

12 November 2010

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):

1. DRP "postcard" sent to ASX securityholders*;
2. Letters sent to SGX securityholders*; and
3. DRP Rules, showing amendments that have recently been made in accordance with the Rules.

Susan Taylor
Company Secretary

* in Australia, New Zealand and Singapore

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Media Relations

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Manager – Corporate Communications
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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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2 Southbank Boulevard Southbank
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www.sp-ausnet.com.au



SP AusNet™

A member of Singapore Power Group

Distribution Reinvestment Plan

This post card 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 it 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.

What is the DRP?

The DRP or Distribution Reinvestment Plan is an opportunity to build on your investment in SP AusNet by reinvesting your SP AusNet distribution into additional SP AusNet securities. When you purchase additional securities through the DRP, you benefit from:

- ✓ A 2.5 per cent discount to the average trading price[†]
- ✓ No commission or brokerage charges

For more information, the DRP Booklet is available on SP AusNet's website at www.sp-ausnet.com.au. The DRP Booklet contains the DRP Rules and a summary of the DRP*.

[†] the average of the volume weighted average price of sales of SP AusNet Securities on ASX during the 10 trading days commencing 29 November 2010.

How do I participate?

You can elect to participate or change your participation by completing the attached form and sending it back to Computershare using the enclosed self-addressed envelope.

Alternatively you can log on to Computershare's Investor Centre at www.investorcentre.com. You will need to have your SRN or HIN (as applicable)[‡] and postcode handy.

How long do I have to elect to participate or change my participation?

The deadline for electing to participate or changing your participation for the 2010/11 interim distribution is 5pm (AEDST) on 26 November, 2010.

[‡] found at the top of any distribution statement.



* A change has recently been made to the DRP Rules. For details of the change, please go to www.sp-ausnet.com.au, www.asx.com.au (ASX Code: SPN) or www.sgx.com (SP AusNet).

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 2010/11 interim distribution.

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.

A change has recently been made to the rules that apply to the **DRP (DRP Rules)**. For details of the change, please log on to www.sp-ausnet.com.au, www.asx.com.au (ASX Code: SPN) or www.sgx.com (SP AusNet).

This letter encloses an Election Notice for securityholders who:

- did not participate in the **DRP** for the 2009/10 final distribution but now wish to do so; or
- applied for a partial participation for the 2009/10 final 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 2009/10 final 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 2.00 pm (Singapore time) on Friday, 26 November, 2010.

For more information, the **DRP** Booklet is available on SP AusNet's website at www.sp-ausnet.com.au. 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,



Ng Kee Choe
CHAIRMAN
SP AusNet

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

www.sp-ausnet.com.au

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.

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

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

Distribution Reinvestment Plan Participation Advice

2010/11 INTERIM DISTRIBUTION

Dear Securityholder,

I am writing to provide you with an update on your participation in SP AusNet's Distribution Reinvestment Plan (DRP).

The SP AusNet DRP is in operation for the 2010/11 interim distribution. It provides eligible securityholders with a convenient method of reinvesting all or part of their distributions in additional SP AusNet stapled securities (SP AusNet Securities).

A change has recently been made to the rules that apply to the DRP (DRP Rules). For details of the change please log on to www.sp-ausnet.com.au, www.asx.com.au (ASX Code: SPN) or www.sgx.com (SP AusNet).

As you have made a permanent election to participate in SP AusNet's DRP in respect of all your SP AusNet Securities, your interim distribution for 2010/11 will be automatically applied to new SP AusNet Securities. You will be issued with new SP AusNet Securities at a 2.5 per cent discount to the average trading price per security¹. You will not receive a cash distribution.

This advice is for your information only. As you have made a permanent election to participate in the SP AusNet DRP in full, an Election Notice has not been sent to you.

If you wish to cancel your election to participate in the SP AusNet DRP and receive cash you must complete and return a Notice of Cancellation to:

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

A Notice of Cancellation can be obtained from The Central Depository (Pte) Limited (CDP) upon request. To be effective for the 2010/11 interim distribution a Notice of Cancellation must be received by CDP no later than 2.00pm (Singapore time) on Friday, 26 November, 2010.

Thank you for your continued support of SP AusNet.

Yours sincerely,



Ng Kee Choe

CHAIRMAN
SP AusNet

¹ The average of the volume weighted average price of sales of SP AusNet Securities on the ASX during the ten trading days commencing 29 November 2010.



