

23 May 2012

TO: ASX Limited
Singapore Exchange Securities Trading Limited

Distribution Reinvestment Plan Communications to Securityholders

Please find attached the following documents relating to SP AusNet's Distribution Reinvestment Plan (DRP), which are being sent to SGX-ST securityholders*, as applicable:

1. Letter to securityholders; and
2. Entitlement Advice.

Susan Taylor
Company Secretary

**in Australia, New Zealand and Singapore*

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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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www.sp-ausnet.com.au

Dear Securityholder

I am writing to you to update you on SP AusNet's Distribution Reinvestment Plan (**DRP**).

The DRP is in operation for the 2011/12 final distribution. Under the DRP, new SP AusNet securities will be allotted in accordance with DRP Rules at a **0 per cent discount** to the average trading price per security*

The DRP provides eligible securityholders with a convenient method of reinvesting all or part of their distributions in additional SP AusNet stapled securities.

The funds raised by the DRP will be used for capital management purposes and to fund capital expenditure for growth.

Participation in the DRP is optional and securityholders may already have elected last year to participate in respect of all or part of their security holding, by completing an Election Notice.

This letter encloses an Election Notice for securityholders who:

- did not participate in the DRP for the 2011/12 interim distribution but now wish to do so; or
- applied for a partial participation for the 2011/12 interim distribution and wish to apply for another partial or full allocation; or
- are Depository Agents.

You need to take action in the following circumstances:

- 1. If you did not participate in the DRP for the 2011/12 interim distribution and you now wish to do so, you must instruct us as to the proportion (including 100 per cent) of your intended participation by completing and returning the Election Notice to The Central Depository (Pte) Limited (CDP).**
- 2. If you previously elected to partially participate in the DRP, you must instruct us as to whether you wish to participate again, whether fully or partially, and the proportion of your intended participation, by completing and returning the Election Notice to CDP. If you do not wish to participate in the DRP this time, you do not need to take action.**
- 3. If you are a Depository Agent, you must complete the Election Notice, and advise us whether you wish to participate fully or partially in the DRP.**

Please see the table on the reverse of this page, which sets out these instructions.

If you are in one of the above categories and there is a need to return an Election Notice, you will need to ensure that it is received by CDP by 3.00 pm (Singapore time) on Wednesday, 30 May 2012.

For more information, the DRP Booklet is available on SP AusNet's website at www.sp-ausnet.com.au > Investors > Securities Information > Distribution Reinvestment Plan. The DRP Booklet contains the DRP Rules and a summary of the DRP and I encourage you to please read through it carefully.

Further information

Further information concerning the DRP can be obtained from:

The Central Depository (Pte) Limited
4 Shenton Way, #02-01
SGX Centre 2
Singapore 068807

You can also contact investor.enquiries@sp-ausnet.com.au for assistance.

Thank you for your continued support of SP AusNet.

Yours sincerely,



Nino Ficca
MANAGING DIRECTOR
SP AusNet

SP AusNet

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* The average of the volume weighted average price of SP AusNet securities sold in ordinary market transactions on the ASX during the 10 trading days commencing 31 May 2012.

Actions to be taken by SP AusNet's CDP Securityholders wishing to participate in the DRP:

		Upcoming DRP Participation		
		NIL	PARTIAL	FULL
Last DRP Participation	NIL	No Action Required	Submit Election Notice	Submit Election Notice
	PARTIAL	No Action Required ⁽¹⁾	Submit Election Notice	Submit Election Notice
	Depository Agent ⁽²⁾	No Action Required	Submit Election Notice	Submit Election Notice

⁽¹⁾ As per DRP Rules in DRP Booklet.

⁽²⁾ A Depository Agent must submit an Election Notice for full or partial participation in the DRP. No action is required for nil participation.

This is not financial product advice

This letter is not financial product advice. It is not a recommendation to participate in the DRP or advice about the suitability or appropriateness of participating in the DRP. Before deciding whether to participate in the DRP you should read the DRP Booklet in full and consider whether participation is appropriate taking into consideration your individual investment objectives, financial circumstances (including financial and tax issues) and needs. You should also seek independent advice from your financial or other professional adviser where appropriate.



