



# **Infigen Energy**

## **Annual General Meetings of Securityholders**

**Friday, 11 November 2011**

### **Mike Hutchinson, Chairman**

Ladies & gentlemen. It is 11 o'clock on the 11<sup>th</sup> of November. The 96<sup>th</sup> Remembrance Day. Please join in the customary one minute silence as a mark of respect and in memory of the sacrifice.

Thank you.

...

Our Company Secretary advises that a quorum of securityholders is present so I now declare the Infigen Energy Annual General Meeting open.

All securityholders have been sent the Notice of Meeting. Unless anyone requires otherwise, I will take the Notice of Meeting as read. Additional copies are available.

The proxy votes received for today's resolutions have been inspected by our security registry. All validly lodged proxies have been accepted. The numbers of proxy votes received will be displayed on the screen prior to voting on each resolution. As Chairman I will cast all undirected proxies that I hold in favour of the relevant resolutions.

### **Introductions**

Before we start the formal business of the Meeting, I would like to introduce your Board.

- Miles George is the Managing Director of Infigen Energy. Miles was appointed as a Director effective 1 January 2009. Miles will be addressing securityholders later in the meeting and will be providing an update on Infigen Energy's recent business performance.
- Doug Clemson is Chairman of the Audit, Risk & Compliance Committee as well as a member of the Nomination & Remuneration Committee. Doug has been a director since September 2005 and retires with effect from the end of this meeting.
- Philip Green is The Children's Investment Master Fund nominee director and was appointed to the Board as a non-executive director in November 2010. Philip is a member of the Audit, Risk & Compliance Committee.
  - Given the circumstances of last year's AGM, let me say that since Phil joined the Board he has been highly committed, highly professional and highly effective. TCI has been a supportive securityholder, having increased its holding from 19.96% to 26.40% under the "creep" provisions during the 2011 financial year. TCI has continued to creep this year and currently hold 28.53% of Infigen's issued capital. There has been no improper interference with the independence of the Board.

- Fiona Harris joined the Board as an independent non-executive director in June 2011 and subject to election will succeed Mr Clemson as Chair of the Audit, Risk & Compliance Committee. Fiona is also a member of the Nomination & Remuneration Committee.
- Ross Rolfe joined the Board as an independent non-executive director in September this year. More recently Ross has been appointed as a member of the Audit, Risk & Compliance Committee and the Nomination & Remuneration Committee.
- For myself, I joined the Board in mid 2009 and was elected chairman in November last year. I am a professional engineer by education, have been a professional director since 2000, have previously served on the board of another renewable energy company and have experience both internationally and at senior Federal Government levels.

We are also joined by Infigen's Company Secretary, David Richardson, and by members of Infigen's senior management team, who are seated in the front row.

The Company's external auditors PricewaterhouseCoopers and remuneration consultant Guerdon Associates are also present today, represented by Darren Ross and Michael Robinson respectively. I thank them for being here.

Infigen's 2011 Annual Report details the Company's financial and operating performance during the year. Copies of the report are available here today.

### **Valedictory**

As mentioned earlier Doug Clemson has decided to retire from the Infigen Boards following this meeting. I take this opportunity to thank Doug for his service to Infigen. Not only have I valued his personal counsel and support since I joined Infigen, Doug has served with distinction as Chair of the Audit, Risk & Compliance Committee through some difficult periods.

Securityholders owe much to Doug, and to our former colleagues who served prior to and through the process of separation from the former external manager. I prefer not to contemplate where we might be today had that separation not been initiated when it was.

The lot of an independent director in an externally managed entity was not an easy one.

Suffice to say that one measure lies as much in proposed acquisition transactions rejected in the former period, as in those actually undertaken.

In thanking Doug for his service can I ask that you join me in wishing him well?

### **Performance**

Let me now turn to company performance.

Miles George will speak in more detail. But in brief there is little change in outlook since the release of our full year results in August.

Notwithstanding community concerns about retail electricity prices, wholesale pool prices paid to market-exposed generators have continued to be depressed in both the US and Australia.

Australian Renewable Energy Certificate prices continue to suffer the effects of the excessive overhang created by misguided regulation in prior years.

To keep up with the changing jargon of the regulators we must now call these "Large Scale Generation Certificates".

Both these factors are in line with our outlook.

Generation year to date is at the lower range of our expectations in Australia and at the middle of the range in the US. In both cases due to wind variation.

Operating costs remain in line with expectations, and remain a focus of attention as we learn more about the whole-of-life engineering characteristics of our fleet of 1,434 turbines across 24 wind farms. But like all machines, as they age they require more engineering TLC.

Our market guidance remains unchanged.

We have previously announced the divestment of our assets in Germany. I acknowledge the efforts of our executives in that outcome – a material improvement over offers available in 2010. This result vindicates our decision to retain the German assets in 2010, notwithstanding adverse market reaction at that time.

In saying farewell to our German assets, I also want to acknowledge the services of our European staff.