SP AusNet[™]
A member of Singapore Power Group

DISTRIBUTION REINVESTMENT PLAN

SP Australia Networks (Distribution) Ltd (“**SP AusNet Distribution**”)
SP Australia Networks (Transmission) Ltd (“**SP AusNet Transmission**”)
SP Australia Networks (Finance) Trust (“**SP AusNet Finance Trust**”)
SP Australia Networks (RE) Ltd in its capacity as responsible entity
of SP AusNet Finance Trust (“**Responsible Entity**”)

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Disclaimer

This booklet does not constitute an offer of securities and does not give the right to any person to invest in securities in any jurisdiction in which it would not be lawful to make such an offer or give such a right.

This is not investment advice and does not take into account your individual investment objectives, financial situation, tax position or particular needs. You should consult your financial or other professional adviser before deciding whether or not to participate in the Plan.

Terms and abbreviations

All terms and abbreviations used in this booklet are defined in clause 18 of the Plan Rules.

Summary of the Distribution Reinvestment Plan

The Plan

The SP AusNet Distribution Reinvestment Plan (“**Plan**”) provides holders of SP AusNet Stapled Securities (“**Securityholders**”) with a convenient method of reinvesting all or part of their distributions (“**Distributions**”) in additional Stapled Securities.

The Plan will be administered by the directors of SP AusNet Distribution, SP AusNet Transmission and the Responsible Entity (together, the “**Administrators**”).

If a Securityholder elects to participate in the Plan, on each Distribution payment date, all or part of the Distribution otherwise payable on the Securityholder’s Stapled Securities participating in the Plan will be automatically reinvested in additional Stapled Securities.

These Stapled Securities will be issued at the average of the Volume Weighted Average Price of sales of Stapled Securities on ASX during the ten trading days (or such other number of trading days as determined by the Administrators) immediately after the Record Date for a relevant Distribution (or such other date as determined by the Administrators), less such discount, if any, as determined by the Administrators not exceeding five percent.

Securityholders may elect to participate in the Plan in respect of all or part of their holding of Stapled Securities. They may vary their level of participation or terminate their participation in the Plan at any time.

The Plan will commence operation on such date as the Administrators determine. Thereafter the Administrators may determine for which Distributions and Securityholders, if any, the Plan is available.

The specific features of the Plan are explained in more detail below. The Plan Rules are set out on pages **7 to 14** of this booklet.

Who may participate in the Plan

All Securityholders whose registered address is in Australia, New Zealand or Singapore are eligible to participate in the Plan. This includes CDP Account Holders whose registered address is in Australia, New Zealand or Singapore.

A Securityholder whose registered address is outside of Australia, New Zealand or Singapore may only participate in the Plan if the Administrators determine that the issue of Stapled Securities to them under the Plan is lawful and practicable.

Securityholders who are not eligible to participate in the Plan will continue to be paid Distributions as normal.

How to participate in the Plan

To participate in the Plan, you must complete and sign an Election Notice, specifying whether you would like to participate in full or in part, and lodge it with the Registrar (at the address shown on the notice). If you elect to participate in the Plan in part, you must specify the number of your Stapled Securities that are to participate.

The Administrators may at their discretion approve or refuse any Election Notice.

In general, each Election Notice approved by the Administrators will be effective in respect of:

- the first Distribution payment after receipt of the Election Notice, provided that the notice is received by the Registrar before the Record Date for that Distribution; and
- every Distribution thereafter unless superseded by a later Variation Notice or by termination of participation in the Plan, or the Plan has been suspended or terminated.

There are special arrangements for CDP Account Holders (see the ‘CDP Account Holders’ section below).

Level of participation

Securityholders can elect to participate in the Plan in respect of all or part of their holding of Stapled Securities.

Subject to the Plan Rules, Participants may vary their level of participation or terminate their participation in the Plan at any time by completing a Variation Notice and lodging it with the Registrar. A Variation Notice will generally be effective for a particular Distribution if received by the Registrar before the Record Date for that Distribution.

Operation of the Plan

Each participating Securityholder (“**Participant**”) will, on each Distribution payment date, be issued with that whole number equal or rounded down nearest to the number of Stapled Securities (after deducting any withholding tax or other sum to be retained) which the Distribution on that Participant’s Plan Stapled Securities would purchase at the issue price, after applying the discount referred to above.

If there is any residual balance left over after the reinvestment of the Participant’s Distribution on Plan Stapled Securities, the residual balance will, at the election of the Administrators, either be carried forward to the next Distribution or it will be paid to the Participant. No interest will accrue in respect of any residual balances.

CDP Account Holders

CDP Account Holders may participate in the Plan by completing an Election Notice and lodging it with CDP.