SP AusNet
C/- The Central Depository (Pte) Limited
4 Shenton Way, #02-01
SGX Centre 2
Singapore 068807

SP Australia Networks (Transmission) Ltd (incorporated in Australia ABN 48 116 124 362)
SP Australia Networks (Distribution) Ltd (incorporated in Australia ABN 37 108 788 245)
SP Australia Networks (RE) Ltd (incorporated in Australia ABN 46 109 977 371 and AFSL No. 294117)
as the responsible entity of
SP Australia Networks (Finance) Trust (established in Australia ARSN 116 783 914)
(The group of entities has stapled securities and is known as "SP AusNet")

DISTRIBUTION REINVESTMENT PLAN ("DRP") – ENTITLEMENT ADVICE

THIS ENTITLEMENT ADVICE IS IN RESPECT OF THE NUMBER OF NEW SECURITIES WHICH WILL AUTOMATICALLY BE ISSUED AND CREDITED INTO YOUR SECURITIES ACCOUNT HELD WITH THE CENTRAL DEPOSITORY (PTE) LIMITED ("CDP") FOR THE BELOW-MENTIONED DISTRIBUTION AS YOU HAVE MADE A PERMANENT ELECTION TO PARTICIPATE IN THE DRP. THE INFORMATION CONTAINED HEREIN SHOULD BE READ IN CONJUNCTION WITH THE FULL TEXT OF THE "DISTRIBUTION REINVESTMENT PLAN" RULES ("DRP RULES") WHICH ARE AVAILABLE ON THE WEBSITE – www.sp-ausnet.com.au > Investors > Securities Information > Distribution Reinvestment Plan.

SP AusNet has announced the operation of the DRP for the 2011/12 final distribution. You have received this Entitlement Advice because you have previously made a permanent election to participate in the DRP in respect of all applicable distributions for all your securities which are deposited with CDP. Accordingly, new securities will be allotted to you at a **0 per cent discount** to the average trading price per security* *in lieu* of the cash amount of the distribution (after the deduction of applicable tax).

YOU DO NOT NEED TO TAKE ANY ACTION IF YOU WISH TO RECEIVE THIS DISTRIBUTION, AND TO CONTINUE TO RECEIVE YOUR FUTURE DISTRIBUTIONS TO WHICH THE DRP APPLIES, IN SCRIP PURSUANT TO THE DRP.

If you wish to cancel your permanent election to participate in the DRP in respect of the 2011/12 final distribution, and all future distributions to which the DRP applies, and receive cash, you must complete, sign and return this Entitlement Advice with the Notice of Cancellation to **SP AusNet C/- The Central Depository (Pte) Limited at 4 Shenton Way #02-01, SGX Centre 2, Singapore 068807 by 3.00 pm (Singapore time) on 30 May 2012 ("Election Closing Date" or "Record Date")**.

Instructions are set out on the back of this Entitlement Advice and should be read carefully before completion of the Notice of Cancellation below.

NOTICE OF CANCELLATION – TO BE COMPLETED AND SIGNED BY DIRECT SECURITIES ACCOUNT HOLDER

To: **SP AusNet**

C/- The Central Depository (Pte) Limited

By completing and signing this Notice of Cancellation, I/we confirm that I/we wish to cancel my/our permanent election to participate in the DRP in respect of the 2011/12 final distribution and all future distributions to which the DRP applies, and receive cash.

I/We hereby irrevocably agree to be bound by the Terms and Conditions of the DRP as set out in the DRP Rules

_____ Date

Signature(s)/thumbprint(s) of depositor(s)/joint depositors

(For corporations, please sign as per your signing mandate and **where appropriate**, the Common Seal to be affixed in accordance with your Memorandum and Articles of Association or relevant constitutive documents)

* The average of the volume weighted average price of SP AusNet securities sold in ordinary market transactions on the ASX during the 10 trading days commencing 31 May 2012.