Despite the debt reduction from the German sale, debt still remains high, albeit on generally favourable terms - other than the mandatory cash sweep. Our confidence in continuing to meet our sole debt covenant for the global facility, the semi-annual leverage ratio covenant, remains high.

The 2-year amortisation outlook, announced at this meeting last year, remains on track, adjusted for the effects of the German sale.

In Australia we have completed construction of our 48.3 MW Woodlawn Wind Farm, adjacent to our Capital Wind Farm. Completed safely on time and on budget, this project is testimony to our development and construction staff, and I applaud them.

More recently we have received development planning consent for our 100 MW+ Capital 2 Wind Farm in the Capital Renewable Energy Precinct on the eastern side of Lake George, north of Bungendore in NSW. This precinct also houses the site of our potential 50 MW solar generation project and has considerable further potential.

Development of these projects, of course, awaits favourable financial and capital conditions.

We were disappointed during the year to miss out in our application for funding under the Federal Government's Solar Flagships program. Of course, we still think our project was the better offer. Nonetheless, with confidence in the future of utility scale solar PV generation in Australia, we wish the successful applicant well, and retain our interest in developing our projects when investment conditions permit.

More generally, we have continued to develop our 1,500 MW pipeline of renewable energy projects so that they will be "construction ready" when conditions are favourable for investment. Discussions continue with potential co-investors. With regard to the long term future of the US business we are now considering possible modest development activity there, following your Board's visit to Dallas, Sweetwater and Kumeyaay earlier this year.

### **Community and Regulation**

In all aspects of our development, construction and subsequent operation, Infigen always seeks to engage and work with local communities.

We have a good record, but we always try to do better.

We try to accommodate realistic local interests within our projects.

We accept that some in the community can be opposed to wind farms for a range of reasons. We respect those views, while disagreeing with many of them. Although we respect more those views that do not seek to elevate misrepresentation and selective anecdotes over global experience, evidence and science.

We accept the democratic right of citizens to oppose our developments, although we sometimes wish that others could be governed by the restrictions on deceptive and misleading conduct – restrictions that we are happy to be bound by.

But in the end it is for the legal planning processes in our democratic society to weigh and arbitrate all of the issues when considering development consent. We just ask that those setting the rules in these processes do not bend to the unproven assertions of a noisy minority that is not always as objective or disinterested in its representations as it claims. Imposing unwarranted regulation to appease noisy opponents can only handicap the attainment of important national renewable energy goals.

Infigen has, of course, welcomed the legislation to start to put a price on carbon. For too long the world's atmospheric polluters have emulated 19<sup>th</sup> and early 20<sup>th</sup> century industry in treating the environment as a free dumping ground for waste. That treatment saw the almost irrecoverable ruin of waterways and landscapes throughout the industrial world.

The atmosphere's capacity to absorb greenhouse gases without material ill-effects has long since been surpassed.

The longer action was delayed, the higher the economic and social cost; the greater the remediation challenge; the more grave the outlook for our grandchildren.

This legislation, while perhaps not optimal, is a start.

But to underpin the commercial investment required for substantive effect in the real world - outside the political media bubble - more is needed.

Primarily, certainty is needed.

The pending review of the RET legislation needs to reflect the reality that the 2030 end point of the current scheme leaves only 18 years of economic life under the current rules for new projects. This is a risk to development that should be addressed in the review.

The political prospect of repeal of the carbon legislation raises investment risk, reduces investment, requires higher returns and will stimulate higher electricity prices and greater risk of power shortages.

If the Opposition is to persist with this threat then it needs to provide details on how its "direct action plan" would provide equivalent economic conditions for investment, as well as abatement. While pundits may doubt that repeal is a constitutional practicality, the commercial fact is that the mere threat drives up the cost of capital and drives down the scale of investment.

Turning back to the company, let me just touch on executive remuneration.

We have further fine-tuned our remuneration structures this year. We will deal with the formal resolutions shortly. The detail is in the Annual Report and Notice of Meeting.

We have sought to achieve restraint and realignment, while creating challenging but achievable incentives. We plan to continue to structure senior executive remuneration towards "at risk" components that will reward achievement of material gains in securityholder value – but will otherwise be foregone.

I want to acknowledge the forbearance and cooperation of management in these changes. I want to express appreciation for their continued commitment to Infigen.

I would like to finish by acknowledging the efforts of our Managing Director Miles George and his management team during what has been a challenging year and, on behalf of the Board, I would also like to thank all Infigen employees for their dedication and hard work during the year.

It is now my pleasure to invite our Managing Director Miles George to address the meeting.

## **Miles George, Managing Director**

Thank you Mike. Good morning Ladies and Gentlemen and welcome again to Infigen's 2011 Annual General Meeting.

