
SHARE PURCHASE PLAN TERMS AND CONDITIONS

IMPORTANT NOTICE: The offer to purchase Shares under this Share Purchase Plan (SPP) is not a recommendation to purchase Shares. If you are in any doubt about this SPP, you should consider obtaining professional financial and/or taxation advice to assist you in determining whether or not, and the extent to which, you wish to participate in the SPP (taking into account your own financial situation, needs and objectives). Nothing in these Terms and Conditions, the Application Form or any other accompanying documentation constitutes investment or financial product advice or is intended to influence your decision whether or not to participate in the SPP.

If you apply to participate in the SPP by making a BPAY[®] payment or completing and returning the Application Form with a cheque or money order, you are accepting the risk that the market price of Shares may change between the Record Date, the date on which you send in an Application Form or make a BPAY[®] payment and the Allotment Date. This means it is possible that, up to or after the Allotment Date, you may be able to buy Shares at a lower price than the Issue Price.

These are the terms and conditions of the CBD Energy Limited (ABN 88 010 966 793) (**CBD**) Share Purchase Plan and are binding on any Shareholder completing a Share Purchase Plan Application Form attached hereto.

1. The SPP

- (a) The SPP is an invitation to subscribe for fully paid ordinary shares in CBD (**New Shares**) at \$0.13 per New Share.
- (b) There is no minimum application amount under the SPP. Eligible shareholders may apply for New Shares up to a maximum of \$15,000.
- (c) The SPP is conducted under ASIC Class Order 09/425. The issue and allotment of New Shares under the SPP is subject to the Conditional Placement announced on 17 December 2009 proceeding.
- (d) You are not obliged to accept the SPP. Participation in the SPP is optional.
- (e) The SPP is made to each Eligible Shareholder on the same terms and conditions.
- (f) The offer under the SPP is non-renounceable, which means you may not transfer your right to apply for New Shares under the SPP to anyone else.

2. Opening and Closing Date of the SPP

The SPP opens at 9.00am AEDST on 21 December 2009 and is scheduled to close at 5.00pm AEDST on 20 January 2010. The Directors of CBD reserve the right to change the closing date of the SPP. No late applications will be accepted.

3. Eligible Shareholders

- (a) You are eligible to participate in the SPP (an **Eligible Shareholder**) if you were a registered holder of fully paid ordinary shares in CBD (**Shares**) at 5.00pm AEDST

on 15 December 2009 (the **Record Date**) whose address in the share register of CBD is in Australia or New Zealand unless:

- (i) you hold shares on behalf of another person who resides outside Australia or New Zealand and do not hold shares in any other capacity; or
 - (ii) you are in the United States or you are a "U.S. person" (as defined in Regulation S under the United States Securities Act of 1933) (**US Person**), or acting for the account or benefit of a U.S. person.
- (b) (**Joint Holders**) If you are recorded with one or more other persons as the joint holder of Shares, that joint holding is considered to be a single registered holding for the purposes of the SPP, and the joint holders are entitled to participate in the SPP in respect of that single holding only. The certification under clause 5(a)(iv) by one joint holder will be effective in respect of the other joint holder(s). If the same joint holders receive more than one offer under the SPP due to multiple registered holdings, the joint holders may only apply for New Shares up to a maximum of \$15,000.
- (c) (**Custodians**) Where a custodian is a registered holder of Shares on behalf of a person (**beneficiary**) and the custodian applies to acquire New Shares on behalf of the beneficiary, the custodian must certify the following in writing to CBD:
- (i) that the custodian holds the Shares on behalf of one or more persons (each a **participating beneficiary**) on the Record Date who have instructed the custodian to apply for New Shares on their behalf under the SPP;
 - (ii) the number of participating beneficiaries;
 - (iii) the name and address of each participating beneficiary;
 - (iv) in respect of each participating beneficiary, the number of Shares that the custodian holds on their behalf at the Record Date;
 - (v) in respect of each participating beneficiary, the dollar amount of New Shares they instructed the custodian to apply for on their behalf;
 - (vi) that there are no participating beneficiaries in respect of which the total of the application price for the following exceeds \$15,000:
 - (A) the Shares applied for by the custodian on behalf of a participating beneficiary under the SPP; and
 - (B) any Shares issued to the custodian in the 12 months before the application as a result of an instruction given by a participating beneficiary to the custodian to apply for Shares on their behalf under an arrangement similar to the SPP.

