

ALTO CAPITAL RESEARCH

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Low cost entry in renewable energy sector

30th November 2009

CBD Energy Limited (CBD)

Speculative Buy

Price: \$0.17
 Price Target: \$0.35
 Mkt Cap: \$37.2m

Investment Data:

Share Price	17.0¢
Ord Shares*	219.0m
Market Capitalisation	\$37.2m
Unlisted 10¢ Options (30/06/11)	7.5m
Unlisted 25¢ Options (30/06/11)	15.0m
Market Capitalisation (diluted)	\$41.1m
12% 10¢ convertible notes	(\$5.4m)
Outstanding Loans	(\$2.3m)
Cash Balance (Sep 09)	\$1.5m
Enterprise Value	\$47.3m
52 week Low/High	3.2¢ / 19.0¢

Directors:

Non-Exec Chairman	The Hon Mark Vaile
Managing Director	Gerry McGowan
Non-Exec Director	James Link

Major Shareholders:

Solon AG	15.5%
Souls Private Equity Limited	10.5%
TRW Holdings Pty Ltd	7.2%

Top 20 Shareholders hold 81.4% of the issued stock

Income (\$m):	08	09	10F*	11F*
Sales	17.8	16.8	47.4	93.0
EBITDA	(0.5)	(1.3)	3.2	13.1
Dep	(0.2)	(0.3)	(0.7)	(1.1)
EBIT	(0.7)	(1.6)	2.5	12.0
Interest	0.2	0.0	(0.3)	(0.4)
EBT	(0.5)	(1.6)	2.2	11.6
Tax	-	-	-	-
Underlying Profit	(0.5)	(1.6)	2.2	11.6
Reported NPAT	(0.5)	(3.7)	2.2	11.6
Balance Sheet (\$m):				
Cash	5.3	0.9	4.5	3.5
Intangibles	8.3	7.8	17.4	17.0
Total Assets	22.3	20.6	48.3	64.1
Total Debt	0.3	2.7	5.4	6.0
Total Liabilities	3.1	5.1	10.3	14.5
Equity	19.2	15.5	38.0	49.6

* assumes a \$20m capital raising completed in FY2010



Summary:

CBD Energy Limited (CBD) is an ASX listed integrated energy solutions business combining engineering skills, technology and services to achieve energy efficiency and make renewable energy more effective.

CBD's business model combines two established businesses in energy efficiency and mechanical services, with its newer business in renewable energy services, technology and equipment. CBD plans to combine its engineering expertise within its businesses to expand further in providing solutions in renewable energy.

The recent passing of the Renewable Energy Target (RET) bill is likely to increase the attractiveness of CBD to the investing public, due to the estimated \$25 - \$30 billion in investment required by 2020 to reach the government's target of producing 20% of Australia's electricity via renewable energy sources.

CBD has recently announced a number of company transforming initiatives including 1) the acquisition of eco-Kinetics, a successfully well managed business with annual revenues in excess of \$40m. eco-Kinetics provides engineering solutions that enables the use of wind and solar power more effectively, 2) initiated a strong relationship with a large Chinese utility to provide storage technology as part of a US\$500m solar farm, and 3) the purchase of a 20% stake in Planet Power (with the option to increase to 51%), a leading organisation that helps households and commercial organisations implement renewable solutions and take advantage of government incentives.

We have maintained our **SPECULATIVE-BUY** recommendation and 12-month price target of \$0.35 per share. Our price target is based on CBD Energy being among the first movers in the growing Australian renewable energy sector, and leveraging that position into developing partnerships with other groups to help it progress.