Infigen faced challenging business conditions during the 2011 financial year. The year was a turbulent one for Infigen Energy and you as securityholders. This was reflected in the substantial decline in our security price during the period. Despite the turbulence, the management team remained focused on the key controllable objectives. These included improving operational performance and addressing strategic challenges. Pleasingly, our full year financial and operational outcome was in line with market guidance. This reflected the capacity of Infigen's business to withstand difficult electricity and renewable energy market conditions during the year.

The key features of our full year result were as follows:

- Revenue from continuing operations of \$268 million, up 1 percent on the prior year;
- Operating costs of \$101 million were 9 percent higher than the prior year reflecting new capacity and higher post warranty costs;
- Operating EBITDA from continuing operations decreased marginally to \$167 million from \$172 million in the prior year;
- Corporate costs were reduced by \$3.1 million to \$18.7 million;
- Statutory net loss was \$61 million compared with \$74 million in the prior year with both years containing one off adverse significant items that contributed to the outcomes;
- Net operating cash flow of \$50 million represented a significant turnaround from the first half where a number of one off items resulted in no operating cash flow being available for debt repayment;
- Net debt of \$949 million at June 2011 was \$256 million less than at June 2010;
- We sold our German wind farms towards the end of the financial year; and
- Construction of the Woodlawn Wind Farm progressed well through the year.

Currency movements again have played a significant role in our reported results for the 2011 financial year. The Australian Dollar's further appreciation against the US Dollar reduced reported revenue by \$19.8 million. However, our debt as reported in Australian Dollars also reduced by \$122 million reflecting the strength of the Australian Dollar.

## **Operations**

I would like to describe the operating result in a bit more detail.

I am happy to say that we are now operating more safely with a significant improvement in our lost time injury frequency rate. We continue to strive for our goal of zero harm.

Infigen increased its net operating capacity from continuing operations during the year by 3 percent to 1,597 MW. This reflects the increase of 39 MW in the installed capacity of our Australian fleet, namely the Lake Bonney 3 wind farm in South Australia.

Production from continuing operations increased 14 percent to 4,667 GWh. This was at the upper end of the guidance range that we had provided.

- Production from our Australian wind farms increased 17 percent to 1,335 GWh, although Australian wind energy conditions remained below long term mean energy expectations. The increase was primarily due to capacity additions described earlier, an increased contribution from the Capital Wind Farm and improved availability.

- Production from our US wind farms increased 13 percent to 3,332 GWh, reflecting performance at the long term mean (P50) wind conditions during the year.

Revenue from continuing operations increased 1 percent to \$267.6 million. The US and Australian businesses reported revenue increases of 7 percent and 12 percent respectively in local currency terms. Both reached the upper ends of the guidance ranges provided. The significant appreciation of the Australian dollar against the US dollar resulted in a 5 percent decrease in Australian currency revenue for the US.

In depressed wholesale energy markets during the year this revenue outcome reflects Infigen's highly contracted position in the US, strong average PPA prices in Australia, and improved revenue management for RECs created in Australia.

Operating costs increased 9 percent to \$100.5 million.

In Australia there were new costs associated with the Lake Bonney 3 Wind Farm commissioned at the beginning of the year. There were also increased costs related to the Capital Wind Farm, which operated for a full year in the 2011 financial year compared with eight months in the 2010 financial year. In addition, wind farms progressively transition off warranty in both Australia and the US. This resulted in increased costs associated with replacing component parts and undertaking turbine service and maintenance activities.

In the US and Australia, 46 percent and 26 percent of the wind farm capacity respectively were out of warranty in the 2011 financial year. In the 2012 financial year this will increase to 73 percent and 31 percent respectively. We are continuing to implement improved operating practices including predictive and preventative maintenance and supply chain initiatives to contain these costs.

Our experience to date in the US has provided us with confidence that these cost increases can be managed to the lower end of the previously guided \$5-10 per MWh range. The market in Australia is much smaller and less developed with the majority of our wind farms (and our competitors') still under warranty. It is therefore difficult to confidently predict where, within the range, we will end up once the fleet is fully out of warranty. Our objective is to lead best industry practice in post-warranty operating cost management.

As a result of these revenue and cost outcomes, operating earnings before interest, taxes, depreciation and amortisation (EBITDA) decreased marginally to \$167.1 million.

We continue to focus on reducing corporate costs where possible and in the 2011 financial year we reduced them by \$3.1 million to \$18.7 million.

The 2011 financial year statutory net loss was \$61 million compared with a statutory net loss of \$74 million in the prior year. Both years included one off items that contributed to the losses. The sale of our German wind farms this year resulted in a loss on disposal of \$16 million and \$15 million of transaction related costs.

Infigen's balance sheet remains sound. During the year we generated \$49.6 million surplus operating cash flow. We also received \$170 million proceeds from the sale of the German wind farms. Most of these funds were used to repay debt under the global debt facility.

During the year we secured a \$55 million project finance facility for our Woodlawn Wind Farm. This is now fully drawn. Infigen moved into the 2012 financial year with \$149 million of cash, of which \$105 million was held by the group of companies excluded from Infigen's global debt facility. This capital provides a material liquidity buffer and a source of some cash to fund development and construction opportunities that meet our stringent investment criteria.

