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ASX Release

27 April 2010

INFIGEN RETAINS US BUSINESS AND CONFIRMS DISTRIBUTION POLICY

Infigen Energy (ASX: IFN) announces today that following an evaluation of final offers received for its US wind energy business IFN has discontinued the sale process and will retain its US business. The benefits to securityholders of IFN retaining the business materially exceed the benefits of a sale at prices currently offered.

Infigen Energy Managing Director, Miles George said, “The US sale process was initiated to release capital to accelerate our Australian investment growth potential, but at the prices finally offered the amount released would not have been sufficiently material to our Australian strategy. Infigen’s US business comprises the largest independent portfolio of quality wind energy generating assets in the country, together with the highly capable Bluarc asset management business. The long term interests of our securityholders are better served by Infigen continuing to extract maximum value from efficient operation of the assets and to further expand the Bluarc asset management business, than selling on the basis of the depressed final offers received in this process”.

In November 2009 IFN received strong indicative offers for its US business from a range of bidders, including utilities, infrastructure funds and private equity groups. Those offers confirmed feedback from earlier market testing that the qualities of Infigen’s US business were highly sought after. However, during the final bid stage US gas and electricity prices fell to historic lows, legislative uncertainty increased following the failure of Copenhagen talks in December, and an El Niño weather pattern negatively affected wind resource across the country. During the same period, the prolonged weakness in the US economy has continued to offer investors many alternative opportunities to acquire distressed assets at low prices.

Mr George said “IFN does not need, and is not prepared, to sell into a market reflecting such conditions. We agree with independent analysis that local energy prices will recover from current historic lows. We believe that positive legislative action on renewable energy and carbon reduction initiatives will continue. We see that the El Niño weather pattern is receding. We therefore hold the strong view that the interests of our securityholders are best served at this time by retaining the US business.”

“We will continue the roll out of our direct operational control strategy across the US wind farms to increase availability, earnings and value from the existing assets and we will pursue opportunities for continued growth of the Bluarc asset management business. Continuing strong operating cash flow from the US assets as well as from the existing Australian and German assets will be applied to a rapid pay down of corporate level group debt under Infigen’s long term global debt facilities. Cost effective project level funding in the US assets will also continue to be paid down with the result that the US business is expected to be very conservatively geared in 5 years time, with significant remaining tenor in existing offtake agreements, and many years of further asset life” he added.

Other than organic growth of the Bluarc asset management business in managing IFN and third party assets, IFN has no plans for further growth in its US business.



STRATEGY UPDATE

The decision to retain the US business does not change IFN's stated strategy of focusing the further growth of its asset portfolio on opportunities in Australia. The Federal government's proposed changes to the expanded Renewable Energy Target scheme have resulted in a rapid recovery in renewable energy certificate (REC) prices, and reinvigorated prospects for the utility scale renewable energy industry.

"The Australian renewable energy market is poised for very strong growth over the next ten years and Infigen is well positioned to benefit from its market leading position in developing, building and operating Australian renewable energy projects," Mr George said.

"We have approximately \$170 million of presently uncommitted cash and confidence in domestic sources of project level debt finance to fund identified attractive opportunities for growth in Australia in FY10 and FY11," he added.

Further to this announcement a business and strategy update is contained in the accompanying investor presentation. IFN will be hosting a teleconference for investors and stock broking analysts today at 2.30pm (Australian Eastern Standard Time). Contact +61 2 8031 9900 for conference line details.

PRODUCTION AND REVENUE GUIDANCE UPDATE

Adjusting for the sale of the French assets, IFN remains on track to meet its FY10 guidance.

Production from IFN's Australian assets is tracking within the range indicated in guidance provided on 25 February 2010, while revenue is tracking at the upper end of the range due to strong REC sales and earlier than expected recovery of liquidated damages.