Key Points:

- Passing of the Renewable Energy Target (RET) legislation by the Australian government provides certainty for investors in renewable projects, such as CBD, and increases the attractiveness of small renewable companies to the investing public.
- An estimated \$25 - \$30 billion in addition investment required over the next 10 years to reach the goals of the recently passed RET legislation.
- The acquisition of eco-Kinetics provides CBD with significant revenues and cashflow to support the growing list of renewable energy projects the group has on the go in Australia, China, and New Zealand.
- License holder for the innovative graphite block energy storage technology, enabling the storage of excess energy produced via renewable energy sources. The technology was recently chosen for a 100MW US\$500m solar thermal project in China.
- CBD has a 50/50 JV with Hydro Tasmania, Australia's largest renewable energy company, to deliver the King Island Wind Expansion and Carbon Block Project. The King Island recently received a \$15.3m Federal Government Grant under the Renewable Energy Demonstration Program (REDP).
- Business model for wind and solar projects is to charge a fee for project management services during design and construction phase, and then an ongoing management fee plus a carried equity position in those projects.
- CBD is actively seeking partners to provide funding for the group's large scale solar and wind energy projects. It is noted they are co-developing their Shannons Flat wind project with GE who have capability in equipment supply and financing. CBD has partnered with Solon AG, their largest shareholder, to drive solar component sales.
- High quality Board and Management team in place, with extensive skills and experience in engineering, financial, treasury, and corporate management.

Brief History:**First listed in 1988**

First listed in June 1988 as London Securities Limited (LOS), and has undergone several name changes and business activities, including, Asia Pacific Infrastructure Limited (AIF), and CBD Online Limited (CBD), before changing its business model to focus on renewable energy and energy storage systems

Major Acquisitions/Sales**Achieved growth through Acquisitions**

Business Acquisitions	Cost	Date
Capacitor Technologies (CapTech)	\$0.74m	September 2003
Energys	\$0.25m	September 2003
Parmac Air-conditioning & Mechanical Services (Parmac)	\$1.25m	November 2003
O.P Industries	\$7.50m	April 2004
Lloyd Energy Systems (LES)	\$0.50m	November 2006
Larkden Pty Ltd	\$5.00m	June 2007
20% of Planet Power (option to go to 51%)	\$1.20m	November 2009
Eco-Kinetics Pty Ltd	\$13.00m	November 2009

Business Sales	Received	Date
O P Consolidated	\$0.62	December 2005

Accelerates participation in renewable energy sector

Late 2008/early 2009 signified the real commencement of CBD Energy's entry into the renewable energy space with the construction of the King Island Solar Project, completion of the Larkden acquisition (graphite energy storage solutions), successful tender for the Chatham Island renewable energy project, and the acquisition of a licence to develop a wind farm at Shannons Flat in NSW.

The last month has seen the groups transformation accelerate with the announcement of 1) signing of a binding HOA with Baoding Tianwei Group to utilise CBD's energy storage technology in a 100MW solar thermal plant to be constructed in China, 2) an option to acquire up to 51% of Planet Power combined with an order for \$5m in solar modules, 3) King Island receives \$15.3m Federal Government Grant, 4) Signs wind turbine agreement with Baoding Tianwei group for \$70m Adjungbilly Wind Project, and 5) acquisition of eco-Kinetics.

Business Strategy**Work with specialist partners**

CBD's business strategy is to work with specialist partners to develop and deliver renewable energy projects. These partners, which include Hydro Tasmania, Solon AG, GE Energy, Buildev and Baoding Tianwei Group.

Renewable energy projects in which CBD is currently involved include:

- King Island – solar and wind power, energy management, energy storage – 50/50 JV with Hydro Tasmania;
- Chatham Islands – wind farm – build, own and operate project supported by a 20 year power offtake agreement with local energy authority;
- Shannons Flat, NSW – wind farm – co-development with GE Energy;
- Emerald & Bowen, QLD – green energy services projects – joint venture with Buildev;
- Lian Shan, China – 100MW solar thermal project – provide energy storage technology to Baoding Tianwei Group; and
- Adjungbilly, Snowy Mountains, NSW – wind farm – co-development with Baoding Tianwei group

RET of 20% by 2010 to underpin sector going forward.

