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14 February 2013

ASX RELEASE

AMENDMENT TO CONVERTIBLE NOTE TERMS

Diversified renewable energy company, CBD Energy Limited (ASX: CBD) announces that it has entered into an amending agreement with existing secured convertible note holders to remove a number of financial covenants contained within the original agreement.

As part of these renegotiations, CBD will issue up to a maximum of 46,181,818 additional warrants at \$0.0275 as well as re-price 50,016,604 warrants already held by note holders to this level.

CBD has also issued 9,313,797 ordinary shares for working capital purposes.

A Notice under section 708A(5)(e) of the Corporations Act 2001 (Cth) and an Appendix 3B reflecting these changes is attached.



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The Manager
Company Announcements Office
Australian Stock Exchange Limited
Level 6, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Notice under section 708A(5)(e) of the Corporations Act 2001 (Cth)

CBD Energy Limited (ASX: CBD) advises that it has issued 9,313,797 fully paid ordinary shares (**placement shares**) at \$0.026 per share, with a total value of \$246,264 to professional advisors and service providers of the company as consideration for services provided to the Company.

In making this placement, the Company relies on section 708A(5) of the *Corporations Act 2001* (Cth) (Act) and gives notice under section 708A(5)(e) of the Act of the following details:

1. The Company issued the placement shares without disclosure to investors under Part 6D.2 of the Act;
2. As at the date of this notice, the Company has complied with:
 - a. the provisions of Chapter 2M of the Act as they apply to the Company; and
 - b. section 674 of the Act; and
3. As at the date of this notice, there is no excluded information (as defined in section 708A(7) or 708A(8) of the Act) which is required to be disclosed by the Company.

An Appendix 3B reflecting these changes is attached.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'R. Pillinger', written over a white background.

R Pillinger
Company Secretary

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

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 | Fully paid ordinary shares
Warrants |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 9,313,797 Fully paid ordinary shares

46,181,818 warrants with an exercise price of AU\$0.0275 – maximum ordinary shares issuable on exercise are 46,181,818. |
| 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) | 9,313,797 Fully Paid Ordinary Shares at \$0.026 per share

Warrants have an exercise price of AU\$0.0275 and expire on 13 February 2018. Warrants vest on 30 June 2013. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • 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 	<p>Ordinary shares - Yes</p> <p>Warrants - Upon conversion the Warrants will convert into ordinary shares and will rank equally with all other ordinary shares on issue</p>				
<p>5 Issue price or consideration</p>	<p>Ordinary shares - \$0.026 per share</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Ordinary shares - As consideration to professional advisors and service providers in lieu of cash payment</p> <p>Warrants – as consideration for amendments to existing convertible note agreement</p>				
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>13 February 2013</p>				
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1489 989 1534">Number</th> <th data-bbox="989 1489 1279 1534">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1534 989 1722">485,260,857</td> <td data-bbox="989 1534 1279 1722">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	⁺ Class	485,260,857	Fully paid ordinary shares
Number	⁺ Class				
485,260,857	Fully paid ordinary shares				

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Options & Warrants	
	9,200,000	Unlisted options (expire 27/11/2013 each exercisable at \$0.20)
	12,000,000	Unlisted options (expire 19/12/2013 each exercisable at \$0.20)
	350,000	Unlisted options (expire 31/12/2014 each exercisable at \$0.25)
	20,000,000	Unlisted options (expire 28/05/2015 each exercisable at \$0.0275)
	30,016,604	Unlisted warrants – exercisable at AU\$0.0275 – expiry 30 May 2017
	4,717,009	Unlisted warrants – exercisable at AU\$0.053 – expiry 12 December 2017
	12,949,057	Unlisted warrants – exercisable at AU\$0.053 – expiry 30 December 2017
	46,181,818	Unlisted warrants – exercisable at AU\$0.0275 – expiry 13 February 2018
		Convertible Notes (maximum shares issuable on conversion)
	120,066,417	Convertible notes (maturity 30 May 2015, conversion price AU\$0.053)
	4,716,981	Convertible notes (maturity 12 December 2015, conversion price AU\$0.053)
	51,796,226	Convertible notes (maturity 30 December 2015, conversion price AU\$0.053)
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Rank Pari Passu	

+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

- | | | |
|----|---|-----|
| 11 | Is security holder approval required? | N/A |
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the ⁺ securities will be offered | |
| 14 | ⁺ Class of ⁺ securities to which the offer relates | |
| 15 | ⁺ Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |

+ See chapter 19 for defined terms.

- | | | |
|----|---|--|
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 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 | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do +security holders dispose of their entitlements (except by sale through a broker)? | |
| 33 | +Despatch date | |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

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

(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.

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

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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)

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

Number	⁺ Class

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

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

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: 14 February 2013**
Company Secretary

Print name: **Richard Pillinger**

+ See chapter 19 for defined terms.