If you are a custodian please contact the Share Registry to obtain the form of Custodian Certificate that you are required to submit.

- (d) If you are an Eligible Shareholder, your rights under this offer are personal to you and are non-renounceable, which means you cannot transfer your rights to another person.

4. Applying for New Shares

- (a) Eligible Shareholders may apply to purchase a parcel of New Shares up to a maximum of \$15,000. If you are an Eligible Shareholder and wish to participate in the SPP, you must follow the instructions on the SPP Application Form (the **Application Form**) and:
- (i) make payment by BPAY[®] equivalent to the value of the parcel of New Shares you wish to apply for; **or**
 - (ii) complete the Application Form and provide a cheque or money order made payable to "**CBD Energy Share Purchase Plan**",
- so that it is received by the share registry by 5.00pm AEDST on 20 January 2010 (the **Closing Date**). Payments must be in Australian dollars.
- (b) If you apply for New Shares under the SPP, you will apply for a certain value, rather than a certain number, of New Shares. Subject to clauses 4(c) the Company will divide the parcel value you select by the Issue Price in order to determine the number of New Shares for which you have applied (rounded down to the nearest whole number of New Shares). Any balance remaining as a result of rounding will be refunded to you.
- (c) Eligible Shareholders who receive more than one offer under the SPP (for example, because they hold Shares in more than one capacity) may apply on different Application Forms for New Shares but may not apply for New Shares with an aggregate value of more than A\$15,000.
- (d) The Company may accept or reject your application for New Shares at its absolute discretion. For example, the Company may reject your application in the following circumstances (among others):
- (i) it appears that you are applying to purchase more than A\$15,000 worth of New Shares in aggregate;
 - (ii) your Application Form is incorrectly completed, incomplete or otherwise determined by the Company to be invalid;
 - (iii) your cheque is dishonoured or the cheque or money order that you enclose with your Application Form is not made out for the amount corresponding to the value of the parcel of New Shares for which you have applied;
 - (iv) your Application Form or BPAY[®] payment is received after the Closing Date. Late or otherwise incomplete or invalid payments will be refunded to you; or

- (v) the Company believes you are not an Eligible Shareholder (subject to compliance with any applicable Australian Securities and Investments Commission or Australian Securities Exchange (**ASX**) requirements).

5. Effect of Making an Application

- (a) If you submit a BPAY[®] payment or complete and return an Application Form together with a cheque or money order:
 - (i) you acknowledge that you are an Eligible Shareholder;
 - (ii) you irrevocably and unconditionally agree to these Terms and Conditions and the terms of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
 - (iii) you acknowledge your application is irrevocable and unconditional;
 - (iv) you certify that you have not applied for more than A\$15,000 of Shares in aggregate as follows:
 - (A) any Shares under the SPP the subject to this application;
 - (B) any other Shares under the SPP or any similar arrangement in the 12 months before this application;
 - (C) any other Shares which you have instructed a custodian to acquire on your behalf under the SPP; and
 - (D) any other Shares issued to a custodian in the 12 months before the application as a result of an instruction given by you to the custodian to apply for Shares on your behalf under an arrangement similar to the SPP,even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;
- (v) if you are a custodian, you certify that you either:
 - (A) hold an Australian financial services licence that :
 - (1) covers the provision of a custodial or depository service (as defined by section 766E of the Corporations Act); or
 - (2) includes a condition requiring you to comply with the requirements of ASIC Class Order CO 02/294; or
 - (B) are exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service under:
 - (1) paragraph 7.6.01(1)(k) of the Corporations Regulations 2001; or
 - (2) ASIC Class Order CO 05/1270 to the extent that it relates to ASIC Class Order CO 03/184;

