

ASX & SGX-ST Release



17 May 2013

TO: ASX Limited
Singapore Exchange Securities Trading Limited

State Grid Acquires 19.9% Holding in SP AusNet from Singapore Power

A short time ago, Singapore Power Limited announced through its wholly owned subsidiary Singapore Power International Pte Ltd ("SPI"), that it had entered into an agreement with State Grid International Development Limited ("SGID") (a subsidiary of State Grid Corporation of China) under which SGID will acquire from SPI a 19.9% stake in SP AusNet.

The transaction is subject to a number of conditions. On completion, SPI will continue to be the largest securityholder in SP AusNet, with a stake of 31.1% and the public continuing to own 49%.

This transaction has a number of implications for SP AusNet. The Board and management will review these implications, including opportunities for collaboration with SGID. As soon as practicable after SP AusNet has had an opportunity to consider the implications of this transaction, further information will be provided.

This transaction is at the securityholder level and will not impact the day-to-day operations, management or employees of SP AusNet.

A copy of the announcement made by Singapore Power Limited is attached.

Susan Taylor
Company Secretary

For further information contact:

SP AusNet

Investor Relations

John Nicolopoulos
Manager, Investor Relations
+61 3 9695 6301 or +61 409 672 912

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

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

Level 31
2 Southbank Boulevard
Southbank Victoria 3006
Australia

Media Relations

Sarah Ward
Manager Corporate Relations
+61 3 9695 6514 or + 61 409 436 6148

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

Locked Bag 14051
Melbourne City Mail Centre
Victoria 8001 Australia

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

www.sp-ausnet.com.au

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News Release

**State Grid Corporation of China to invest in
Singapore Power's Australian utility businesses**

- Singapore Power International Pte Ltd (SPI) and State Grid International Development Limited (SGID) have entered into an agreement for SGID to purchase a 60% shareholding in SPI (Australia) Assets Pty Ltd (SPIAA), a leading Australian energy infrastructure company wholly owned by SPI
- SPI and SGID have also entered into a separate agreement for SGID to acquire from SPI a 19.9% security holding in SP AusNet at a price of A\$824 million
- Transactions are subject to customary conditions, including regulatory approvals from the Treasurer of the Commonwealth of Australia, the Australian Competition Consumer Commission and the National Development and Reform Commission of China

SPI, a subsidiary of Singapore Power Ltd (SP), announced that it has agreed with SGID, a subsidiary of State Grid Corporation of China (SGCC), for SGID to purchase a 60% shareholding in SPIAA. SPI and SGID have agreed to enter into an agreement with respect to their interests in SPIAA.

SGCC is the world's largest utility company with revenues of approximately US\$300 billion in 2012 and ranks No.7 on the Fortune Global 500 list. Outside China, SGID has invested in Australia, Brazil, Portugal and the Philippines.

A major consideration for SPI to partner with SGID in SPIAA is its ability to assist in creating further value at SPIAA, given its significant capability and strong operational track record. With support from two strong shareholders, SPIAA is positioned to build on its position as a leading player in energy infrastructure in Australia through strategic investments as well as further investment in its existing networks. Both shareholders will continue to support commercially viable investments that deliver enhanced service quality to consumers.

In a separate agreement, SPI has agreed for SGID to purchase a 19.9% security holding in SP AusNet. SPI will continue to hold 31.1% in SP AusNet, and SP AusNet will remain publicly listed.

Australia has a resilient economy with a transparent regulatory and legal framework. Australia remains a focus for SP's future plans, through SPI's remaining 40.0% interest in SPIAA and 31.1% security interest in SP AusNet. SP remains committed to all of its stakeholders in Australia, including consumers, governments, regulators and business partners. The transactions will not impact the day-to-day operations of the businesses.

The transactions demonstrate the confidence SP and SGCC have in the future prospects of SP AusNet and SPIAA, as well as the energy infrastructure environment in Australia. SP and SGCC share a long-term view of these investments in providing high levels of service and

reliability to Australian consumers. SP and SGCC are committed to continue providing consumers with a safe and reliable supply of energy.

Commenting on the transactions, SP Group Chief Executive Officer, Mr. Wong Kim Yin, said: "We are very proud of what we have achieved in Australia through our investments in SP AusNet and SPIAA. SP looks forward to the next stage of growth in these entities. I am confident that with the support of SGCC and SP, both SP AusNet and SPIAA businesses will be further enhanced.

