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23 June 2009

To: The Manager  
Announcements  
Company Announcements Office  
Australian Stock Exchange

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This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the U.S. and the District of Columbia). This announcement is not an offer of securities for sale into the U.S. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1993, as amended, and may not be offered or sold in the U.S. or to the account or benefit of U.S. Persons. No public offering of securities is being made in the U.S.

**CBD Energy Limited – Eligible Shareholder Notice**

Attached is a copy of a letter issued today to shareholders in relation to the pro rata non-renounceable rights issue by CBD Energy Limited.

For and on behalf of CBD Energy Limited

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

GERRY MCGOWAN  
Managing Director

For personal use only



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Dear Shareholder

## **Announcement of Non-Renounceable**

### **Rights Issue**

On 22 June 2009 CBD Energy Limited (*CBD*) announced a pro rata non-renounceable rights issue to raise approximately \$5.4 million (the *Offer*). The Offer is for eligible shareholders to subscribe for one convertible note at an issue price of \$0.10 for every 4 existing ordinary shares held at the record date of 7.00pm (Sydney time) on Tuesday, 30 June 2009. Each convertible note is convertible into one ordinary share in CBD.

Money raised through the Offer will be used by CBD to progress the following:

- (a) construction of a wind farm on the Chatham Islands;
- (b) contributing to the estimated \$2,000,000 cost of obtaining regulatory approvals for the development of a 50 megawatt, \$190,000,000 wind farm at Shannons Flat in NSW; and
- (c) the Emerald and Bowen (Qld) estate developments projects for which CBD is providing green energy services,

and as an increment to working capital.

A prospectus detailing the non-renounceable rights issue, together with a personalised Entitlement and Acceptance Form will be mailed on Monday, 6 July 2009 to all eligible shareholders with registered addresses in Australia and New Zealand. The prospectus has been lodged with ASX and is available on the ASX website at [www.asx.com.au](http://www.asx.com.au).

The convertible notes will rank equally among themselves. The shares issued on conversion of a convertible note will rank equally with the existing ordinary shares from the date of allotment. The current number of ordinary shares on issue in CBD is 217,043,281. Under the rights offer, 54,260,820 convertible notes will be issued.

Before making a decision whether to subscribe for convertible notes under the Offer, please carefully read the prospectus when you receive it. The offer closes at 5:00pm (Sydney time) on Tuesday, 21 July 2009.

For personal use only

The Offer is non-renounceable. This means that if you do not wish to take up your entitlement (i.e. you do not wish to acquire the convertible notes offered to you on the terms set out in the prospectus), you may not sell or otherwise transfer your rights and your equity interest in CBD will be diluted.

The current proposed timetable for the rights issue is as follows:

Event	Date
Announce Rights Issue	Mon, 22 June 2009
Lodgement of Prospectus with ASIC and ASX	Mon, 22 June 2009
Securities quoted on an "ex" basis	Wed, 24 June 2009
Record Date to determine entitlement to Convertible Notes	Tues, 30 June 2009
Despatch of Prospectus and Entitlement and Acceptance Forms	Mon, 6 July 2009
Offer opens	Mon, 6 July 2009
Offer closes at 5pm (Sydney time)	Tues, 21 July 2009
Issuer notifies ASX of under subscriptions	Fri, 24 July 2009
Issue Date of Convertible Notes	Wed, 29 July 2009
Convertible Notes expected to commence trading on ASX on normal settlement basis	Thurs, 30 July 2009

**Note:** these dates are indicative only. CBD reserves the right to change these dates without prior notice.

If you have any questions regarding your rights or the mailing of the Offer Document and the accompanying Entitlement and Acceptance Form, please contact CBD's share registry, Computershare Investor Services Pty Limited on 1300 518 091 (local call cost within Australia) or +61 3 9415 4248 (from outside Australia).

For and on behalf of CBD Energy Limited



GERRY MCGOWAN  
Managing Director

**NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO US PERSONS**

This notice does not constitute an offer to sell securities in the United States. Neither the entitlements nor the convertible notes have been or will be registered under the Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons, except pursuant to a transaction exempt from the registration requirements of the Securities Act, in reliance on Regulation S thereunder.

Note: The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. Before acting on the information, you should consider the appropriateness of the information, having regard to your objectives, taxation position, financial situation or needs.

Copies of the prospectus dated 22 June 2009 for the Offer will be dispatched to eligible shareholders by 6 July 2009. Copies of the prospectus are available to and can only be obtained by eligible shareholders from CBD or CBD's share registry. Offers of the convertible notes will be made in, or accompanied by, a copy of the prospectus. Eligible shareholders who wish to subscribe for convertible notes will need to complete, or otherwise apply in accordance with, the personalised Entitlement and Acceptance Form that will accompany the prospectus, and should consider the prospectus in deciding whether or not to subscribe for convertible notes.