



MEDIA RELEASE

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RENEWABLE ENERGY TO IMPROVE AUSTRALIA'S COMPETITIVENESS

In an address to the National Press Club yesterday, Business Council of Australia's (BCA) president Tony Shepherd AO asserted without any basis in fact that Australia needed "to wind up the Renewable Energy Target".

Mr Shepherd said that the BCA was "consulting widely and broadly" and welcomed the "contest of ideas", and yet clearly the BCA did not refer to the findings of the recent independent Climate Change Authority (CCA) review of the Renewable Energy Target (RET).

Following broad and wide consultation and a very strong contest of ideas, modeling undertaken on behalf of the CCA found that:

- The cost of the RET is an immaterial component of retail electricity bills before taking into account the benefits it brings in reducing wholesale electricity prices
- Reducing the large-scale RET would result in higher wholesale and retail electricity prices

Infigen strongly agrees with Mr Shepherd's view that "Australia's current preparation for the future is somewhere between half-hearted and non-existent", in particular in preparing Australia for a carbon constrained future.

Australia has a significant challenge to reduce its emissions – amongst the highest in the world on a per capita basis. Switching fossil fuels from coal to gas does not solve the absolute emissions challenge in the medium to longer term. Gas prices are expected to double over the next few years and so it's doubtful that new gas fired electricity generation will even be viable. Electricity prices are also already significantly exposed to world gas prices via existing gas fired generation capacity.

The RET has been a very effective piece of legislation enjoying bipartisan support for good reason. South Australia now sources over 25% of its electricity from renewable energy sources resulting in lower emissions, substantial regional investments and jobs, and perhaps most importantly, lower wholesale electricity prices in that State.

We need policy settings to remain predictable and thereby provide investor confidence. Investment in large scale renewable energy generation in Australia will deliver economic prosperity to regional Australia and more broadly improve Australia's competitiveness.

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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