In general, an Election Notice by CDP Account Holders electing to participate in the Plan in full will be effective for all Distribution payments after CDP’s receipt of the Election Notice, provided that the notice is received before the relevant Record Date.

CDP Account Holders wishing to participate in the Plan in part will need to refresh their Election Notice for each relevant Distribution by lodging a new Election Notice with CDP before the Record Date for the Distribution. This requirement also applies to CDP Depository Agents wishing to participate in the Plan whether in full or in part.

Any residual balance after the reinvestment of a CDP Participant’s Distribution on Plan Stapled Securities will not be carried forward to the next Distribution but paid to the CDP Participant on the relevant Distribution payment date.

There are also special rules for CDP Account Holders to vary their level of participation in the Plan (see clause 8.3 of the Plan Rules).

Issue price of Stapled Securities under the Plan

Stapled Securities issued under the Plan will be issued at the average of the Volume Weighted Average Price of sales of Stapled Securities on ASX (excluding sales otherwise than in the ordinary course of trading) during the ten trading days (or such other number of trading days as determined by the Administrators) immediately after the Record Date for a relevant Distribution (or such other date as determined by the Administrators), less such discount, if any, as determined by the Administrators, not exceeding five percent.

Plan statements

As soon as practicable after each issue of Stapled Securities under the Plan, each Participant will be sent a statement giving details of the Participant’s participation in the Plan.

Sales of Stapled Securities

Stapled Securities participating in the Plan (“**Plan Stapled Securities**”) or Stapled Securities issued or transferred under the Plan may be sold at any time.

Plan Stapled Securities sold after the Record Date for a relevant Distribution will remain subject to the Plan for that Distribution unless Plan participation has been varied or terminated by the Participant by lodging a Variation Notice prior to the Record Date. If all of a Participant’s Plan Stapled Securities are sold before the Record Date for a Distribution, the Participant will not receive Stapled Securities under the Plan for that Distribution.

A Participant will be deemed to have terminated its participation in the Plan if it disposes of all of its Stapled Securities. Any residual cash balance in the Participant’s Plan account will be paid to the Participant at the time of the next Distribution.

Stapled Securities rank equally

Stapled Securities issued under the Plan will from the date of issue rank equally in all respects with existing Stapled Securities.

Singapore Power International Pte Ltd's participation in the Plan

SP AusNet's majority Securityholder, Singapore Power International Pte Ltd ("**SPI**"), currently intends to participate in the Plan to the extent required to maintain its 51% Stapled Security holding, subject to receipt of confirmation from the Foreign Investment Review Board ("**FIRB**") that FIRB has no objections to SPI's participation in the same.

SPI currently intends, instead of electing to participate in full or in part (as will be the case for all other eligible Securityholders), to specify on its Election Notice that it wishes to participate in the Plan to the extent required to maintain its 51% Stapled Security holding. If necessary, SPI is able to adjust its participation level by lodging a Variation Notice with the Registrar after the Record Date for a Distribution.

ASX and SGT-ST listing

Application will be made promptly for quotation on ASX and on SGX-ST of Stapled Securities issued under the Plan.

Underwriting

The Plan may be fully or partially underwritten from time to time at the discretion of the Administrators.

Costs to Participants

There are no brokerage or other transaction costs payable in respect of Stapled Securities issued under the Plan. Under present law, no stamp or other duties are payable.

Tax considerations

Australian resident Participants

Participants will be liable to include any Distributions reinvested under the Plan in their taxable income on the same basis as if those Distributions had been received in cash.

The Plan statement sent to each Participant as soon as practicable after each issue of Stapled Securities under the Plan will set out, amongst other things, the Distribution payable in respect of the Participant's Plan Stapled Securities. Plan statements should be retained by Participants as a record for tax purposes.

If an Australian resident Securityholder intends to participate in the Plan and has not lodged their Tax File Number (or, in some cases, their Australian Business Number) with Computershare Investor Services Pty Limited by the Record Date for a particular Distribution, Australian withholding tax may be deducted from the Distribution prior to the entitlement to additional Stapled Securities. Information to assist investors to determine the cost base of their Stapled Securities will be provided on SP AusNet's website, www.sp-ausnet.com.au.

If in doubt you should consult your financial adviser. The Administrators do not take responsibility for the tax liabilities of Participants. It is recommended that you obtain professional tax advice on these matters.

All other Participants

All other Participants are advised to make enquiries about their tax liabilities in their country of residence.

The Administrators do not take responsibility for the tax liabilities of Participants. It is recommended that you obtain professional tax advice on these matters.

