisticated investors, which is subject to shareholder approval at the Extraordinary General Meeting to be held on 20 January 2010 (please refer to the Notice of Meeting and Explanatory Memorandum dated 18 December 2009 for more information in relation to the shareholder approval); and
- a share purchase plan for existing shareholders.

The SPP provides eligible shareholders with an opportunity to participate in CBD's capital raising at a price no greater than the offer price under the placement.

Key features of the SPP

- The price at which New Shares are being offered under the SPP is \$0.13, representing a discount of:
 - 21.2% to the closing price on Friday 11 December 2009, being the last day of trading before the announcement of the capital raising; and
 - 19.2% to the 5 day volume weighted average price up to and including the last day of trading on Friday 11 December 2009.

You will pay no brokerage, commission or participation costs to subscribe for New Shares under the SPP and there is no minimum subscription amount.

Participation in the SPP is optional and is only open to shareholders who, at 5.00pm AEDST on Tuesday 15 December 2009, were the registered holder of fully paid ordinary shares in CBD and whose registered address on the share register is in Australia or New Zealand (**Eligible Shareholders**).

Full details of the SPP are set out in the attached Terms and Conditions.

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How to Apply for New Shares

The SPP will open at 9.00am AEDST on Monday 21 December 2009 and is expected to remain open until 5.00pm AEDST on Wednesday 20 January 2010.

If you are an Eligible Shareholder and wish to participate in the SPP, you must:

- complete and return your Application Form in accordance with the details on the enclosed form together with your cheque or money order; or
- pay directly via BPAY® in accordance with the instructions on the enclosed Application Form, so that it is received before 5.00pm AEDST on Wednesday 20 January 2010.

Further Information

The SPP does not take into account the individual investment objectives, financial situation or particular needs of each eligible shareholder. Please contact your professional adviser if you are in any doubt as to the action you should take. Participation is entirely optional – should you not wish to participate, you need to do nothing.

Shareholders should note that the offer under this SPP is not made under a prospectus or other disclosure document. As a consequence this correspondence does not contain the level of disclosure required to be included in a disclosure document under the Corporations Act 2001.

If you require further assistance, please do not hesitate to contact the CBD SPP Information Line, Monday to Friday 8.30am to 5.00pm, on 1300 156 439 within Australia or 03 9415 4147 outside of Australia or, if you require further information on CBD, visit the company's website at www.cbdenenergy.com.au

The Terms and Conditions of the SPP and a personalised Application Form are attached to this letter, and I urge all shareholders to read them in their entirety before they decide whether to participate.

On behalf of the board of CBD, I invite you to consider this opportunity to increase your investment in CBD.

Yours sincerely



Honourable Mark Vaile

Chairman

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