

Highlights

- CS Energy has applied for a Federal Government grant through the Renewable Energy Demonstration Program for the development of a 44 megawatt (peak) solar thermal addition to Kogan Creek Power Station. When complete it will be the largest solar project in the southern hemisphere and one of the largest solar projects in the world.
- An auxiliary unit transformer at Kogan Creek Power Station was damaged on 12 September 2009. A replacement unit transformer was installed from 28 December 2009 – 6 January 2010 and the station returned to full output on 8 January 2010.
- Earthworks for new build plant in the Callide Oxyfuel Project were completed at Callide A Power Station in November 2009. CS Energy is a joint venture partner in this low emission demonstration project.
- In December 2009, CS Energy released its first ever Corporate Responsibility and Sustainability Review.

Financial Results*

Six months to 31 December	2009	2008
Earnings before interest and taxes (EBIT) (\$M)	30.1	78.8
Net profit after tax (NPAT) (\$M)	0.9	36.8
Return on Equity (%)	0.2	7.7
Return on Assets (%)	2.4	5.5

EBIT was down on the same period last year due to reduced generation, additional maintenance expenditure at Kogan Creek Power Station, a reduction in the market price for Gas Electricity Certificates, and the reduced impact of one off accounting adjustments.

Capital Program

Total expenditure on capital works for the six month period to 31 December 2009 was \$94.1M. This includes major overhauls at Swanbank E, Callide C, Mica Creek and major projects including further Callide B refurbishment works.

Non-Financial Results

Six months to 31 December	2009	2008
Lost time injury frequency rate ¹	5.4	5.3
EP Act enforcement actions ²	0	0
Gigawatt hours sent out	8328.3	9035.1
Forced outage factor (%) ³	3.1	8.7

1. The number of lost time injuries per million hours worked.
2. Environmental Protection Act enforcement actions.
3. Definition excludes maintenance outages factor for the portfolio (10.1%), which was largely attributable to reduced generation at Kogan Creek.

Corporate Entertainment and Hospitality

Event	Date	Cost (\$)
Callide Power Station Christmas function (at \$50 per head)	5-Dec-09	\$12,650
Swanbank Power Station Christmas function (at \$50 per head)	12-Dec-09	\$7,000
Corporate Office Christmas function (at \$50 per head)	18-Dec-09	\$5,682

This report has been prepared based on information readily available as at 31 December 2009, and has been prepared for general information purposes. Representations made in this report may be subject to change and should not be relied upon.

** The financial information provided in this document is unaudited. For audited information and more detailed financial statements please see the Annual Report.*