No withholding tax is payable by non-Australian resident investors on franked dividends in SP AusNet Distribution or SP AusNet Transmission and/or distributions of capital in SP AusNet Finance Trust. All unfranked SP AusNet Distribution or SP AusNet Transmission dividends and/or distributions of SP AusNet Finance Trust income paid to non-Australian resident investors will attract a withholding tax.

To the extent a Distribution is subject to Australian withholding tax (for example in respect of a distribution of unfranked dividends by SP AusNet Distribution or SP AusNet Transmission or the distribution of trust income from SP AusNet Finance Trust), only the balance of the cash dividends in SP AusNet Distribution or SP AusNet Transmission, distribution of SP AusNet Finance Trust income and/or capital in SP AusNet Finance Trust will be applied to subscribe for Stapled Securities pursuant to the terms of the Plan.

Stapling

The Plan will only operate whilst Stapling applies.

Shares in each of SP AusNet Distribution and SP AusNet Transmission and units in SP AusNet Finance Trust may only be issued under the Plan in identical numbers Stapled together.

Modification, suspension and termination of the Plan

Subject to the Plan Rules, the Administrators have the right to modify, suspend or terminate the Plan at any time.

Further information

Further information concerning the operation of the Plan can be obtained from:

For Securityholders holding Stapled Securities quoted on ASX:

Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford VIC 3067
Australia

For CDP Account Holders:

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

You should read the detailed Plan Rules set out on pages **7** to **14** and not rely on this summary. In the event of any inconsistency between the Plan Rules and this summary, the Plan Rules will prevail.

This summary and the Plan Rules do not take into account your individual investment objectives, financial situation, tax position or particular needs. You are encouraged to seek appropriate financial or other professional advice before deciding whether or not to participate in the Plan.

Distribution Reinvestment Plan Rules

1. The Plan

1.1 The Plan and the Plan Rules will commence operation on such date as the Administrators determine.

2. Participation in the Plan

2.1 Participation in the Plan is optional and not transferable.

2.2 All Securityholders whose registered address is in Australia, New Zealand or Singapore are eligible to participate in the Plan.

2.3 CDP Account Holders whose registered address is in Australia, New Zealand or Singapore are eligible to participate in the Plan in respect of Stapled Securities held by CDP on their behalf.

2.4 A Securityholder whose registered address is outside of Australia, New Zealand or Singapore may only participate in the Plan if the Administrators determine that the issue of Stapled Securities to them under the Plan is lawful and practicable. In making this determination, the Administrators may consider, among other things, any actual or anticipated inconvenience or expense in allowing, or investigating the possibility of allowing, such participation.

2.5 If a Securityholder is an officer, employee or contractor of SP AusNet, or an associate of any of these, SP AusNet's Guidelines for Dealing in Securities may apply and if so, that Securityholder may only participate in the Plan in accordance with those Guidelines.

2-5 2.6 A Securityholder who wishes to participate in the Plan must lodge an Election Notice with the Registrar.

2-6 2.7 An Election Notice by joint holders of Stapled Securities must be signed by all joint holders.

2-7 2.8 An Election Notice must be lodged for each Stapled Security holding account, and each Stapled Security holding account of a Securityholder will be treated separately for all purposes under the Plan.

3. Level of participation

3.1 A Securityholder must specify on the Election Notice the extent to which the Securityholder wishes to participate in the Plan in respect of the nominated Stapled Security holding account. Participation may be:

a. full participation for the whole of that Securityholder's holding from time to time however acquired (including Stapled Securities issued under the Plan); or

b. partial participation for a specified number of that Securityholder's Stapled Securities together with Stapled Securities issued under the Plan and any bonus Stapled Securities issued in respect of Plan Stapled Securities. However, if at the Record Date for a Distribution, the number of Stapled Securities held by the Participant is less than the specified number, then the Plan will apply only to that lesser number for that Distribution.

3.2 Notwithstanding clause 3.1, the Administrators may at any time with written notice to Securityholders limit participation in the Plan by limiting the amount of the Distribution that may be reinvested under the Plan.

3.3 If an Election Notice lodged by a Securityholder with the Registrar does not specify the extent of participation in the Plan, it will be deemed to be an election for full participation by that Securityholder.

3.4 SP AusNet records of the level of a Securityholder's participation and the number of Plan Stapled Securities held by a Participant from time to time will be conclusive evidence of the matters so recorded.

4. Acceptance of Election Notices

4.1 The Administrators may approve or refuse any Election Notice, without being bound to give any reason for doing so.

4.2 If the Administrators refuse an Election Notice, the Administrators must notify the Securityholder as soon as practicable that the Election Notice has been refused.