The passing of legislation to bring about the implementation of Australia's Renewable Energy Target (RET) scheme provides positive support for the renewable energy sector. The scheme requires 20% of electricity to come from renewable sources by 2020, and works by forcing electricity companies to buy a certain portion of their electricity from renewable sources.

Graphite energy technology provides CBD an entry in the energy storage sector

A defining difference at CBD in the renewable energy sector is its ownership of the intellectual property rights to graphite energy storage technology. Development of a commercial energy storage system is critical for the wider use of renewable energy in the broader market since it helps overcome the variability of wind and solar power. CBD are using this technology to grow its business internationally and has recently presented to utilities in Europe, the U.S and China.

CBD's current project pipeline exceeds \$600m in development costs. Their success will depend on them finding a financing and power offtake partner.

Brief summary of Existing Operations

CBD operates 5 business divisions.

CBD Energy's business activities are divided into five business divisions: 1) CBD Solar, 2) Remote Area Power Systems, 3) CBD Wind, 4) Parmac, and 5) CapTech.

Partnership with leading German producer of photovoltaic modules.

CBD Solar

CBD Solar was formed in mid 2007, through the business relationship between CBD Energy and SOLON AG (leading German producer of photovoltaic solar modules). SOLON produces the largest industrial manufactured turnkey solar tracking system globally.

The main focus of CBD Solar is to provide Australian Solar companies access to the high end quality products of SOLON.

Purchase of 20% stake in Planet Power

CBD recently purchased 20% of Planet Power (with an option to go to 51%) a growing business that operates 8 retail stores (45 stores forecast by June 2011) that help households and commercial organisations implement renewable solutions and take advantage of government incentives. Planet Power has ordered \$5m worth of solar modules from CBD over the last month.

The NSW governments Solar Bonus Scheme will see households with solar panels paid 60¢ per kilowatt-hour produced, which for an average household system equates to around 2,500kWh per annum, or \$1,500.

Licence holder of initiative graphite energy storage technology.

Remote Area Power Systems

Remote Area Power Systems (RAPS), is an energy solutions company which provides wind, solar and energy storage in an integrated solutions package. The main focus of RAPS is on the reduction of diesel greenhouse gas emissions by providing renewable power technology to both on-grid and remote area power systems.

RAPS has developed a commercial size energy storage prototype to prove to its first customer, Hydro Tasmania, for use on the King Island Wind Expansion and Carbon Block Project, a 50/50 JV between Hydro Tasmania and CBD Energy. The King Island Project recently received a \$15.3m federal government grant under the renewable Energy Demonstration Program (REDP) to help fund the project.

CBD also recently signed a binding Heads of Agreement (HOA) with Baoding Tianwei Group, a subsidiary of Fortune 500 company China Southern Industries, to provide energy storage technology for a 100MW solar thermal plant to be constructed by Tianwei at Liang Shan, China. The project is expected to cost approx. US\$500m and to be fully funded by Tianwei.

Focused on locating, developing, and acquiring suitable wind power projects.

CBD Wind

The Wind Energy division focuses on developing wind farms including sourcing projects, locating suitable sites for development, progressing regulatory approvals, acquiring wind turbines and building and operating wind farms and associated infrastructure. Current sites include:

- Chatham Island NZ (two 200kW wind turbines) – 20 year off-take agreement in place.
- Adjungbilly Snowy Mountains (twenty six 2.5MW wind turbines) – wind turbines order for fourth quarter 2010
- Shannons Flat NSW (twenty 2.5MW wind turbines) – early stage of development

CBD has signed agreements with Baoding Tianwei Wind Power Technology Co. Ltd (BTW) to supply 26 wind turbines for the Adjungbilly wind project, and to provide onsite supervision of the installation, commissioning and calibration services. BTW has also agreed to provide \$24.5m of funding at an interest rate of 4% to enable the construction of project.