"These transactions also recognise the astute leadership and solid performance of the management and employees of SP AusNet and SPIAA, as well as the strength of the Australian energy infrastructure sector."

Credit Suisse and Lazard acted as joint financial advisors to SPI. Herbert Smith Freehills and Allen & Gledhill acted as legal counsels to SPI.

Media contacts:

Ian Smith, Partner, Bespoke Approach

- Phone: +61 418 814 611 or +61 88419 2888
- Email: ismith@bespokeapproach.com

Thomas Pagliaro, Associate, Bespoke Approach

- Phone: +61 88419 2888
- Email: tpagliaro@bespokeapproach.com

Amelia Champion, Head, Corporate Affairs, Singapore Power Ltd

- Phone: +65 63788186 or + 65 94504153
- Email: amelia@singaporepower.com.sg

About Singapore Power Ltd and Singapore Power International Pte Ltd

SPI is an investment holding company for SP, a leading energy utility company in the Asia Pacific. SP owns and operates electricity and gas transmission and distribution businesses in Singapore and in Australia, primarily in Victoria, New South Wales and Queensland. More than a million industrial, commercial and residential customers in Singapore benefit from SP's world-class electricity and gas transmission and distribution, and market support services. Singapore has one of the fewest and shortest power outages of cities worldwide, as rated by international industry indices. In Australia, the SP Group serves 2.8 million customers through wholly-owned SPIAA, a diversified energy utility company and 51 per cent owned SP AusNet, which is publicly listed on the Australian and Singapore Stock Exchanges. As one of Singapore's largest corporations, SP recorded revenue of S\$8.7 billion and assets of S\$32.4 billion for the year ended 31 March 2012.

About State Grid Corporation of China

SGCC's core businesses are the investment, construction and operation of power networks, with a mission of providing safer, more economical, cleaner and sustainable power supply services. SGCC's transmission and distribution networks cover 26 provinces, municipalities and autonomous regions (approximately 88% of the geographical area) of China, forming the largest and most sophisticated power grid in the world. In 2012, SGCC achieved revenue of c.USD300 billion, and ranked 7th in the Fortune Global 500. It is the largest utility in the world.

As a result of its continuous investment in R&D, SGCC has developed a strong expertise in core technologies such as Ultra High Voltage (UHV), Smart Grid, and renewable energy integration and has successfully applied them in its grid operation and management, realizing significant economic and social benefits.

SGID is a wholly owned subsidiary of SGCC and the platform for undertaking the overseas investment and operations of SGCC. SGCC, through SGID, has a number of overseas investments in ElectraNet (the South Australian electricity transmission network), Portugal's REN (Redes Energeticas Nacionais), the National Grid Corporation of the Philippines (25-year concession) and 12 Brazilian power transmission concessionaires.

About SP AusNet

SP AusNet is the largest diversified energy network business in Victoria, owning and operating more than \$10 billion of electricity and gas distribution assets, including the state-wide electricity transmission network. The company also has a non-regulated division, Select Solutions, providing a range of energy, water and environmental services to the utilities industry. Headquartered in Melbourne, Australia, SP AusNet employs more than 1,900 people to service 1.3 million customers and is listed on the Australian Securities Exchange (ASX: SP AUSNET) and the Singapore Stock Exchange (SGX-ST: X04).

For more information visit SP AusNet's website, www.sp-ausnet.com.au.

About SPI (Australia) Assets Pty Ltd

SPIAA is a private company that mainly owns and maintains electricity distribution, gas distribution and transmission assets, including:

- wholly-owned regulated assets – an electricity distribution network serving over 300,000 customers in north-west Melbourne, Victoria and a gas distribution network serving over 1 million customers in Sydney, New South Wales;
- partially-owned regulated assets – 50% ownership of the electricity and gas distribution networks in the Australian Capital Territory (ActewAGL Distribution); and 34% of United Energy Distribution, an electricity distribution business serving the south-eastern suburbs of Melbourne; and
- wholly-owned unregulated assets – gas transmission pipelines in Victoria, New South Wales and Queensland, a recycled water scheme in New South Wales; and utility infrastructure services provider, Zinfra.

Issued by: Singapore Power Limited
10 Pasir Panjang Road #03-01
Mapletree Business City
Singapore 117438
Co. Reg No : 199406577N
www.singaporepower.com.sg

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