4.3 *For Securityholders other than CDP Account Holders participating in the Plan in part or who are CDP Depository Agents:*

Each Election Notice approved by the Administrators will be effective in respect of:

- a.** the first Distribution payment after receipt of the Election Notice, provided that the notice is received by the Registrar before the Record Date for that Distribution; and
- b.** every Distribution thereafter unless:
 - i.** superseded by a later Variation Notice or by termination of the Participant's participation in the Plan; or
 - ii.** the Plan has been suspended or terminated.

4.4 *For CDP Account Holders participating in the Plan in part or who are CDP Depository Agents:*

Each Election Notice approved by the Administrators will be effective only in respect of the first Distribution payment after receipt of the Election Notice, provided that the notice is received by the Registrar before the Record Date for that Distribution.

A CDP Account Holder wishing to continue its participation in the Plan in respect of a Distribution thereafter must complete a new Election Notice and lodge it with the Registrar before the Record Date for that Distribution payment.

5. Operation of the Plan

- 5.1** Subject to the Constitutions, Distributions on Plan Stapled Securities will, upon payment, be applied by the Administrators on the Participant's behalf in subscribing for additional Stapled Securities.
- 5.2** Any Distributions on Plan Stapled Securities which SP AusNet Distribution, SP AusNet Transmission and the Responsible Entity are entitled or required to retain under the Constitutions or otherwise will not be available to be applied in subscribing for additional Stapled Securities.
- 5.3** If withholding tax is payable in respect of a Distribution, that tax will be deducted and only the balance will be applied in subscribing for additional Stapled Securities.
- 5.4** The Administrators will establish, and the Registrar will maintain, a Plan account for each Stapled Security holding account of each Participant. At the time of each Distribution payment, the Administrators will, for each Participant:
 - a.** determine the Distribution payable in respect of that Participant's Plan Stapled Securities (before any deduction referred to in (b) below);
 - b.** determine (where applicable) the withholding tax deductible in respect of the Distribution, and any other sum the Administrators are entitled or required to retain in respect of the Distribution or the Plan Stapled Securities;
 - c.** credit the amount in (a) above and debit any amount in (b) above to the Participant's Plan account;
 - d.** determine the maximum whole number of additional Stapled Securities that can be acquired under the Plan Rules by using the amount in the Participant's Plan account;
 - e.** subscribe for additional Stapled Securities in the Participant's name and apply the amount in the Participant's Plan account towards and in satisfaction of the issue price for those additional Stapled Securities; and
 - f.** carry forward any residual positive balance or pay it to the Participant in accordance with clause 5.9.

- 5.5** The number of additional Stapled Securities issued to each Participant will be the whole number equal to, or where not a whole number, the nearest whole number below the number calculated by the formula:

$$\frac{D - T + R}{C}$$

where:

- D is the amount of the Distribution payable on the Participant's Plan Stapled Securities as at the Record Date for that Distribution;
- T is any withholding tax deductible in respect of the Distribution and any other sum the Administrators are entitled or required to retain in respect of the Distribution or the Plan Stapled Securities;
- R is the residual positive balance carried forward in the Participant's Plan account (if any); and
- C is the amount (rounded down to the nearest cent) equal to the arithmetic average of the VWAP during each of the ten trading days (or such other number of trading days as determined by the Administrators) immediately after the Record Date (or such other date as determined by the Administrators), less any discount, if any, as determined by the Administrators, not exceeding five percent.
- 5.6** The issue price of a Stapled Security under the Plan will be equal to C in clause 5.5. The issue price of a Stapled Security under the Plan will be broken into three components consisting of the issue price of a share in SP AusNet Distribution, the issue price of a share in SP AusNet Transmission and the application price of a unit in SP AusNet Finance Trust. The issue price of a share in SP AusNet Distribution, a share in SP AusNet Transmission or a unit in the SP AusNet Finance Trust may be nil.
- 5.7** Notwithstanding any other provision of the Plan Rules, no shares or units may be issued under the Plan unless the number of shares in each of SP AusNet Distribution and SP AusNet Transmission and the number of units in SP AusNet Finance Trust are identical and the shares in each of SP AusNet Distribution and SP AusNet Transmission and the units in SP AusNet Finance Trust are Stapled together.
- 5.8** Dividends on shares in each of SP AusNet Distribution and SP AusNet Transmission and distributions on units in SP AusNet Finance Trust will be pooled together for the purpose of calculating a Participant's entitlement to additional Stapled Securities under the Plan.
- 5.9** In relation to each Distribution, the amount of a Participant's Distribution on Plan Stapled Securities not reinvested in Stapled Securities (including amounts representing a fraction of a Stapled Security or a share or a unit as the case may be), subject to the proper withholding of any tax or other sum, at the election of the Administrators, will either be:
- a. recorded as a residual positive balance in the Participant's Plan account and carried forward to the next Distribution (no interest will accrue in respect of any residual positive balance); or
 - b. paid to the Participant without interest.