Specialist air conditioning services provider

Parmac

Parmac, established in 1994, offers air conditioning installations and mechanical services, ranging from in-house designing of systems, checking of projects documented by consulting engineers, project management services and drafting services. Parmac specialises in green field projects, institutional projects, office tenancy refurbishments and dedicated computer room installations.

Specialist provider of power correction systems.

CapTech

Captech, established in 1990, is involved in developing and supplying power factor correction equipment to both the commercial and industrial sectors. Captech also manufactures a series of harmonic filters and reactors and is a supplier of capacitors, lightning and surge protection, energy monitoring and management systems and components. Its products have been sold across Australia, Middle East, South East Asia and other parts of the world.

Project Examples

Installed 6 solar energy systems on King Island

Solar Energy

In 2008, six dual axis tracking solar photovoltaic systems were installed on King Island adding 100kW of renewable energy generation to the power station. The SOLON Mover is the largest industrially manufactured ready-to-go solar tracking system in the world. It was specially developed for use in major solar power stations. A SOLON Mover consists of 24 solar PV modules, a steel frame construction for the dual axis tracking system, and the necessary output, communication and control electronics. SOLON Movers contain all the technical components necessary for converting the direct current generated by solar modules into the alternating current required for feeding into the supply grid. The use of solar power on King Island has several benefits:



Solar array forecast to deliver 200MWh p.a.

The solar array is expected to deliver around 200 MWh a year to the Currie power station, resulting in CO₂ savings of around 180 tonnes per annum.

Wind Energy

20 year BOOT partnership to install two wind turbines on Chatham Island



CBD is undertaking construction of a wind turbine project on the Chatham Islands, located 800km east of Christchurch and are the first inhabited land in the world to greet the dawn each day.

The project resulted from a tender CBD won in December 2008 and is a 20 year BOOT (Build Own Operate transfer) partnership, with CBD to build, own and operate a new wind powered electricity system for 20 years after which it would transfer to the Chatham Islands Enterprise Trust.

CBD will install two wind turbines and associated control and ancillary systems on the island, integrate these with the existing diesel generation plant, and optimise the combined wind/diesel system.

Graphite Energy Storage System

Storage of excess energy from renewable energy sources greatest problem

The unpredictable and intermittent nature of certain renewable energy sources such as wind and solar is the greatest technological problem facing the renewable energy industry in its attempt to position itself as base load generation. Put simply, no matter how efficient the generator, electricity production stops when the wind drops or the sun goes down.

CBD Energy has addressed the issue of large scale energy storage with the development of a thermal energy storage system that addresses the need for storage as well as providing a modular system that allows for storage optimisation to the application.

In its current design configuration, each block contains approximately 19 tonnes of graphite and will store 6.5MWh of thermal energy. The carbon block consists of a number of high quality graphite modules stacked together. Installed within these modules are heating elements used to heat the graphite and operates at high temperatures of up to 650°C. Insulation surrounding the modules minimises heat loss and allows the energy to be stored for extended periods of time. Energy is then extracted from the carbon block when required by passing water through heat exchangers within the graphite block. As the block is at a high temperature, the water is converted into steam and then passed through a steam turbine generator.



Patented graphite energy storage technology

King Island Renewable Energy Project Under the Federal Government's

Renewable Energy Demonstration Program (REDP), Hydro Tasmania is seeking to implement an innovative program of renewable energy technologies, including the expansion of the King Island project currently under development. This involves several proposed projects to further reduce the reliance on diesel fuel for power generation. Elements of the expanded REDP project proposal include:

- Installation of short term inertia storage device. This would enhance the use of wind generation as well as the reliability of the power system which is approaching conventional limits for reliance on wind energy.