### **Asset Sales**

As I mentioned earlier, late in the financial year we sold our portfolio of German wind farm assets for an enterprise value of €154.6 million. This resulted in considerable deleveraging and is a further step towards simplifying Infigen's business. The majority of the sale proceeds were

applied to debt repayment in early July 2011, resulting in Infigen repaying \$154 million of the global debt facility.

### **Development Activity**

We recently achieved practical completion of our 48 MW Woodlawn wind farm near our 141 MW Capital Wind Farm, which is located outside Bungendore in New South Wales. Construction began during the 2011 financial year and by the end of that year the wind farm was exporting electricity generated from the first turbines connected to the grid. The project was delivered within budget and on time. Woodlawn Wind Farm provides enough renewable energy to power approximately 23,000 homes and assists in meeting New South Wales' growing electricity demand.

During the year, the Australian development team continued to advance selected projects in the wind and solar development pipeline towards a construction-ready status. While new investment signals remained weak, further necessary work was carried out to preserve the option value of the development pipeline. Solar farm sites developed for the Infigen and Suntech Power proposal under the Commonwealth Government's Solar Flagships Program received development approvals from the NSW Department of Planning. These sites remain prospective and we will continue to explore alternative commercial opportunities to progress their development.

### **Regulatory Environment**

From a regulatory perspective Infigen has a number challenges and opportunities. In the US Infigen's wind farms are largely contracted for an average remaining term of approximately 14 years. Our business there has limited exposure to recent weakness in wholesale electricity prices caused by the expansion of the shale gas industry and economic conditions.

While we expect wholesale price weakness to continue in the short to medium term, there are a number of factors that are expected to lead to upward price pressure in the medium to long term. These include reduced investment in new electricity generation capacity and continuing retirement of aging coal fired power stations. Prospects for LNG export opportunities are also expected to lift US domestic gas prices towards higher export parity prices.

In Australia the introduction of carbon pricing will be a positive factor for Infigen, increasing the electricity component of Infigen's future merchant revenues. Furthermore Infigen will benefit from Australia's expanded Renewable Energy Target (RET) scheme that was enacted in August 2009 with the support of all major political parties.

A REC supply shortage is currently expected beyond 2014. At that time the current REC surplus will be exhausted, whilst obligations under the scheme will begin to increase more rapidly. The current lack of renewable energy capacity investment is expected to flow through to supply shortages at that time.

Many of the obligated parties have either little desire or limited in-house capacity to deliver their mandated obligations. We therefore expect that independent developers and operators such as Infigen will supply the majority of the increase in renewable energy capacity.

We have a number of key competitive advantages. These include an established operating base with efficient scale, no fuel price exposure, and an ability to enter into long term contracts with firm pricing. We have an advanced pipeline of development assets providing scope to capture early mover advantages. We also have a proven capability to deliver development projects on time and within budget.

Stability in RET policy remains critical to underpin investment and contracting decision making for the medium and long term. We were pleased to hear Prime Minister Julia Gillard reiterate the Government's commitment to the RET when she visited our Capital Wind Farm earlier this year. The Opposition leader Tony Abbott last week confirmed that his party had no plans to change the bi-partisan target. Infigen remains well placed to benefit from opportunities to meet the mandated demand for annual increments in the uptake of renewable energy.

Increases in bundled electricity and REC prices are required to achieve return hurdles for the new investments needed to meet the RET targets to 2030. Infigen's existing merchant assets are also expected to benefit from these price increases.

The upcoming RET review needs to focus on ensuring investment certainty is afforded to renewable energy projects. We believe that certainty can be provided by extending the end date of the scheme. This will allow all renewable projects that are required to meet the LRET to generate a fair return.

In total, to meet the 2020 target, we continue to estimate that a five-fold increase in installed wind capacity is required. The scale of this requirement is achievable. We expect it to drive investment in up to 1,000MW of new installed capacity each year and Infigen's pipeline and experience are well positioned to contribute to satisfying this need.

## **Outlook**

Heading our priorities for the year is further improvements in the operational performance of our assets including availability and the achievement of operational cost containment strategies.

We have recently completed the Woodlawn Wind Farm on time and within budget.

Our development pipeline remains a key strategic asset for preservation, and we are progressing selected projects in anticipation of improved market conditions beyond the 2012 financial year. We will look to maximise revenue through new and enhanced channels to market.

Under the requirements of our corporate debt facility, Infigen's surplus operating cash flow from existing operating assets is being applied to the repayment of debt. Maximising cash flow across all of our operations remains one of our key priorities. We remain on track to repay \$250 million of global debt facility borrowings across the 2011 and 2012 financial years. We are confident that we will continue to meet the associated leverage ratio test based on reasonable forward assumptions.