6. Issue of Stapled Securities

- 6.1** All Stapled Securities to be issued under the Plan will be issued within the time required under the ASX Listing Rules and the applicable listing requirements of the SGX-ST.
- 6.2** All Stapled Securities to be issued under the Plan will from the date of issue rank equally in all respects with existing Stapled Securities.
- 6.3** All Stapled Securities issued to a Participant under the Plan will be registered on the Register.
- 6.4** The Administrators will make application promptly after any issue of Stapled Securities under the Plan for quotation of those Stapled Securities on ASX and on SGX-ST (as applicable), if other Stapled Securities are quoted at that time.

7. Statements to Participants

As soon as practicable after each issue of Stapled Securities under the Plan, the Administrators will send to each Participant, for each Stapled Security holding account, a statement setting out:

- a. for Participants (other than CDP Participants):
 - i. the number of that Participant's Plan Stapled Securities on the Record Date for the relevant Distribution;
 - ii. the Distribution payable in respect of that Participant's Plan Stapled Securities that has been applied in subscribing for additional Stapled Securities;
 - iii. the amount of any withholding tax or other sum the Administrators have retained in respect of the Distribution or the Plan Stapled Securities;
 - iv. the number, issue price and issue date of additional Stapled Securities issued to that Participant under the Plan;
 - v. the number of Stapled Securities (including Plan Stapled Securities) in respect of which that Participant is the registered holder after the issue;
 - vi. the amount of that Participant's residual positive balance, if any; and
- b. for CDP Participants:
 - i. the number of that Participant's Plan Stapled Securities on the Record Date for the relevant Distribution; and
 - ii. the number of additional Stapled Securities issued to that Participant under the Plan, together with any other information included in such statements to CDP Participants from time to time.

8. Variation or termination of participation

8.1 A Participant, other than a CDP Participant, may, by lodging a Variation Notice with the Registrar, either:

- a. increase or decrease the number of the Participant's Plan Stapled Securities; or
- b. terminate the Participant's participation in the Plan.

A Variation Notice must be lodged for each Stapled Security holding account.

8.2 CDP Participants wishing to terminate their participation in the Plan must lodge a Notice of Cancellation with CDP.

8.3 CDP Participants wishing to vary their level of participation in the Plan must lodge:

- a. a Notice of Cancellation with CDP, terminating their participation in the Plan; and
- b. a new Election Notice with CDP, specifying their new level of participation in the Plan.

8.4 If a Securityholder is an officer, employee or contractor of SP AusNet, or an associate of any of these, SP AusNet's Guidelines for Dealing in Securities may apply and if so, subject to clauses 8.6, 8.7 and 8.8, that Securityholder may only vary or terminate their participation in the Plan in accordance with those Guidelines.

8.4 8.5 To be effective for a particular Distribution, a Variation Notice must be received by the Registrar before the Record Date for that Distribution. However, the Administrators may permit a Participant (including SPI) to lodge a Variation Notice with the Registrar after the Record Date for a Distribution, which is effective for that Distribution.

- 8-5** 8.6 If a Participant disposes of all of the Participant's Stapled Securities without giving the Registrar a Variation Notice and is not registered as the holder of any Stapled Securities at the next Record Date, the Participant will be deemed to have terminated its participation in the Plan on the last date when the Registrar registered a transfer of the Participant's Stapled Securities.
- 8-6** 8.7 A CDP Participant participating in the Plan in part or who is a CDP Depository Agent will be deemed to have terminated its participation in the Plan immediately after the Record Date for the first Distribution payment occurring after the Registrar's receipt of the Election Notice. If the CDP Participant wishes to continue to participate in the Plan, it must complete a new Election Notice and lodge it with the Registrar before the Record Date for the following Distribution payment.
- 8-7** 8.8 Where a Participant disposes of part of a holding of Stapled Securities, and does not notify the Registrar otherwise, the Stapled Securities disposed of will, to the extent possible, be taken to be:
- a. first, Stapled Securities which are not Plan Stapled Securities; and
 - b. secondly, Plan Stapled Securities.
- 8-8** 8.9 Where a Participant has terminated or is deemed to have terminated participation in the Plan, any residual cash balance will be paid (in the same manner as if the payment were a Distribution) by cheque at the time the next Distribution is paid.

