



28 September 2012

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CBD ENERGY LIMITED – UPDATE ON STATUS OF ANNUAL REPORT

CBD Energy Limited advises that following the release of its Preliminary Final Report for the year ended 30 June 2012, management, with the support of independent experts where appropriate, have performed extensive assessments of the carrying value of a number of assets on the consolidated entity's balance sheet. A prudent approach has been taken to determining appropriate carrying values in order to reduce the potential for further adjustments in future.

The outcome of these assessments is that the carrying value of some of these assets is now considered impaired, and the impact of these impairments will be reflected in the audited financial statements contained within the group's Annual Report. The quantum of the impairment charges has not yet been finalised, however, the reported net loss for the 2012 financial year and the net asset position of the Group at 30 June 2012 will vary materially from those reported in the Preliminary Final Report.

The impact of these impairments on the 2012 financial statements is not considered an impediment to the Company's future plans with regards to completing the proposed merger with Westinghouse Solar Inc and its application for a Nasdaq listing.

The Company will not be in a position to release its 2012 audited financial statements until the appropriate carrying value of these assets has been finalised.