Project Examples (continued)

- Reinstatement of the Vanadium Redox Battery (VRB) energy storage system following an outage.
- Wind expansion by up to 4MW. The proposal is currently undergoing feasibility assessment, with a business case submission expected in 2009. Development Approval has been obtained for the installation of up to two wind turbines.
- Carbon Block energy storage – installation of carbon block thermal storage units for storing and recovering spilt wind energy.
- Biodiesel project - feasibility of a project is being considered to supply biodiesel as a generation fuel at Currie Power Station to reduce both generation cost and greenhouse gas emissions.

Recent Government Legislation

20% electricity mix by 2020 generated by renewable sources

The Australian Government set a target to achieve a 20 per cent share of renewables in Australia's electricity mix by 2020. To achieve this, the Government is supporting the deployment of renewable energy in Australia's electricity supply through the national Renewable Energy Target (RET) scheme. The RET scheme guarantees a market for additional renewable energy generation, using a mechanism of tradeable Renewable Energy Certificates known as RECs.

Legislated target increased to 45,000GWh from 9,500GWh

The Government, in cooperation with the States and Territories, is increasing the legislated target more than four times from 9,500 gigawatt-hours (GWh) to 45,000 GWh in 2020. The RET scheme expands on the existing Mandatory Renewable Energy Target (MRET) and absorbs existing and proposed State and Territory renewable energy schemes into a single national scheme.

The expanded RET scheme will accelerate uptake and prepare the electricity sector to contribute to the significant emissions reductions that will be needed to address climate change. The RET scheme design focuses on reaching the 45,000 GWh target in 2020 at least cost and is closely based on the existing MRET scheme. It is envisaged that the measure will commence on 1 July 2009 with the expanded targets to commence from 1 January 2010.

The NSW Government recently advised that the Government would streamline the approval process for renewable energy projects and waive certain fees for projects of a size greater than 30 MW. The Shannons Flat project should qualify for this initiative.

Profile of Annual Targets

Staged ramp up to 45,000 GWh over a 10 year period

The target profile (below) is a ramp-up of annual targets in calendar years from 2010, rising to 45,000 GWh in 2020. The target profile is to be maintained at 45,000 GWh from 2020 to 2030, at which point the RET scheme will conclude.

Year	Annual Target (GWh)	Increase (GWh)
current	9,500	
2010	12,500	3,000
2011	14,400	1,900
2012	16,300	1,900
2013	18,200	1,900
2014	20,100	1,900
2015	22,000	1,900
2016	26,600	4,600
2017	31,200	4,600
2018	35,800	4,600
2019	40,400	4,600
2020	45,000	4,600

Recommendation and Price Target

Speculative Buy with a 35¢ price target.

We have maintained our **SPECULATIVE-BUY** recommendation and 12-month price target of \$0.35 per share. Our price target is based on CBD Energy being among the first movers in the growing Australian renewable energy sector, and leveraging that position into developing partnerships with other groups to help it progress its various solar and wind energy projects.

Requirement to raise substantial capital going forward.

The passing of the Renewable Energy Target (RET) bill is likely to increase the attractiveness of CBD and similar companies to the investing public, due to the estimated \$25 - \$30 billion in investment required by 2020 to reach the government's target of producing 20% of Australia's electricity via renewable energy sources.

It must be noted that if CBD is to achieve its goals in the renewable energy sector, the company will be required to raise substantial capital going forward. Our estimate is that in order for group to advance the current projects on its books will require at least \$40 million in new equity over the next two years.

Summary of Recent Major Announcements

Potential 2nd wind farm in NSW with 50MW production

10-Sep Initiates New NSW Wind Farm

CBD has signed an agreement, which it expects will lead to development of a 50 MW (megawatt) wind farm project located at Adjungbilly, a rural community in central east Riverina on the north-western edge of the Snowy Mountains in New South Wales. CBD is in discussions with potential partners to co-develop the project that is expected to cost approximately \$140M to construct.

This project will be CBD's second wind farm project in NSW, with CBD currently seeking regulatory approval for a 50MW wind farm at Shannons Flat. This new project will take CBD's wind farm developments to 100MW.

