



MEDIA RELEASE

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RET cut proposal damages Australia's reputation

Infigen Energy was disappointed to learn that negotiations between the Government and the ALP on the renewable energy target (RET) have reached an impasse. The Government has failed to make a case to reduce the RET. Its own Warburton review of the scheme showed that the Government's proposed 40% reduction to the RET would come at the expense of electricity consumers, taxpayers, the environment and the economy. This radical change would cut new investment by 65% and seriously damage the value of billions of dollars of existing investments made under the bipartisan supported legislation.

The Government must explain the rationale for its insistence on the need to reduce the legislated targets. The Government's own Warburton review found that reducing the RET by 40% would increase power bills for consumers, and deliver \$9 billion in windfall gains to Australia's oldest and highest emitting fossil fuel generators. Emissions would go up significantly and the Budget burden for Direct Action would increase accordingly.

Infigen's Managing Director, Miles George, said, "No case has been made to reduce the target by 40%. The Government noting that the current legislated target will exceed a 'real 20%' is not an argument for reducing the target. The target was set as a fixed number specifically to avoid arguments over percentages and moving goalposts."

"The primary consequence of reducing the target is to take money out of consumers' pockets and put it into the pockets of old coal fired generators whose pollution damages public health and harms our environment," he said.

The Government's current position breaks the election commitment it gave when in Opposition, also ending 13 years of bipartisan support for successful and effective policy. Australia's international reputation as a safe place to invest will be seriously damaged if the Government persists with this radical proposal. Whilst the Government has said it will protect the value of existing investments, there has been no such mechanism included in its proposal.

With the G20 being hosted in Brisbane this weekend, the eyes of the world will be on Australia. Last week's IPCC report was the clearest statement ever of the need for action on climate change. Australia is being left behind on technologies and industries of the future, whilst damaging its reputation as a safe place to invest.

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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