



ASX RELEASE

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19 December 2011

INFIGEN'S US WIND FARMS – GAMESA DISPUTES UPDATE

Infigen Energy (ASX: IFN) advises that five of the US wind farm project companies ("US Project Companies") in which Infigen holds Class B membership interests and Gamesa Wind US LLC ("Gamesa"), the turbine supplier to those projects, are pursuing legal action against each other in the United States.

Kumeyaay dispute

As disclosed in Note 27 of Infigen Energy's financial statements for the year ended 30 June 2011, Kumeyaay Wind LLC ("Kumeyaay") has a long running dispute with Gamesa regarding liability to pay for site repairs and the replacement of all 75 turbine blades at the Kumeyaay wind farm in California following a storm event and utility power outage in December 2009.

Since that time, Kumeyaay has maintained a firm position that these repair costs and the associated production losses are matters covered by Gamesa's turbine manufacturer's warranty or, if not, then by Kumeyaay's property damage and business interruption insurance. Despite numerous attempts, including participating in a formal mediation, Kumeyaay and Gamesa have been unable to resolve this warranty matter to date.

Gamesa has now invoiced Kumeyaay and filed claims against Kumeyaay for approximately US\$34.5 million in respect of that repair work. Kumeyaay is contesting Gamesa's claim vigorously and denies that it has any liability to pay for that repair work. If it is ultimately determined that the repairs undertaken by Gamesa at the Kumeyaay wind farm are not covered by Gamesa's warranties, then Kumeyaay will pursue its insurer for the costs of any such non-warranty repairs and the lost production. Kumeyaay is also pursuing other warranty related claims against Gamesa totalling approximately US\$10.3 million.

Allegheny, GSG, Bear Creek and Mendota Hills disputes

Four other US Project Companies utilising Gamesa turbines at the Allegheny, GSG, Bear Creek and Mendota Hills wind farms are pursuing claims against Gamesa over, amongst other things, Gamesa's failure to (i) complete certain end of warranty work, (ii) pay certain liquidated damages associated with turbine availability warranties, and (iii) pay for certain production losses associated with the end of warranty work. These claims total approximately US\$16.6 million. Gamesa has filed its own claims against those four US Project Companies totalling approximately US\$2.2 million.

In addition, the US Project Companies that own the Allegheny, GSG and Bear Creek wind farms consider that the blades on Gamesa's G87 turbines at these wind farms suffer from design and manufacturing defects which render those blades susceptible to failure potentially well in advance of their specified design life. These US Project Companies are seeking compensation from Gamesa for the cost of replacing those turbine blades.



If these blade defect claims are successful then the Allegheny, GSG and Bear Creek wind farms will not be faced with the probable costs of premature blade replacement from this cause. The future cost of blade failures at Allegheny, GSG and Bear Creek will otherwise depend on future failure rates and timing, blade and rotor replacement costs, and the cost of lost production. Infigen currently estimates that the adverse effect on future cash distributions received from its US business would be in the order of US\$2.5 million per annum (in 2011 dollar terms) if the Allegheny, GSG and Bear Creek blade defect claims against Gamesa do not succeed. Infigen received cash distributions of US\$85.3 million from its US business in FY11.

All five US Project Companies in question are seeking a court ruling that the various disputes referred to above must be submitted to an independent engineer for binding determination in accordance with dispute resolution provisions contained in the turbine supply documentation.

Details of the affected wind farms and Infigen's interest in them are attached in the Appendix.

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About Infigen Energy

Infigen Energy is a specialist renewable energy business. We have interests in 24 wind farms across Australia and the United States. With a total installed capacity in excess of 1,600MW (on an equity interest basis), we currently generate enough renewable energy per year to power over half a million households.

As a fully integrated renewable energy business in Australia, we develop, build, own and operate energy generation assets and directly manage the sale of the electricity that we produce to a range of customers in the wholesale market.

Infigen Energy trades on the Australian Securities Exchange under the code IFN.

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



Appendix

Infigen has interests in 18 wind farms in the United States with an equity interest in that portfolio of 1089 MW. Details of the five wind farms that use Gamesa turbines and that are affected by the legal proceedings are set out below.

Wind Farm	Kumeyaay	Allegheny Ridge	GSG	Bear Creek	Mendota
Location	California, US	Pennsylvania, US	Illinois, US	Pennsylvania, US	Illinois, US
Operational date	Dec 2005	Jun 2007	Jun 2007	Mar 2006	Nov 2003
Installed capacity	50 MW	80 MW	80 MW	24 MW	51.7 MW
Infigen Class B Equity Interest	100%	100%	100%	59%	100%
Number & type of Gamesa turbines	25 G87	40 G87	40 G87	12 G87	63 G52
Turbine rating	2.0 MW	2.0 MW	2.0 MW	2.0 MW	0.82 MW