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ASX & Media release

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King Island Project receives \$15.28 million Federal Government Grant under the Renewable Energy Demonstration Program (REDP).

Federal Minister for Resources and Energy, The Hon Martin Ferguson has announced a \$15.28 million grant subject to successful offer negotiations, for The King Island Renewable Energy Integration Project. This project will demonstrate the potential for enabling technologies to help integrate renewable technologies into established electricity networks and mini-grid systems in remote areas.

CBD and Hydro Tasmania have established a 50/50 Joint Venture vehicle called Integrated Energy Solution to deliver the King Island Wind Expansion and Carbon Block Project and potentially other components covered under this REDP grant all of which are subject to the “offer negotiations” referred to above.

“These projects will diversify Australia’s energy supply and help deliver the Government’s expanded Renewable Energy Target of 20% by 2020.” Minister Ferguson said. “The REDP will support the commercialization of renewable energy and help accelerate the deployment of renewable energy technologies for power generation in Australia.”

Tasmanian Premier David Bartlett said “...this will deliver direct benefits to the islanders and will also benefit the environment by reducing the dependence on greenhouse gas-intensive diesel generation.”

“Last financial year, more than 2.5 million litres of diesel was used on King Island so the potential benefits are significant.”

“We are already the single largest producer of renewable energy in Australia and we have the strongest knowledge bank in wind and water energy anywhere in South East Asia.”

“I want Tasmania to become internationally-renowned for the development and application of renewable energy technologies and

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today we take another important step along that path.”

“Clean renewable energy on King island on King Island adds to the island’s brand. The sustainability of local industry, jobs and community confidence will be supported by this project,” he said.

CBD’s Managing Director, Gerry McGowan said “This is an exciting project to be associated with. CBD and Hydro Tasmania have been working together on this project for many years. It is gratifying to see this support from the Federal and Tasmanian Governments.”

“This truly sees CBD emerge from its restructuring phase to a genuine diversified renewable energy company with projects in wind, solar, storage and grid augmentation. During 2010 we will have projects under construction in Australia, New Zealand and China. Additionally our projects have long term off-take agreements that will improve group cash flows” Mr McGowan said.

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