Whilst the interest rate margin on our corporate facility is low by current market standards, our capital flexibility is considerably constrained by the facility. This limits our ability to pay distributions and affects the structure by which we might fund future development opportunities. We are actively assessing complementary sources of capital to address the prospective constraint on our development activities.

We continue to expect the wholesale electricity and REC markets in Australia and the US to remain subdued throughout the 2012 financial year, before the effect of carbon pricing is realised.

In the US our largely contracted position will insulate us from wholesale price movement.

In Australia the effects of lower electricity demand from milder weather, lower economic activity, and increased supply of gas and hydro generation will contribute to low wholesale electricity prices in the near term. From the 2013 financial year carbon emitting generators are required to purchase permits for their carbon emissions. We expect this cost will support improvements in wholesale electricity prices.

Production in the first quarter of the 2012 financial year has been affected by lower than normal wind speeds in the US and Australia. We expect wind conditions to revert to the long term mean through the remainder of the year.

Therefore we have not changed our guidance for the 2012 financial year that was provided at our full year results announcement. Production guidance remains in the 4,475 GWh – 4,910 GWh range. Revenue guidance remains in the \$121 million – \$142 million range for Australia and in the US\$138 million to US\$153 million range for the US.



We are firmly committed to delivering sustained operating performance. We will continue to invest in developing the organisational capability to ensure Infigen is well placed to build on its position as a leading specialist renewable energy business.

We continue to be the largest owner operator of wind energy capacity in Australia. We also maintain a strong position in the US, controlling the largest wind energy business that operates independently of an integrated utility in that country.

Our prospect for maintaining and improving our market position in each country remains strong in the medium term.

I will now hand back to the Chairman to conduct the formal proceedings of today's meeting.

Thank you.



# **Infigen Energy Annual General Meeting**

11 November 2011

# Welcome



## MIKE HUTCHINSON

Chairman



# Infigen Directors and Company Secretary



**MICHAEL HUTCHINSON**  
Non-Executive Chairman



**MILES GEORGE**  
Managing Director



**DOUGLAS CLEMSON**  
Non-Executive Director



**PHILIP GREEN**  
Non-Executive Director



**FIONA HARRIS**  
Non-Executive Director



**ROSS ROLFE AO**  
Non-Executive Director



**DAVID RICHARDSON**  
Company Secretary

# Chairman's Address



**MIKE HUTCHINSON**  
Chairman



# Chairman's Address

## Market guidance unchanged

- Market guidance remains unchanged
- Sale of German wind farms for attractive price
- Debt remains high but confidence in covenant compliance
- Debt amortisation outlook remains on track
- Construction of Woodlawn Wind Farm complete
- Development activity continues in anticipation of favourable investment conditions



# Chairman's Address

## Community engagement

- Infigen looks to work with local and affected communities and tries to accommodate realistic local interests within its projects
- Formulation of rules and regulations should be underpinned by global experience, evidence and science
- Measurable benefits provided to the community during construction and operations
- We actively contribute to and engage with the communities we operate and live in





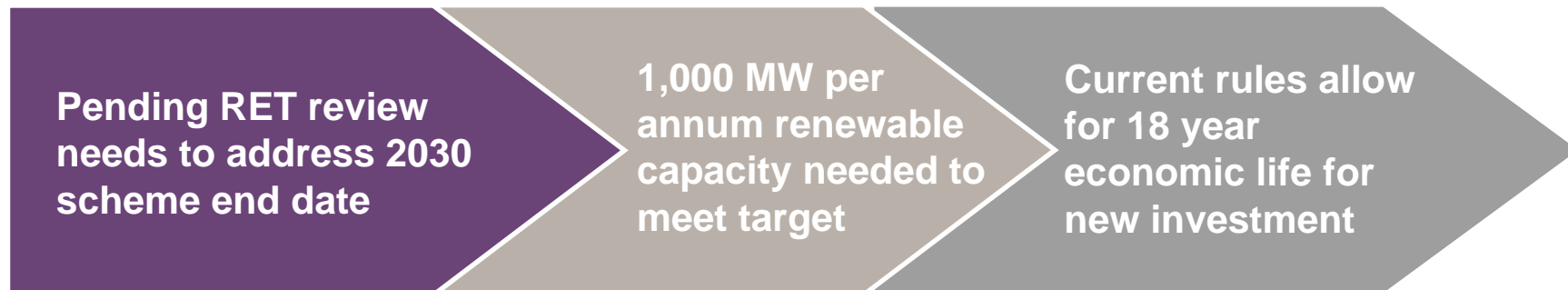
# Chairman's Address

Regulatory Update - Australia

## CARBON PRICING MECHANISM



## LARGE-SCALE RENEWABLE ENERGY TARGET







# MILES GEORGE

## Managing Director





# Managing Director's Address

## FY11 Key Outcomes

- Revenue from continuing operations \$267.6 million, up 1%
- Operating costs of \$100.5 million, up 9%
- Operating EBITDA from continuing operations \$167.1, down 3%
- Corporate costs were reduced by \$3.1 million to \$18.7 million
- Statutory net loss was \$61.0 million compared with \$74.4 million in the prior year
- Net operating cash flow of \$49.6 million
- Net debt of \$949 million at June 2011 was \$256 million less than at June 2010
- Sale of German wind farms towards the end of the year
- Construction of the Woodlawn Wind Farm progressed well through the year