Explanatory notes

1. **Notice of Cancellation.** If you wish to cancel your permanent election to participate in the DRP and elect to receive the 2011/12 final distribution, and all future distributions to which the DRP applies, in **CASH**, please sign and submit the signed original of this Entitlement Advice to CDP by 3.00 pm (Singapore time) on the Election Closing Date. CDP's standard format for the Notice of Cancellation is also available from CDP, upon request. A duly completed and signed Notice of Cancellation in CDP's standard format which is submitted through CDP after 3.00 pm (Singapore time) on the Election Closing Date will not be effective for the 2011/12 final distribution, but will be effective for all future distributions to which the DRP applies. Cancelling your permanent election will not preclude you from electing to receive securities in respect of any future distributions to which the DRP applies. SP AusNet and/or CDP will be authorised and entitled to reject any Notice of Cancellation which does not comply with the Terms and Conditions of the DRP or which is otherwise incomplete, incorrect, unsigned or invalid in any respect, or if your true intentions are not ascertainable from the instructions specified in the Notice of Cancellation submitted or otherwise in accordance with the DRP Rules.
2. **Joint Holders**
 - (a) **If it is a Joint alternate-signatory account, ANY** of the securities account holders may sign the Notice of Cancellation, and the signing of the Notice of Cancellation by any one of such joint alternate securities account holders shall be binding on all joint securities account holders.
 - (b) **If it is a Joint signatories account, ALL** the securities account holders are to sign the Notice of Cancellation.
3. **Power of Attorney/Letter of Authorisation.** For an individual holder, this Notice of Cancellation may be signed by an attorney or other authorised person for and on his behalf. If signed by an attorney, the original or a certified copy of the Power of Attorney must accompany this Notice of Cancellation. If signed by an authorised person, the original letter of authorisation in the format as prescribed by CDP, together with all other relevant documentation as may be required by SP AusNet, must accompany the Notice of Cancellation. The format for the letter of authorisation is available from CDP upon request.
4. **Deceased Holders**
 - (a) **If the sole holder is deceased and if:**
 - (i) the Grant of Probate or Letters of Administration have been registered and lodged with CDP, this Notice of Cancellation must be signed by all the personal representative(s) of the deceased and lodged with **SP AusNet C/- The Central Depository (Pte) Limited, 4 Shenton Way #02-01 SGX CENTRE 2 Singapore 068807**; or
 - (ii) the Grant of Probate or Letters of Administration have not been registered and lodged with CDP, all the personal representative(s) of the deceased must go to CDP personally together to register and lodge the original Grant of Probate or Letters of Administration with CDP first, before submitting this Notice of Cancellation.
 - (b) **If one of the joint holders is deceased and if:**
 - (i) it is a Joint alternate-signatory account, this Notice of Cancellation must be signed by **ANY** surviving joint holder(s).
 - (ii) it is a Joint signatories account, this Notice of Cancellation must be signed by **ALL** surviving joint holder(s) and lodged with **SP AusNet C/- The Central Depository (Pte) Limited, 4 Shenton Way #02-01 SGX CENTRE 2 Singapore 068807**; accompanied by the Death Certificate, Grant of Probate or Letters of Administration and all other relevant documentations, in respect of the deceased holder.
5. The new securities to be issued to you pursuant to the DRP, in respect of your securities deposited with CDP, will be credited to your Securities Account maintained with CDP. You may receive new securities in odd lots.
6. SP AusNet and CDP take no responsibility for the taxation liabilities or the tax consequences of any election made by you. As individual circumstances and laws vary considerably, you should seek your own specific taxation advice if you are in any doubt.
7. New securities will be allotted in accordance with the DRP Rules which are available on the website (www.sp-ausnet.com.au > Investors > Securities Information > Distribution Reinvestment Plan), at a **0 per cent discount** to the average trading price per security*.
Securities allotted will be rounded down to the nearest unit and any residual will be paid to the Depositor in cash. No interest will accrue in respect of any residual balances.
8. The Terms and Conditions of the DRP are set out in the DRP Rules. The DRP Rules apply to this Entitlement Advice and your participation in the DRP. By continuing to participate in the DRP you agree to be bound by the DRP Rules and represent and warrant that you are eligible under all applicable securities laws to participate in the DRP.
9. Delivery of a duly completed and signed Notice of Cancellation through CDP shall be conclusive evidence in favour of SP AusNet and CDP of the right, title, power and authority of the person(s) signing it to deal in the same.

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