Signs major deal to provide energy storage technology to large Chinese solar thermal project

26-Oct CBD's Energy Storage Technology Chosen for 100MW Chinese Solar Thermal Project

CBD announces that it has signed a Binding Heads of Agreement with Baoding Tianwei Group consisting of:

- Tianwei will utilise CBD's energy storage technology in a 100MW solar thermal plant to be constructed by Tianwei at Liang Shan, China. This project will be fully funded by Tianwei and is expected to cost approx. US\$500m.
- Upon the successful completion of this first project, Tianwei and CBD will work together on other like projects in China.
- CBD will subcontract to Tianwei the construction of its storage technology.

Baoding Tianwei Group was set up in 1958 and has 12 wholly owned subsidiaries with total assets of 6 billion Yuan (A\$900m), a manufacturing area of 1.2million m² and approx. 8,000 employees.

\$5m sale of solar modules and 20% acquisition of business (option to go to 51%)

29-Oct CBD receives \$3m order from Planet Power to supply solar modules

CBD has today signed an agreement with Planet Power Energy Limited which involves:

- CBD selling Planet Power \$3m in solar modules.
- CBD obtaining the right to purchase up to 51% of Planet Power.
- CBD to supply Energy Efficiency equipment from its wholly owned subsidiaries CapTech & Parmac.
- CBD to take up a Board position with Planet Power

Planet Power currently has 8 retail stores with 20 expected by June 2010. Growth projections are for 45 stores by June 2011. The spread of these stores will be throughout Australia.

Subsequent to this announcement on the 19-Nov CBD announced an additional \$2m in sales of solar modules to Planet Power (bringing the total order to \$5m) and the purchase of a 20% stake in the business for 7.6m CBD shares.

\$15.3m Federal government grant for King Island renewable energy project

9-Nov King Island Project receives \$15.28m Federal Government Grant

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.

Signs agreement for the supply of 26 wind turbines for the Adjungbilly wind project

17 Nov Signs Wind turbine agreement with Tianwei Wind

CBD announces it has signed the following agreements with Baoding Tianwei Wind Power (BTWP), and the Baoding Tianwei Group (BTW):

- BTWP agrees to supply 26 wind turbines for CBD's Adjungbilly wind project.
- BTWP to provide on-site supervision of installation, plus commissioning and calibration services
- BTWP to supply these turbines in the fourth quarter 2010
- BTW to provide \$24.5m funding to enable the construction of the balance of plant power transmission equipment and development costs at an interest rate of 4%
- BTW to assist CBD with long-term debt funding of the project
- CBD to assist Tianwei in organising construction
- CBD to source a credit worthy buyer of the project once completed
- CBD to provide US\$6,825,000 of capital to the project with 90 days of contract signing
- CBD to organise suitable power sale agreements
- CBD to utilise Tianwei turbines for any expansion of the project

Purchase of profitable renewable energy company eco-Kinetics

23 Nov Acquisition of eco-Kinetics Pty Limited

CBD Energy is to expand its diversified footprint in the renewable energy sector with the acquisition of eco-Kinetics Pty Limited. CBD has signed a HOA for the acquisition subject to financing, due diligence and documentation.

eco-Kinetics provides engineering design, supply and installation services to the renewable energy markets.

For CBD, the acquisition marks the end of its restructuring phase and positions it as a company with revenue and earnings which will support a growing list of renewable energy projects in Australia, China and New Zealand.

The equity consideration is \$13 million, comprising a cash payment of \$5 million on completion with the remainder of the consideration in cash and shares, subject to an earn-out over the next two and half years.

eco-Kinetics is profitable and forecasts to earn in excess of \$40 million of revenue for the year ending 30 June 2010. As a result the CBD Group is expected to be profitable in the second half of FY10 despite incurring considerable expenditures relating to project development and presenting CBD technologies to the international market.