# Managing Director's Address

## Production & Revenue

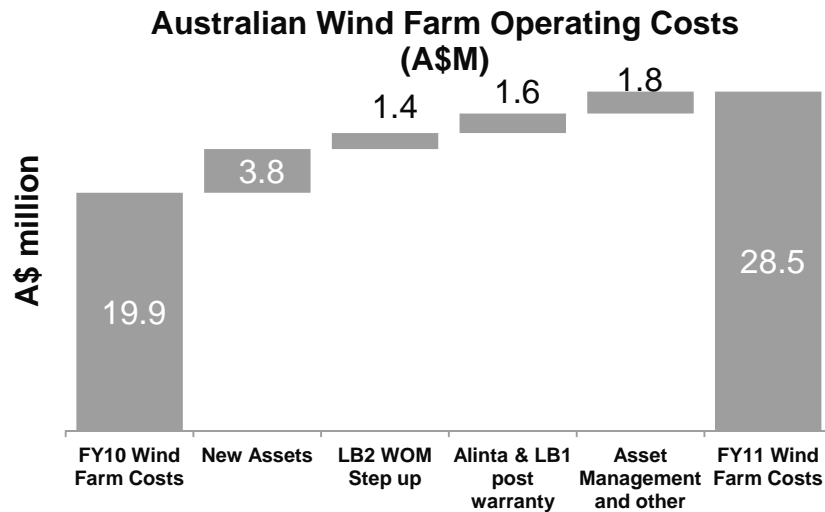
Production (GWh)	FY11	FY10	Change
US	3,332	2,950	+13
Australia	1,335	1,137	+17
Total	4,667	4,087	+14

Revenue (A\$ million)	FY11	FY10	Change
US	150.4	158.9	-5
Australia	117.2	104.9	+12
Total	267.6	263.8	+1



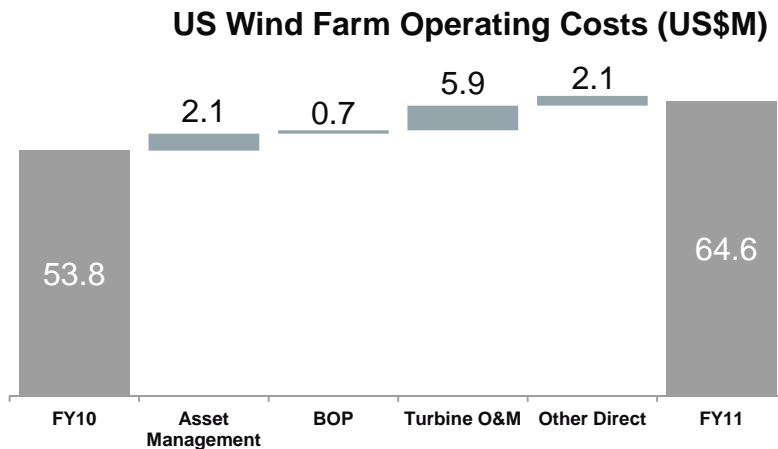
# Managing Director's Address

## Operating costs



### Comments

- Full year operation of Capital and Lake Bonney 3
- Unit operating costs below forecast: improved operating practices - less component failures
- LB1 and Alinta came off warranty during FY11
- Asset management increase reflects investment in new assets and capability
- Energy Markets achieved earnings and risk management benefits



### Comments

- Unit operating costs below forecast: improved operating practices - less component failures
- Increase in turbine O&M costs as wind farms transition off warranty
- Starting to capture benefits of increased competition in service and maintenance market