Production and revenue from IFN's US wind assets is tracking at the lower end of the range indicated in guidance due to a continuation of the low wind resource experienced in the first half year and into the first quarter of 2010. More recently the El Niño weather pattern affecting wind resource across the US appears to be receding and production is recovering to levels more in line with expected production.

Production and revenue from IFN's German assets is tracking at the lower end of the range indicated in the guidance.

ESTIMATED FY10 DISTRIBUTION AND POLICY UPDATE

Following the conclusion of the US and European asset sales processes, IFN announces an expected full year FY10 distribution of 2.0 cents per security. The FY10 distribution is expected to be fully tax deferred and paid on or about 16 September 2010, following the release of IFN's FY10 financial results on 30 August 2010. The Record Date for entitlement to the FY10 distribution will be Wednesday, 30 June 2010.

As previously advised, IFN has established a distribution policy that is appropriate for a specialist renewable energy business focused on organic growth opportunities. IFN expects future full year distributions to be at least 2.0 cents per security moving towards a payout target of 35-50% of medium-term underlying net profit.

IFN has also decided to reinstate the IFN Distribution Reinvestment Plan for the FY10 distribution.

ENDS



For Further Information:

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Head of Investor Relations & Media

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About Infigen Energy:

Infigen Energy is Australia's leading specialist renewable energy business. Infigen Energy has five wind farms in Australia with a total capacity of 508MW and plans to significantly expand its renewable energy business through the delivery of projects from its Australian development pipeline. Infigen also owns and operates US and German wind energy businesses taking its aggregate wind energy business interests to 35 wind farms with a total capacity of 2,194MW.

Infigen's US business comprises 18 wind farms with a total installed capacity of 1089MW and also includes the Bluarc asset management business. It is the largest independent portfolio of wind energy generating assets in the US.

Infigen's presence in Germany comprises 12 wind farms with a total installed capacity of 128.7MW.

Infigen is listed on the Australian Securities Exchange and has a market capitalisation of approximately A\$1 billion.

For further information please visit our website: www.infigenenergy.com

Business and Strategy Update

27 April 2010



Contents

The logo for infigen, consisting of the word "infigen" in a lowercase, sans-serif font, enclosed within a white square border. The background of the slide features a purple and pink gradient with a dark horizontal line.

- Retention of US Business
- Outcome of German and French Asset Sale Processes
- Focus on Growth in Australia
- Distribution Guidance and Policy

Presenter:

Miles George Managing Director

For further information please contact:

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Retention of the US Business

Retention of the US business is clearly in the long term interest of securityholders

- Largest independent portfolio of quality wind energy assets
- Direct operational control strategy to increase availability, earnings and value from existing assets
- Growth in highly capable Bluarc asset management business will enhance value

Factors expected to improve in the future

- Receding El Niño weather pattern
- Recovery in currently low energy prices
- Further positive legislative developments for renewable energy

Capital release at final bid prices would not materially accelerate Australian strategy

Rapid pay down of debt and tax equity will result in a very conservatively geared US business

- Other than organic growth of the Bluarc business, IFN has no plans for further growth in the US

