

7 March 2012

TO: ASX Limited
Singapore Exchange Securities Trading Limited

Settlement of Beechworth Bushfire Class Action

The parties to the Beechworth bushfire class action, including SP AusNet, have today reached agreement on terms to settle the proceeding. These terms involve the defendants collectively paying 40% of the plaintiffs' assessed losses plus interest of 5% up to a cap of \$32.85m.

SP AusNet's share of the settlement sum is 27% of the assessed losses, and its contribution is capped at \$19.71m. This amount will be paid by SP AusNet's insurers.

The balance of the settlement sum is to be paid by the Department of Sustainability and Environment, Parks Victoria and Eagle Travel Tower Services Pty Ltd. By agreeing to pay approximately one quarter of the assessed losses, SP AusNet also avoids the expense of a trial scheduled to run for two months in Wodonga.

SP AusNet has always been, and continues to be, committed to delivering energy safely and reliably, and is confident in the appropriateness and effectiveness of its systems, policies and practices. The Company continues to reject any assertion of negligence and strongly holds the belief that it consistently complies with its regulatory obligations. Consistent with this, the settlement has been reached without admission of liability by SP AusNet or any other party.

The settlement agreement is subject to Court approval. SP AusNet expects that the Court approval hearing will occur in early June.

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