Recent Quotes in the Press

Smaller companies to benefit from increased interest in sector.

“The passing of the Rudd government’s Renewable Energy Target (RET) bill could open up new investment opportunities in renewable energy, according to KPMG, with smaller companies set to reap the benefit of increased interest in the sector.

KPMG’s annual report into merger and acquisition activity in renewable energy, The Winds of Change, said that the global financial crisis had made conditions more conducive for bigger utilities and power companies – Origin Energy Ltd, AGL Energy Ltd—to build their presence in the sector with opportunistic acquisitions in the sector.”

Business Spectator 1-Sep 2009

High upfront capital costs but very high operating margins.

“The passage of the 20-20 renewable energy target last week improves the economics of the wind farm business, because the price of renewable energy certificates should bridge the gap between the cost of operating wind turbines and the electricity price.

Wind farms have high upfront capital costs, but strong operating margins. Infigen's accounts show its wind farms generate an EBITDA margin in excess of 80 per cent, despite gearbox and other problems in the early stages of the Lake Bonney 2 wind farm, and lower than expected wind speeds.”

The Australian 31-Aug 2009

Increase from current 4,000GWh to 45,000GWh required to reach 20% RET by 2020.

“Mr Dashwood, ExxonMobil Australia chairman, said the government's target of increasing renewable energy to 45,000 gigawatt hours by 2020 would not cover the 20 per cent power generation the government predicted it would.

But even reaching the 45,000 GWh target would take a "mammoth effort", with wind and solar power now accounting for just 4,000GWh of power generation.”

The Australian 29-Aug 2009

Forecast \$25 - \$30 billion investment required to reach RET by 2020.

“AGL Energy says it will develop \$6 billion to \$7 billion in renewable energy projects over the next decade. Chief executive, Michael Fraser, said the recent passage of renewable energy target legislation through parliament was "very significant" for AGL.

Mr Fraser said that in total about \$25 billion to \$30 billion of renewable projects would have to be built over the next decade to meet the renewable energy target.”

The Age 24-Aug 2009

Directors

The Hon Mark Vaile
Non-Exec Chairman

Mr. Vaile was appointed to the board as Chairman on the 8 September 2008. Mr Vaile was Deputy Prime Minister of Australia from June 2005 to November 2007. He was elected to the Australian Parliament in 1993 and resigned in July 2008. He was Minister for Trade from July 1999 to September 2006 and was responsible for negotiating Australia’s free trade agreements with the United States, Singapore and Thailand. He has held the ministerial portfolios of Transport and Regional Development (twice) and Agriculture, Fisheries and Forestry. Mr Vaile was elected leader of the National Party in June 2005.

Mr. Gerry McGowan
Managing Director

Mr. McGowan was appointed Managing Director on 8 September 2008. Mr McGowan is a former executive of TNT and Mayne Nickless. Gerry started his own company in 1982 and won the distribution of John Fairfax product nationally. He launched Impulse Airlines in 1992, and then sold to Qantas in 2001. Currently Gerry is Executive Chairman of Pacific Aviation Pty Limited and TRW Holdings Pty Limited, an investment company with exposure to the energy and aviation industries. Mr McGowan also previously served as a director under a ministerial appointment to the Board of Air Services Australia..

Mr. James Link
Non-Exec Director

Mr. Link was appointed to the board on the 8 September 2008. Mr Link is a director of Great Lakes Aviation Limited. He was previously the President of Raytheon Aircraft Finance Corporation, following roles as Vice President and Treasurer, Vice President Worldwide Sales and Special Assistant to the CEO. Mr Link worked with the Raytheon group from 1985 until retiring in 2001. His qualifications include MBA Finance, MBA Marketing and BSA Accounting.

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Alto Capital acted as Manager for the recent \$5.4m convertible note issue of CBD Energy and received corporate and advisory fees for services rendered.