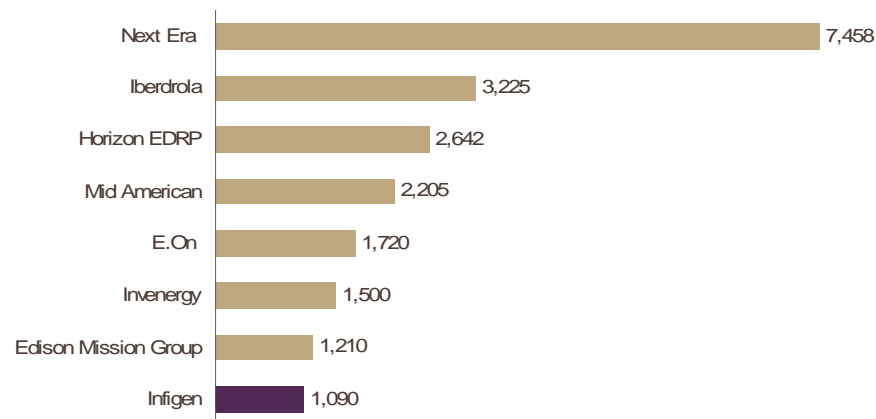
Medium-term re-leverage potential

- Significant remaining PPA tenor
- Significant remaining asset life

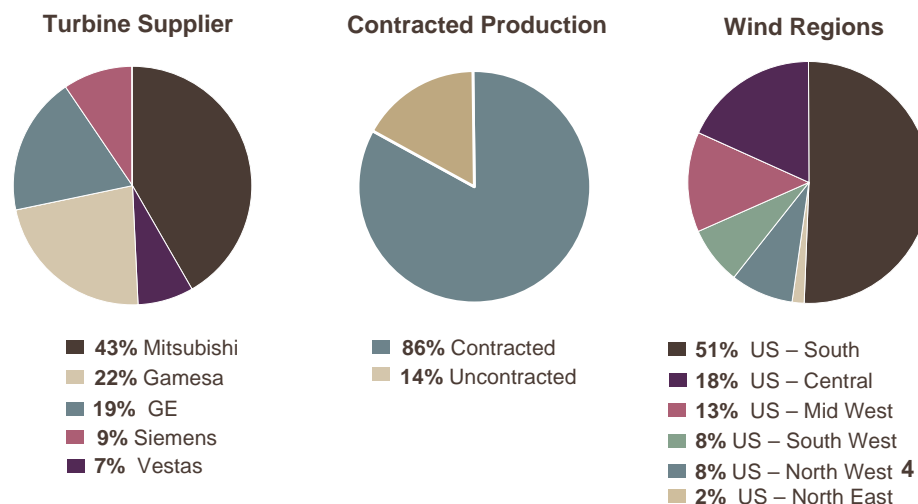
Retention of the US Business

- Largest Independent US portfolio
- 86% contracted with attractive off-take agreements of approximately 15 years average duration
- Diversified across energy markets, wind regimes, off-takers, and turbine suppliers
- High capacity factors with average of 37%
- Highly experienced Bluarc asset management team

US – Top eight wind farm owners by installed capacity (MW)¹



Infigen's US Portfolio – Well diversified², highly contracted cash flows

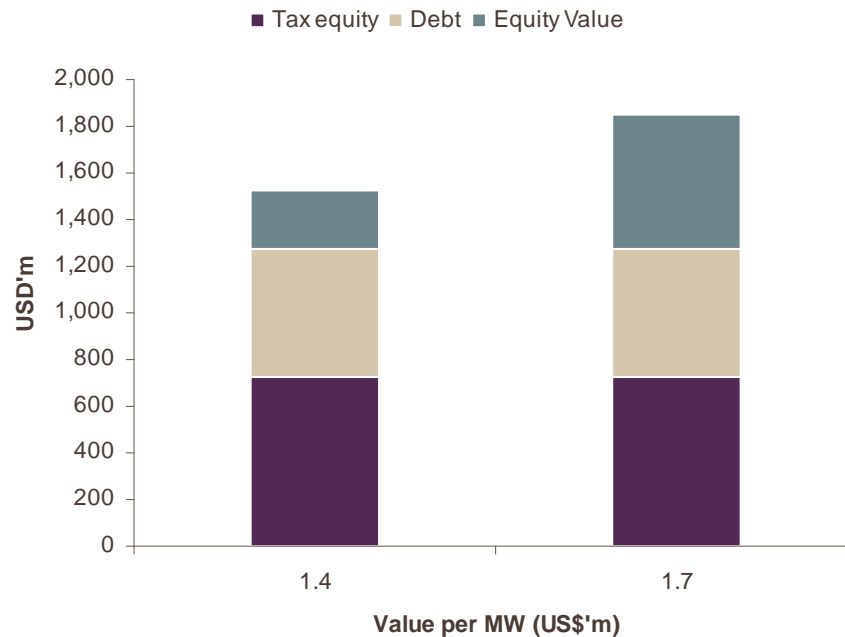


1. American Wind Energy Association: 2009 Annual Report

2. Diversification by GWh pa

Retention of the US Business

Enterprise Value (US\$'m)



