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22 June 2009

To: The Manager
Announcements
Company Announcements Office
Australian Stock Exchange

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IN PART IN OR INTO THE U.S.**

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CBD Energy Limited - Appendix 3B

Attached is an Appendix 3B relating to the Company's non-renounceable rights issue.

For and on behalf of CBD Energy Limited

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

GERRY MCGOWAN
Managing Director

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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

CBD Energy Limited ("CBD")

ABN

88 010 966 793

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Convertible Notes |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 54,260,820 Convertible Notes |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The Convertible Notes have a conversion price as set out in section 5 below. Dates for conversion are on a quarterly basis starting on the date which is 3 months after the issue date (the "Conversion Date") and thereafter each of the respective days which are 3 months after the previous Conversion Date up to and including the 18 month anniversary of the issue date (the "Maturity Date"). |

+ See chapter 19 for defined terms.

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4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

No – there is no existing class of Convertible Notes. The Notes can be converted on any Conversion Date or the Maturity Date (and in some other circumstances such as takeovers). Upon conversion the Notes will convert into ordinary shares and will rank equally with all other ordinary shares on conversion.

5 Issue price or consideration

\$0.10.

6 Purpose of the issue
(If issued as consideration for the acquisition of assets, clearly identify those assets)

The funds raised will be used to progress CBD's current renewable energy projects and for working capital.

7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates

Expected to be 29 July 2009

	Number	⁺ Class
8 Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	217,043,281	Ordinary Shares

	Number	⁺ Class
9 Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	32,025,000	Unlisted options over Ordinary Shares

+ See chapter 19 for defined terms.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable
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Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
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12	Is the issue renounceable or non-renounceable?	Non-renounceable
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13	Ratio in which the +securities will be offered	1 Convertible Note for every 4 existing ordinary shares
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14	+Class of +securities to which the offer relates	Convertible Note
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15	+Record date to determine entitlements	30 June 2009
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16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
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17	Policy for deciding entitlements in relation to fractions	Rounded up
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18	<p>Names of countries in which the entity has +security holders who will not be sent new issue documents</p> <p><small>Note: Security holders must be told how their entitlements are to be dealt with.</small></p> <p><small>Cross reference: rule 7.7.</small></p>	<p>United Kingdom, Switzerland, Hong Kong, Japan, Singapore, Canada, Germany, Brazil, Netherlands, Papua New Guinea, Thailand, Taiwan Province of China, United States of America, Vanuatu</p>
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19	Closing date for receipt of acceptances or renunciations	21 July 2009
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20	Names of any underwriters	Not applicable
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21	Amount of any underwriting fee or commission	Not applicable
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22	Names of any brokers to the issue	Not applicable
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23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	No
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	6 July 2009
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	19 June 2009
28	Date rights trading will begin (if applicable)	6 July 2009
29	Date rights trading will end (if applicable)	21 July 2009
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Despatch date	29 July 2009

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

+ See chapter 19 for defined terms.

- (b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

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40 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

42 Number and ⁺class of all ⁺securities quoted on ASX (*including* the securities in clause 38)

Number	⁺ Class

⁺ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 22 June 2009
Managing Director

Print name: Gerry McGowan

+ See chapter 19 for defined terms.

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