# Managing Director's Address

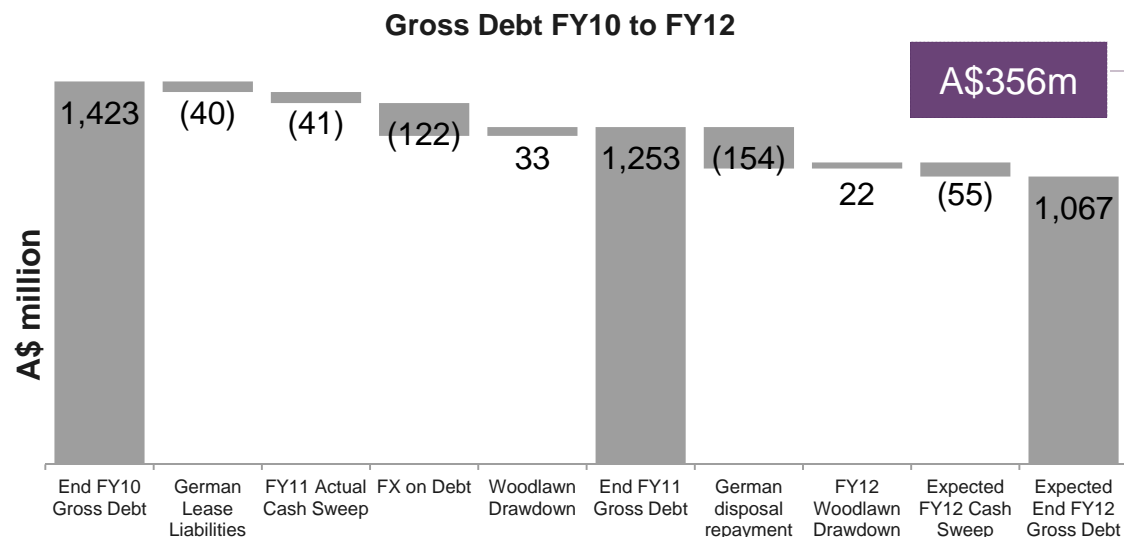
## P&L and Balance Sheet

### Profit and Loss

- EBITDA \$167.1, down 3%
- Corporate costs \$18.7 million, down by \$3.1 million
- Statutory net loss was \$61.0 million compared with \$74.4 million in the prior year
- Net operating cash flow of \$49.6 million
- Net debt of \$949 million at June 2011

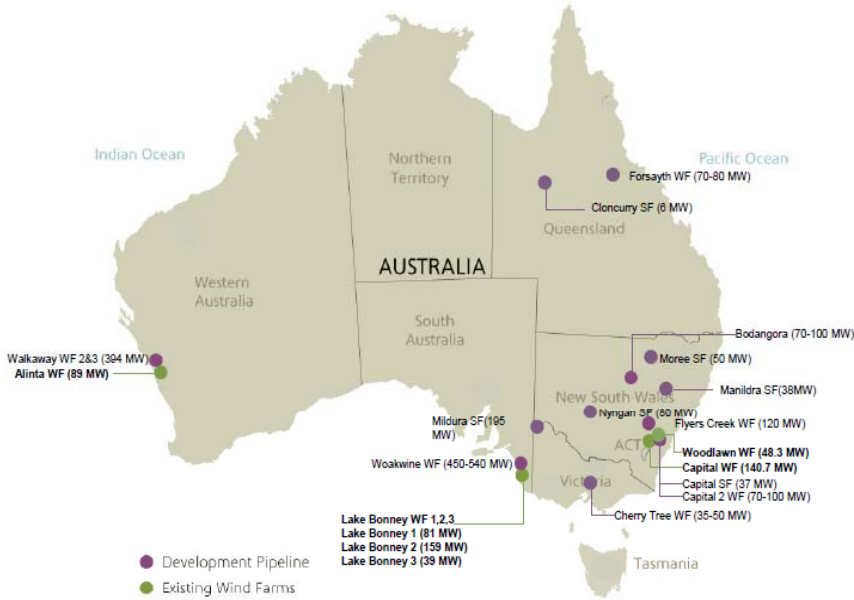
### Balance Sheet

- Substantial deleveraging from operating cash flow and asset sales
- Borrowings decreased \$170m due to debt amortisation from operating cash flow, removal of German lease liabilities and unrealised FX benefit offset by Woodlawn project finance drawdown
- Net debt reduction includes cash proceeds from sale of German wind farms



# Managing Director's Address

## Construction & Development



### Development Pipeline

- The most prospective projects advanced and other opportunities maintained
- Investment in Solar Flagships proposal has created diversification opportunities into solar PV
- PV output profile complements wind output profile; cost competitiveness improving rapidly
- Reallocation of co-owned projects with National Power Partners simplifies development process

### Woodlawn Wind Farm

- 48.3 MW wind farm comprising 23 Suzlon 2.1 MW turbines
- \$55 million project finance facility fully drawn
- First electricity exported to the grid in June 2011
- All turbines have now passed reliability testing
- Achieved \$115m construction budget
- Practical completion on 17 October 2011





# Managing Director's Address

## Outlook & Priorities

REGULATORY	<ul style="list-style-type: none"><li>• Tightening reserve margins and potential for export gas market in US could reverse recent weakness in wholesale electricity prices</li><li>• Medium term increases in wholesale electricity and REC prices in Australia with introduction of carbon price and lower REC surplus</li></ul>
OPERATIONAL	<ul style="list-style-type: none"><li>• FY12 production and revenue will benefit from Woodlawn part year contribution and expectation of improving wind conditions in Australia</li><li>• Committed to operating cost performance in accordance with forecasts and competitive with industry benchmarks and peers</li><li>• Offtake contracts at acceptable prices expected to become available as wholesale electricity market recovers and REC surplus declines</li></ul>
NEAR TERM PRIORITIES	<ul style="list-style-type: none"><li>• Maximise site availability</li><li>• Continued focus on operational cost containment strategies</li><li>• Increase value of pipeline – toward construction ready status</li><li>• Maximise revenue through channels to market</li><li>• Deliver production and revenue guidance</li></ul>



# MIKE HUTCHINSON

Chairman







# Item 1: Financial Report

## Company, Foreign Company and Trust

To receive and consider the combined consolidated financial report of Infigen Energy and the separate financial report of the Trust, as well as the respective reports of the Directors and Auditor for the year ended 30 June 2011.