- **Strong underlying cash flow**
 - EBITDA + PTCs = US\$170m per annum average in 2008/9
 - Future production underpinned by direct operational control strategy
 - Future pricing underpinned by average 15 year off-take agreements
- **US\$1.2 billion of funding**
 - Tax equity cost of approx. 7.0%
 - Global Facility debt cost of approx. 6.5%
 - 50% reduction in these funding balances expected by 2015
- **Capital not required to grow Bluarc business**
- **Significant upside/residual equity value**



Outcome of German and French Sale Processes

Retention of German Assets

- Long term interests of securityholders to retain these assets exceed benefits of sale now
- Achievable prices subdued given state of European economies and capital markets
- Management resource requirement for continued retention is minimal

Sale of French Assets

- Price of €71.3m with net cash release of €10m (\$14.7m)
- Estimated accounting loss of approximately €2.9 million before transaction-related costs¹

1. Estimated costs are €4.7 million associated with cancelling interest rate swaps and advisory costs

Focus on Growth in Australia

1 High Growth Market

- LRET amendments to drive strong demand for utility scale renewable energy
- Major re-rating of REC prices underway
- Wind energy to dominate new build, in line with current US & EU experience
- Most liable parties are short RECs and dependent on third party supply

2 Leading Industry Position

- Leading specialist renewable energy developer, owner and operator
- Four major wind farms completed since 2005
- Proven development, construction, and operational expertise
- High quality development pipeline for execution

3 Delivering Profitable Growth

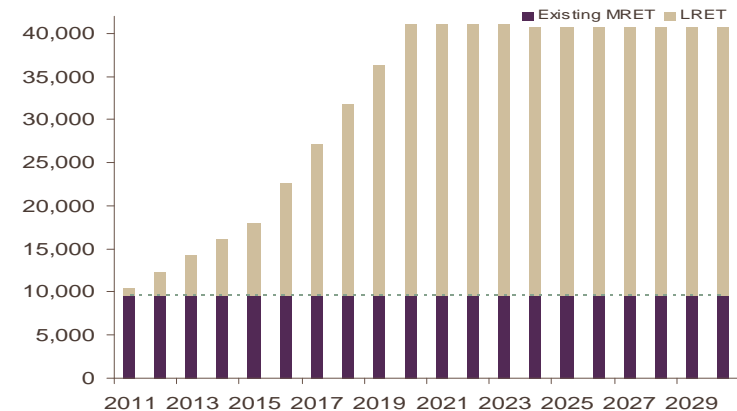
- Circa \$170m of uncommitted cash to support build program for FY10/11
- Construction phase debt availability facilitated by LRET amendments
- Direct access to contract customers enabled via energy markets capability
- Improved operational performance facilitated by direct control strategy