9. Modification, suspension and termination of the Plan

- 9.1** The Plan may be modified by the Administrators at any time after giving notice in writing to all Participants. A Participant's Plan Stapled Securities continue to participate in the modified Plan unless the Administrators are notified to the contrary by the Participant in accordance with the Plan Rules. A modification of the Plan is effective the day after notice has been given to Participants.
- 9.2** Subject to Clause 9.3, ¶ the Plan may be suspended, recommenced or terminated by the Administrators at any time after giving notice in writing to all Participants. The Administrators may determine for which Distributions and Securityholders, if any, the Plan is available.
- 9.3** If a Director or Senior Manager of SP AusNet is or becomes aware of Inside Information at any time between the announcement of SP AusNet's financial results for a Reporting Period and the date on which additional Stapled Securities are due to be allotted to Participants for Distributions in relation to that Reporting Period, the Administrators must promptly:
- a. disclose the Inside Information to ASX and SGX – ST or, if that is not practicable;
 - b. suspend or terminate the Plan in accordance with the Plan Rules.
- 9-3** 9.4 A suspension, recommencement or termination of the Plan will be effective:
- a. the day after notice has been given to Participants; and
 - b. until such time as the Administrators resolve either to recommence or terminate the Plan.
- 9-4** 9.5 Whilst the Plan is suspended, Distributions on Plan Stapled Securities will not be applied by the Administrators on the Participant's behalf in subscribing for additional Stapled Securities.
- 9-5** 9.6 The accidental omission to give notice of the modification, suspension, recommencement or termination to any Participant, or the non-receipt of any notice under the Plan by any Participant, will not invalidate the modification, suspension, recommencement or termination of the Plan.
- 9-6** 9.7 The Administrators reserve the discretion to waive strict compliance with any provision of the Plan Rules.

10. Administration of the Plan

10.1 The Plan will be administered by the Administrators who have the power to:

- a. determine procedures for the administration of the Plan consistent with the Plan Rules and the Constitutions;
- b. settle in such manner as they think expedient any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the Plan, whether generally or in relation to any Participant or any Stapled Securities, and the determination of the Administrators is to be conclusive and binding on all Participants and other persons to whom the determination relates; and
- c. delegate to any one or more persons, for such period and on such conditions as they may determine, the exercise of any of their powers or discretions arising under the Plan.

10.2 The Administrators may exercise any of their powers or discretions arising under the Plan Rules in any way they consider appropriate, unless these Plan Rules expressly state otherwise, and subject to any applicable laws.

10.3 Notwithstanding any other provision of the Plan Rules, the Plan must be administered in accordance with the ASX Listing Rules, the applicable listing requirements of the SGX-ST and the Constitutions.

11. Underwriting

The Plan may be fully or partially underwritten from time to time at the discretion of the Administrators.

12. No representations or warranties

The Plan relates to the reinvestment of Distributions for which the Administrators have determined that the Plan is available. Neither the Plan nor the Plan Rules contain any warranties or representations regarding the payment of Distributions. Further, the Plan does not in any way restrict the discretion of the Administrators to determine to pay Distributions in accordance with the Constitutions.

13. Costs to Participants

No brokerage, commission or other transaction costs will be payable by Participants in respect of Stapled Securities issued under the Plan. However, a Participant assumes liability for any taxes, stamp duty or other imposts assessed against or imposed on the Participant.

14. Participants to be bound

Participants are at all times bound by the Plan Rules.

15. Stapling

If Stapling ceases to apply, this Plan will terminate automatically.

16. Notices

All communications by the Administrators to eligible Securityholders or Participants under the Plan Rules will be given in accordance with the notice provisions of the Constitutions.

17. Governing law

These Plan Rules shall be governed by and construed in accordance with the laws of the State of Victoria and the Commonwealth of Australia.

18. Definitions and interpretation

18.1 When used in these Plan Rules, unless the context otherwise indicates:

Administrators means the administrators of the Plan, being the directors of SP AusNet Distribution and SP AusNet Transmission in relation to shares in SP AusNet Distribution and SP AusNet Transmission and the directors of the Responsible Entity in relation to units in SP AusNet Finance Trust.

ASX means ASX Limited or the market conducted by it as the context requires.

ASX Listing Rules means the official listing rules of ASX as modified by ASX from time to time.

ASX Market Rules means the operating rules of ASX as modified by ASX from time to time.

CDP means The Central Depository (Pte) Limited.

