

17 April 2009

Victorian Bushfire Update

Following the severe bushfire crisis experienced in Victoria in February this year, SP AusNet has now been able to access all fire affected areas to assess the scale of damage to its electricity distribution network and is pleased to advise that the damage is lower than originally expected, with less than 1% of these assets being damaged by the fires. Power was quickly restored to all areas requiring connection following the fires and SP AusNet would like to thank affected communities for their support during this process.

SP AusNet advises that there has been no material impact on previous earnings guidance for the year ended 31 March 2009 as a result of the fires. SP AusNet self-insures its electricity towers, poles and wires in accordance with industry practice, and will not therefore be making any insurance claims for damage to those assets. SP AusNet expects the full capital cost of replacing damaged network assets to be included in the regulated asset base of its electricity distribution network.

SP AusNet has liability insurance in place which provides cover for bushfire liability. SP AusNet reviews its insurance cover annually and ensures it is commensurate with the scale and size of its operations and the risks assessed to be associated with its operations. SP AusNet's insurance coverage is consistent with industry standards and practice. SP AusNet also notes that previous media references to a potential \$100m liability cap for any property damage claims arising from the bushfires are not factually correct and SP AusNet is not aware of the source of this information.

With regard to legal proceedings arising from the bushfires, SP AusNet advises that on 16 April 2009, it was served with the writ previously filed in the Supreme Court of Victoria on 16 February 2009, and other associated documents. The writ alleges that "faulty and/or defective power lines" caused loss and damage. SP AusNet believes the claim is both premature and inappropriate, given the establishment of the 2009 Victorian Bushfires Royal Commission. SP AusNet will vigorously defend the claim.

As previously stated, SP AusNet will extend its full support and assistance to the Royal Commission of Inquiry, which is set to commence public hearings on 11 May 2009.

For further information contact:

Investor Relations

Lucinda Kerr
Manager, Investor Relations
+61 3 9695 6633 or +61 421 387 687

Media Relations

Louisa Graham
Manager, Corporate Communications
+61 3 9695 6401 or +61 418 358 327

SP AusNet

SP Australia Networks (Distribution) Ltd
ABN 37 108 788 245

SP Australia Networks (Transmission) Ltd
ABN 48 116 124 362

SP Australia Networks (Finance) Trust
ARSN 116 783 914

SP Australia Networks (RE) Ltd
ABN 46 109 977 371
AFS Licence No. 294117 as responsible entity for SP
Australia Networks (Finance) Trust

Level 31
2 Southbank Boulevard Southbank
Victoria 3006 Australia

Locked Bag 14051
Melbourne City Mail Centre
Victoria 8001 Australia

Tel: +61 3 9695 6000
Fax: +61 3 9695 6666