Focus on Growth in Australia

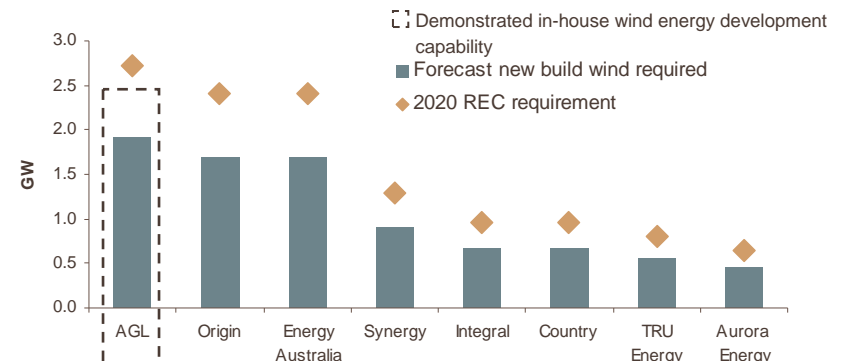
1 High Growth Market

- Over 8,000MW² of additional installed wind capacity expected to meet Federal Government's LRET target
 - LRET quarantines a large utility-scale target
 - Expect legislation to pass in May/June 2010
 - Wind energy expected to account for around 70% of mandated generation capacity
- Major re-rating of REC prices is underway
 - Spot prices over \$45
 - Forward prices mid \$50
- Limited in-house capacity of REC liable parties to deliver their mandated requirements
 - Around 80% of mandated requirements expected to be supplied by third parties
 - Expect contract market to revive following LRET passage and removal of REC oversupply

Demand for Renewable Energy in Australia¹



REC Obligation by Electricity Retailer (GW)²



1. Enhanced RET Fact Sheet, Australian Govt February 2010

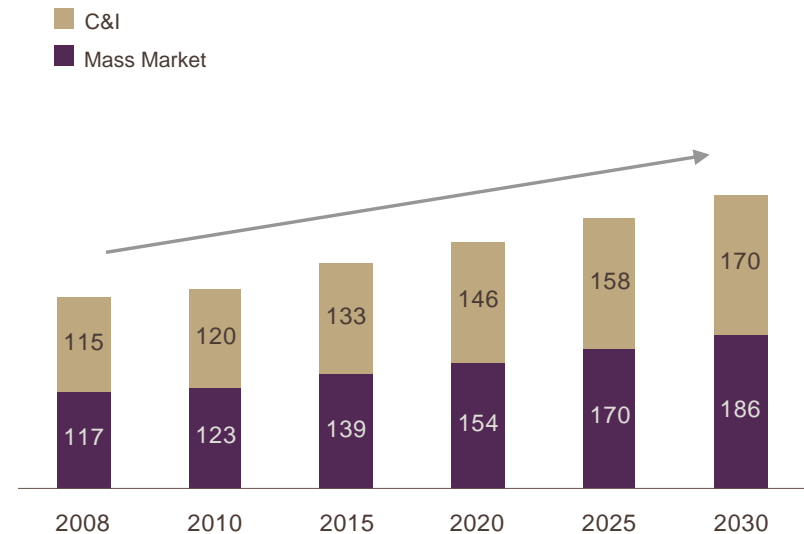
2. Emerging Energy Research: Australian Wind rebounds October 2009

Focus on Growth in Australia

1 High Growth Market

- Continuing growth in electricity demand driven by robust Australian economic growth
- Significant demand for carbon free electricity supply contracts to industrial, commercial and government customers, driven by anticipation of a price on carbon
- Strong growth in forecast wholesale electricity prices driven largely by rising fuel input costs for coal and gas fired electricity generation and imputed carbon price

Commercial & Industrial Electricity Customers (TWh) ¹



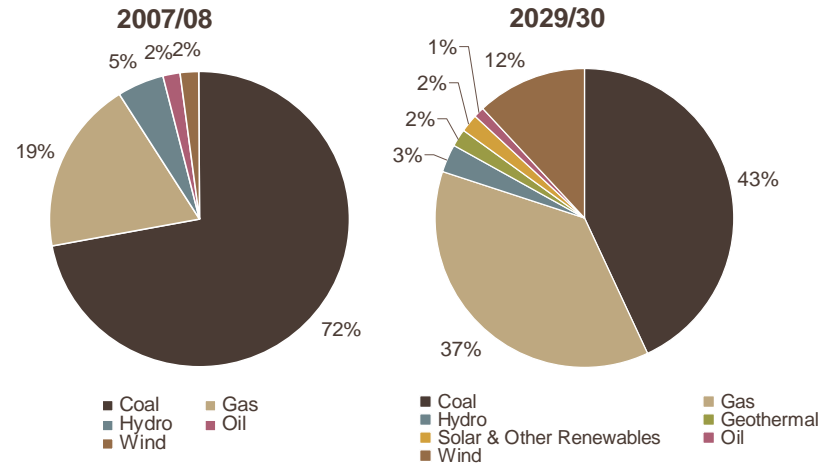
¹ Source: ESSA Fact Sheet and ABARE Australian Energy National and State Projections to 2029-30