CDP Account Holder means a registered holder of a direct securities account with CDP that is credited with Stapled Securities (including a CDP Depository Agent).

CDP Depository Agent means a person approved as a depository agent by CDP and holding a securities account with CDP on behalf of sub-account holders that is credited with Stapled Securities.

CDP Participant means a CDP Account Holder whose election to participate in the Plan in respect of a particular Stapled Security holding account has been approved by the Administrators.

Constitutions means the constitutions of each of SP AusNet Distribution and SP AusNet Transmission and the trust deed establishing SP AusNet Finance Trust, each as amended from time to time.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Director means a director as defined in the *Corporations Act*.

Distribution means a dividend in respect of a share in SP AusNet Distribution and a share in SP AusNet Transmission and a distribution in respect of a unit in SP AusNet Finance Trust.

Election Notice means an application to participate in the Plan in respect of a particular Stapled Security holding account in a form (which may include an electronic form), that the Administrators from time to time approve.

FIRB means the Foreign Investment Review Board in Australia.

Inside Information means inside information as defined in Part 7.10 of the *Corporations Act* in relation to SP AusNet.

Participant means an eligible Securityholder whose election to participate in the Plan in respect of a particular Stapled Security holding account has been approved by the Administrators.

Plan means the SP AusNet Distribution Reinvestment Plan, the terms of which are set out in the Plan Rules.

Plan Rules means the rules of the Plan outlined in this booklet, as modified from time to time.

Plan Stapled Securities means the Stapled Securities in a particular Stapled Security holding account which are specified by a Participant as participating in the Plan.

Record Date means the date and time, as determined by the Administrators, at which a person holds or is taken to hold Stapled Securities for the purposes of determining Distribution entitlements.

Register means the registers maintained by or on behalf of SP AusNet.

Registrar means such registrar (or registrars) as may be appointed by SP AusNet from time to time (including, in relation to Stapled Securities quoted on SGX-ST, CDP).

Reporting Period means a financial reporting period ending on either 30 September or 31 March in any year.

Responsible Entity means SP Australia Networks (RE) Ltd (ABN 46 109 977 371) in its capacity as responsible entity of SP AusNet Finance Trust and also means any subsequent responsible entity of SP AusNet Finance Trust from time to time.

Securityholder means:

- a. a person registered on the Register as the holder of Stapled Securities; or
- b. a CDP Account Holder.

Senior Manager means a senior manager as defined in the *Corporations Act*.

SGX-ST means the Singapore Exchange Securities Trading Limited or the market conducted by it as the context requires.

SP AusNet means SP AusNet Distribution, SP AusNet Transmission and SP AusNet Finance Trust.

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

SP AusNet Finance Trust means SP Australia Networks (Finance) Trust (ARSN 116 783 914).

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

SPI means Singapore Power International Pte Ltd.

Stapled means the linking together of a share in SP AusNet Distribution, a share in SP AusNet Transmission and a unit in SP AusNet Finance Trust so that any one may not be transferred or otherwise dealt with without the others as provided under the Stapling Deed and the Constitutions.

Stapled Security means one share in SP AusNet Distribution, one share in SP AusNet Transmission and one unit in SP AusNet Finance Trust which are Stapled together.

Stapling means the linking process that results in each share in SP AusNet Distribution, share in SP AusNet Transmission and unit in SP AusNet Finance Trust being and remaining Stapled to each other.

Stapling Deed means the stapling deed in relation to SP AusNet dated 19 October 2005 between SP AusNet Distribution, SP AusNet Transmission and the Responsible Entity.

Variation Notice means a notice in a form (which may include an electronic form) that the Administrators from time to time approve by which a Participant may vary or terminate their participation in the Plan (including a '**Notice of Cancellation**' in relation to CDP Account Holders who wish to terminate their participation in the Plan).

Volume Weighted Average Price or **VWAP** means the daily volume weighted average market price for all Stapled Securities sold on the ASX automated trading system, excluding Stapled Securities which are sold otherwise than in the ordinary course of trading (which include transactions defined in the ASX Market Rules as special crossings, crossings prior to the commencement of the open session state, portfolio special crossings, equity combinations, crossings during overnight trading, overseas trades or trades pursuant to the exercise of options over Stapled Securities) and any other sales that the Administrators determine should be excluded on the basis that they are not fairly reflective of genuine supply and demand.

18.2 Unless the context otherwise indicates, a reference in these Plan Rules to:

- a. the word "person" includes a corporation;
- b. the singular includes the plural and vice versa; and
- c. the words "include", "including", "for example" or "such as", when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

18.3 Headings are for convenience only and do not affect interpretation.

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