- (vi) you authorise the Company to correct minor errors in your Application Form and to complete the Application Form by inserting any missing minor detail;
- (vii) you acknowledge that the Company may determine that your Application Form is valid, in accordance with these Terms and Conditions, even if the Application Form is incomplete, contains errors or is otherwise defective;
- (viii) you accept the risk associated with any refund that may be sent to your address or to your nominated bank account as shown on the Company's share register;
- (ix) you are responsible for any dishonour fees or other costs the Company may incur in presenting a cheque for payment that is dishonoured;
- (x) you acknowledge that no interest will be paid on any application monies held pending the allotment of the New Shares or subsequently refunded to you for any reason;
- (xi) you acknowledge that you have not been provided with investment advice or financial product advice by the Company or Computershare and that neither of them has any obligation to provide this advice in relation to your consideration as to whether or not to participate in the SPP;
- (xii) you acknowledge that the Company is not liable for any exercise of its discretions referred to in these Terms and Conditions;
- (xiii) you acknowledge that the New Shares have not, and will not be, registered under the United States Securities Act of 1933 or the securities law of any other jurisdiction outside Australia or New Zealand and, accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the United States Securities Act of 1933 and any other applicable securities laws. You may sell your New Shares in standard brokered transactions on the ASX where neither you nor any person acting on your behalf has reason to know that the sale has been pre-arranged with a person in the United States; and
- (xiv) you agree not to send any materials relating to the SPP to any person in the United States or any person who is acting for the account or benefit of a US Person.

6. Issue Price of New Shares under the SPP

- (a) The price per New Share on offer under the SPP (**Issue Price**) will be \$0.13 per New Share, being the price set for the Conditional Placement announced on 17 December 2009.
- (b) The current Share price can be obtained from the Company's website at www.cbdenergy.com.au or from the ASX website at www.asx.com.au (ASX

code: CBD) and is listed in the financial and business section of major daily newspapers circulated in Australia.

You agree to pay the Issue Price per share for the number of New Shares calculated under clause 4(b) or, if there is a Scaleback (as defined below), the number of Shares calculated under clause 8.

You acknowledge that the market price of New Shares may rise or fall between the date of this offer and the date that New Shares are allotted to you under the SPP (the **Allotment Date**) and that the effect of this is that the Issue Price you pay for the New Shares may exceed the market price of New Shares on the Allotment Date.

7. Rights Attaching

The rights and obligations of the New Shares are contained in the Constitution of the Company. The New Shares will be issued on the same terms as all other ordinary shares in the Company and the Company will apply for the New Shares to be quoted on the ASX. If the New Shares are not quoted on the ASX, the New Shares will not be issued and funds will be refunded.

8. Scaleback

- (a) The Company may, in its absolute discretion, reduce the number of New Shares allotted to each applicant to the extent and in the manner that it sees fit (**Scaleback**). If undertaken, the Scaleback will apply to all applications received on a pro-rata basis, based on each application size.
- (b) If there is a Scaleback, the difference between the application monies received from you, and the number of New Shares allocated to you multiplied by the Issue Price, will be refunded by the Company, without interest, following allotment.

9. Costs of Participation

No brokerage costs will be payable by Eligible Shareholders in respect of the application for, and allotment of, New Shares under the SPP.

10. Risk

Subscription under the SPP is a speculative investment and the market price may change between the date you apply for New Shares and the issue of New Shares to you. Accordingly, the value of New Shares applied for may rise or fall. Importantly, there is a risk that during the period between when you apply for New Shares and when the New Shares are issued to you, the price at which Shares issued by the Company are traded on the ASX may be less than the application price payable under this SPP.