Focus on Growth in Australia

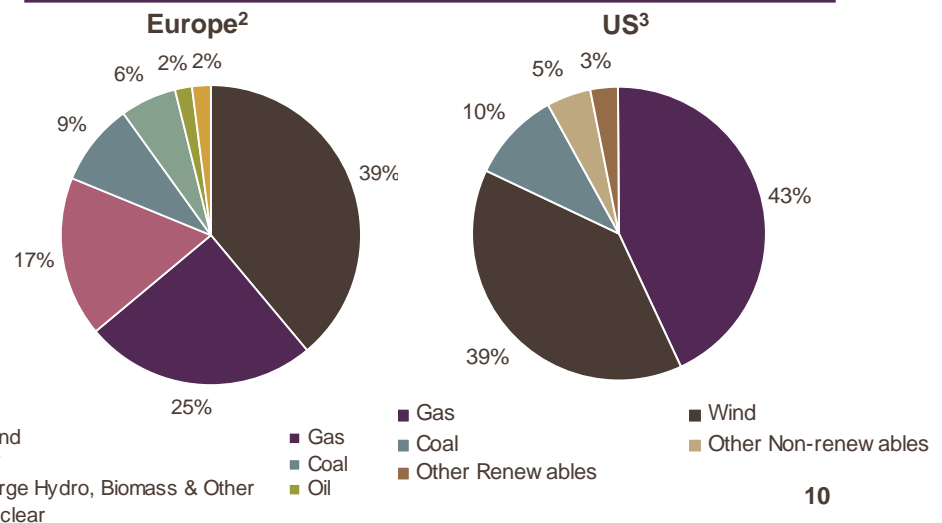
1 High Growth Market

- Wind energy to dominate new build in line with US and EU experience
- Wind energy accounted for around 40% of all forms of new build generation capacity added in the US and EU in 2009
- Australian new build electricity generation capacity will be dominated by wind energy and gas fired generation over the next ten years
- Penetration of wind energy is expected to grow by a factor of over five times to 12% by 2020¹

Australian Generation by Fuel Type - Present & Forecast



2009 New Build Energy Installations



1. Australian Energy Projections to 2029/2030: ABARE Research Report March 2010
 2. European Wind Energy Association: 2009 Industry Statistics
 3. American Wind Energy Association: 2009 Annual report (% approximate)

