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25 August 2010

ASX & MEDIA RELEASE

PROPOSED AMENDMENTS TO CONVERTIBLE NOTE TERMS

CBD Energy Limited (**CBD**) currently has \$5.4 million worth of convertible notes (**Notes**) on issue, due to mature on 28 January 2011. Hunter Hall Investment Management Limited (**Hunter Hall**) holds 83.9% of the outstanding Notes. Hunter Hall has agreed with CBD to convert all its Notes into ordinary shares on the maturity date. This removes any need to make provision for repayment of the principal in CBD's accounts.

In consideration for that commitment, CBD has proposed amendments to the terms of the Notes which will have the effect of giving all Noteholders a 5% increase in the number of shares they are entitled to on conversion of the Notes. Hunter Hall has approved the amendments to the Note terms, and the amendments will come into effect upon:

- (a) receipt of notice from ASX that it does not object to the amendments; and
- (b) execution of a Deed of Amendment and Restatement of the Note Trust Deed by CBD and the trustee for the Noteholders.

The Deed of Amendment and Restatement of the Note Trust Deed, showing the amendments to the Note terms, will be released to the market once it is executed. Hunter Hall's commitment to convert its Notes will only be effective following formal amendment of the Note terms.

FOR FURTHER INFORMATION:

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ABOUT CBD ENERGY

CBD is Australia's emerging leader in renewable energy, enabling the efficient use of renewable energy, for utilities, businesses and households, through operations in four areas - wind, solar, energy storage and energy services.