The offer is not a prospectus and does not require the types of disclosures required under the Corporations Act. You must rely on your own knowledge of the Company, previous

disclosures made by the Company to the ASX and, if necessary, consult your professional adviser when deciding whether or not to participate in the SPP.

11. Privacy

By receiving completed Application Forms, the Company collects personal information about Shareholders. The Company will use this information for the purposes of processing the Application Form and updating the records of the Company. To the extent restricted by law, the Company will not disclose personal information about a Shareholder to a third party. To the extent permitted by law, Shareholders are able to access, upon request, personal information about them held by the Company. For further information about how we manage personal information or if you wish to obtain a copy of the Company's privacy policy, please contact us.

12. Timetable

- (a) Subject to clause 12(b):
 - (i) **(Record Date)** the record date for the offer is 5.00pm AEDST on 15 December 2009;
 - (ii) **(Opening Date)** the offer opens at 9.00am AEDST on 21 December 2009;
 - (iii) **(Closing Date)** the offer closes at 5.00pm AEDST on 20 January 2010;
 - (iv) **(SPP Results Announcement)** the number of New Shares to be issued, the Issue Price and, if applicable, any Scaleback will be announced to the ASX on 29 January 2010;
 - (v) **(Allotment Date)** the Company proposes to allot the New Shares on 29 January 2010; and
 - (vi) **(Despatch Date)** the date on which transaction confirmations are sent to shareholders and, if applicable, a direct credit deposit to your nominated account is made or refund cheque is dispatched, is expected to be 1 February 2010
- (b) The Company may vary any of the above dates in clause 12(a) at its discretion (even if the offer has opened, or BPAY[®] or Application Forms have been received) by lodging a revised timetable with ASX.

13. Dispute Resolution

The Company may settle in any manner it thinks fit, any difficulties, anomalies or disputes that may arise in connection with or by reason of the operation of the SPP and the decision of the Company will be conclusive and binding on all participants and other persons to whom the determination relates. The Company's rights may be exercised by the Board or any delegate of the Board.

14. Waiver, Amendment, Suspension and Withdrawal

The Company may, at its discretion, waive compliance with any provision of these Terms and Conditions, amend or vary these Terms and Conditions, or suspend or withdraw the offer at any time. Any such waiver, amendment, variation, suspension or withdrawal will be binding on all Eligible Shareholders even where the Company does give notice of the event.

15. Governing Law

These Terms and Conditions are governed by the laws in force in New South Wales. Any dispute arising out of or in connection with these Terms and Conditions, or the offer of New Shares, will be determined by the courts of New South Wales. By accepting this offer, you agree to submit to the exclusive jurisdiction of the courts in New South Wales.

16. Definitions

Allotment Date means the date upon which New Shares will be allotted under the SPP.

Application Form means the SPP Application Form.

Closing Date means 5.00pm AEDST on 20 January 2010.

Company means CBD Energy Limited (ACN 010 966 793).

Computershare means Computershare Investor Services Pty Ltd.

Conditional Placement means the issue of fully paid ordinary shares at an issue price of \$0.13 to institutional investors announced on 17 December 2009, which is conditional upon shareholder approval in accordance with the requirements of Listing Rule 7.1.

Eligible Shareholder means a Shareholder eligible to participate in the SPP in accordance with clause 3.

Issue Price means \$0.13 per New Share.

New Share means a fully paid ordinary share in Company issued in accordance with this SPP.

Opening Date means 9.00am AEDST on 21 December 2009.

Record Date means 5.00pm AEDST on 15 December 2009.

Scaleback means the right of the Company, in its absolute discretion, to reduce the number of New Shares allotted to each applicant under clause 8.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the registered holder a Share.

SPP means this Share Purchase Plan.

US Person has the meaning given in Regulation S under the United States Securities Act of 1933.