



8 September 2010

Mr Darren Collins
Senior Adviser, Issuers and Accounting Policy
ASX Markets Supervision Pty Ltd
South Tower
525 Collins Street
MELBOURNE VIC 3000

BY EMAIL

Dear Darren,

I refer to your letter of today and provide the following responses to your questions:

1. *Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?*

We are not aware of the reason for any recent trading in securities of the Company or any change in the price of the securities.

The Company is not aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company.

2. *If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?*

Not applicable.

3. *Is there any other explanation that the Company may have for the price change in the securities of the Company?*

No.

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

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4. *Is there any reason to think that there may be a change in the operating results before abnormal items and income tax so that the figure for the half year ended 30 September 2010 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.*

As stated by the Chairman of SP AusNet at the 2010 Annual General Meeting, there are some emerging developments that are likely to have a positive effect on financial outcomes this year. On June 4 2010, new tax legislation came into effect. This new tax law confirms the availability of additional tax deductions or carry forward losses available to SP AusNet, which enables a benefit of around \$10m to be booked in the current financial year.

In addition, SP AusNet has been able to utilise the Federal Government's investment allowance incentive, and it is anticipated that this will also yield a tax benefit this financial year.

Lastly, the benefits of our enhanced reliability program are now beginning to be realised, with incentive payments being received by SP AusNet under the AER's S-Factor incentive scheme. These payments are received two years after the network's reliability performance is assessed.

Despite this, for the period ending 30 September 2010, these favourable impacts are not expected to cause operating results before abnormal items and income tax to vary from the previous corresponding period by more than 15%.

5. *Is there any reason to think that the Company may record any material abnormal or extraordinary item for the half year ended 30 September 2010? If so, please provide details.*

No.

6. *Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.*

I can confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Yours sincerely,



Susan Taylor

General Counsel & Company Secretary



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8 September 2010

Susan Taylor
General Counsel and Company Secretary
SP AusNet
Level 31, 2 Southbank Boulevard
Southbank VIC 3006

By email only

Dear Susan

SP AusNet ("Company") - Price Query

We have noted a change in the price of the Company's securities from 81.0 cents at the close of trading on 30 August 2010 to an intra-day high of 90.5 cents at the time of writing today.

In light of the price change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change in the securities of the Company?

4. Is there any reason to think that there may be a change in the operating results before abnormal items and income tax so that the figure for the half year ended 30 September 2010 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.

5. Is there any reason to think that the Company may record any material abnormal or extraordinary item for the half year ended 30 September 2010? If so, please provide details.

6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Australian Securities Exchange

Australian Stock Exchange
Sydney Futures Exchange

Australian Clearing House
SFE Clearing Corporation

ASX Settlement and Transfer Corporation
Australia

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Your response should be sent to me by e-mail at darren.collins@asx.com.au. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **4.00 p.m. E.S.T. today Wednesday, 8 September 2010**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

[Sent electronically, without signature]

Darren Collins

Senior Adviser Issuers and Accounting Policy

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