*There is no vote on this item.*



# Item 2: Remuneration Report

## Company only

To adopt the Remuneration Report for the year ended 30 June 2011.  
The Remuneration Report is set out in the Directors' Report included within the Infigen Energy Annual Report 2011.

*This is a non-binding advisory vote.*



# Item 3: Director Election

## Company and Foreign Company only

To consider and, if thought fit, to pass the following as an ordinary resolution of the shareholders of the Company and Foreign Company:

That Philip Green, who has been appointed by the Directors of the Company and the Foreign Company in accordance with article 10.8 of the Constitution of the Company and bye-law 12.8 of the Bye-Laws of the Foreign Company, and being eligible offers himself for election, is elected as a Director of the Company and Foreign Company.



# Item 4: Director Election

## Company and Foreign Company only

To consider and, if thought fit, to pass the following as an ordinary resolution of the shareholders of the Company and Foreign Company:

That Fiona Harris, who has been appointed by the Directors of the Company and the Foreign Company in accordance with article 10.8 of the Constitution of the Company and bye-law 12.8 of the Bye-Laws of the Foreign Company, and being eligible offers herself for election, is elected as a Director of the Company and Foreign Company.



# Item 5: Director Election

## Company and Foreign Company only

To consider and, if thought fit, to pass the following as an ordinary resolution of the shareholders of the Company and Foreign Company:

That Ross Rolfe, who has been appointed by the Directors of the Company and the Foreign Company in accordance with article 10.8 of the Constitution of the Company and bye-law 12.8 of the Bye-Laws of the Foreign Company, and being eligible offers himself for election, is elected as a Director of the Company and Foreign Company.



# Item 6: Approval of the Infigen Energy Equity Plan

## Company, Foreign Company and Trust

To consider and, if thought fit, to pass the following as an ordinary resolution of the shareholders of each of the Company and the Foreign Company, and the unitholders of the Trust:

That approval is given for all purposes under the Corporations Act and the Listing Rules of the Australian Securities Exchange for:

- a) the Infigen Energy Equity Plan (**Equity Plan**) and for the provision of incentives to senior executives that the Board of the Company determines to be eligible to participate in the Equity Plan (**Participants**);
- b) the grant of performance rights, options or security appreciation rights (**Awards**), and any subsequent issue or transfer of stapled securities or payments in respect of such Awards to Participants under the Equity Plan; and
- c) the provision of benefits to those Participants under the Equity Plan, as described in the Explanatory Notes accompanying the Notice of Meeting.



# Item 7: Participation in the Infigen Energy Equity Plan by Mr Miles George Company, Foreign Company and Trust

To consider and, if thought fit, to pass the following as an ordinary resolution of the shareholders of each of the Company and the Foreign Company, and the unitholders of the Trust:

That approval is given for all purposes under the Corporations Act and the Listing Rules of the Australian Securities Exchange for:

- a) the issue to Mr Miles George, Managing Director of the Company, of up to 917,374 performance rights under the Infigen Energy Equity Plan (**Equity Plan**); and
- b) the issue or transfer of, and acquisition accordingly by Mr George of, stapled securities in respect of those performance rights,

all in accordance with the terms of the Equity Plan and on the basis described in the Explanatory Notes accompanying the Notice of Meeting.



# Item 8: Approval of Benefits Under the 2009 PR&O Plan

## Company, Foreign Company and Trust

To consider and, if thought fit, to pass the following as an ordinary resolution of the shareholders of each of the Company and the Foreign Company, and the unitholders of the Trust:

That approval is given for the purposes of sections 200B and 200E of the Corporations Act for the giving of benefits under the 2009 Infigen Energy Performance Rights and Options Plan (PR&O Plan) to any current participant in the plan in connection with such person ceasing to hold office or a position of employment with the Infigen Energy Group as described in the Explanatory Notes accompanying the Notice of Meeting.





# Item 9: Re-appointment of Auditor

## Foreign Company only

To consider and, if thought fit, to pass the following as an ordinary resolution of the shareholders of the Foreign Company:

That PricewaterhouseCoopers, being the current Auditor of the Foreign Company, be re-appointed as Auditor of the Foreign Company to hold office until the close of the next Annual General Meeting of the Foreign Company at a fee to be determined by the Directors.



# **Infigen Energy Annual General Meeting**

11 November 2011

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