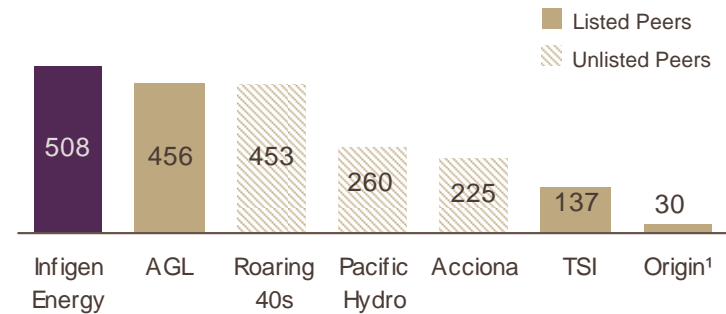
Focus on Growth in Australia

2 Leading Industry Position

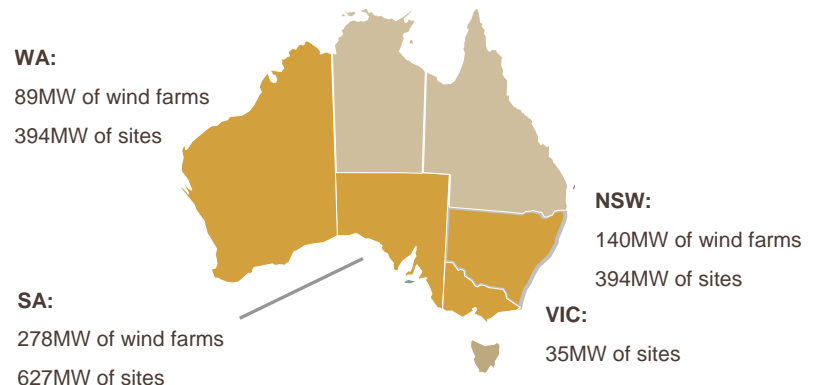
- Australia's leading specialist renewable energy developer, owner and operator
- Proven expertise across the value chain
 - Proven development team
 - Strong track record of successful delivery – four major Australian projects completed on-time and within budget since 2005
 - Proven operational performance with direct control strategy upside
 - Proven energy markets expertise
- High quality development opportunities
 - Large well diversified development pipeline
 - Expected high teens equity returns

1. Excludes contracted capacity

Australian Wind Farm Owners (operating MW)



Key Development Projects






























Focus on Growth in Australia

3 Delivering Profitable Growth

Funding support available for FY11 build program

- Circa \$170m of presently uncommitted cash supports anticipated build program for FY10 and FY11
 - Around 160MW of development projects identified to commence construction in FY10 and FY11
 - 42MW of turbines already purchased
- Construction phase debt availability facilitated by LRET amendments
- Direct access to customers enabled via energy markets capability
- Strong demand for carbon free electricity expected following passage of emissions legislation in any form

Key Projects Feb 2010	Capacity (MW)	Location	Status		
			Land	Planning Approval	Connection
Woodlawn	42	NSW			
Flyers Creek	120	NSW			
Glen Innes	54	NSW			
Bodangora	45	NSW			
Walkaway 2	94	WA			
Walkaway 3	300	WA			
Woakwine	450	SA			
Lincoln Gap	177	SA			
Cherry Tree	35	VIC			
Other	c.400	Various			
Total	1,717				

Focus on Growth in Australia

Leading Position in High Growth Market to Deliver Profitable Growth

High Growth Market

- ✓ Australian renewable energy market mandated to grow
- ✓ Major re-rating of REC and electricity prices underway
- ✓ Wind energy expected to dominate new build generation with fivefold increase in capacity expected to 2020
- ✓ Most liable parties are short RECs and dependent on third party contracts to meet mandated requirements

Leading Australian Position

- ✓ Australia's leading specialist renewable energy developer, owner and operator
- ✓ Four major wind farms completed on-time and within budget since 2005
- ✓ Proven development, construction, operation and energy markets expertise
- ✓ High quality development pipeline ready for staged execution

Delivering Profitable Growth

- ✓ Near-term funding capacity for new project requirements in FY10 & FY11
- ✓ Availability of construction phase debt facilitated by LRET amendments
- ✓ Direct access to contract customers enabled via energy markets capability
- ✓ Improved operational performance facilitated by direct control strategy



Distribution Guidance and Policy

FY10 Distribution Guidance

- Expected full year FY10 distribution of 2.0 cents per security
- Expected to be fully tax deferred
- Paid on or about 16 September 2010
- Record Date for entitlement will be Wednesday, 30 June 2010

Distribution Policy

- Appropriate for a specialist renewable energy business focused on organic growth opportunities
- Future full year distributions expected to be least 2.0 cents per security
- Targeting a payout ratio of 35-50% of medium-term underlying net profit

Distribution Reinvestment Plan to be reinstated for FY10 distribution



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