



SP AusNet™
A member of Singapore Power Group

1 June 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 dated 31 May 2010 and provide the following responses to your questions:

1. *Please explain why, despite the assurances provided in responses to previous ASX Query Letters, the Appendix 3Y was lodged late.*

SP AusNet was late in lodging the Appendix 3Y for Mr Ho Tian Yee as Mr Ho had not been aware that Singapore Telecommunications Limited is a company in which shares are deemed to be relevant interests disclosable under the ASX Listing Rules and the Australian Corporations Act.

This has been explained more comprehensively to Mr Ho, and he has assured the Company that he will henceforth advise us of any change in interests deemed to be relevant interests.

Given the unusual circumstances of the Singapore-based directors of SP AusNet, in which there are many Singapore companies whose shares are deemed to constitute relevant interests due to the common ultimate holding company being Temasek, we have reiterated the importance to those Directors, particularly, of ensuring that any shareholding in a Singapore company should carefully be considered to ensure compliance with Australian disclosure laws.

2. *Please reconfirm the arrangements the Company has in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?*

SP AusNet reconfirms that it has the following arrangements in place in order to achieve compliance with Listing Rule 3.19A:

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

- SP AusNet has a written agreement in place with each Director, requiring him or her to notify SP AusNet of any changes in his relevant interest within three business days of the change;
- SP AusNet has in place Guidelines for Dealing in Securities which specify the circumstances under which dealings in SP AusNet securities are permitted during "trading windows" (subject always to restrictions relating to inside information) except under special circumstances and with prior approval;
- on a quarterly basis, an updated list of subsidiaries of Temasek Holdings (Private) Limited (SP AusNet's ultimate parent) is circulated to the Directors so that they can each confirm that there has been no change to their holdings since their last declaration; and
- any breach of disclosure requirements is highlighted to both the SP AusNet Compliance Committee and Board and discussed at the following meeting.

These arrangements have been reiterated to the Directors in writing.

3. *If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?*

In light of the recent late lodgement of an Appendix 3Y, the following measures have been taken to ensure future compliance with listing rule 3.19B:

- a Board training session, to be conducted at the next Board meeting in July 2010, has been arranged at which Ms Priscilla Bryans, a Partner of Freehills and head of the firm's Head Office Advisory Team, will remind Directors of the ASX Listing Rules and the Corporations Act provisions relevant to this obligation, and the consequences of their breach; and
- all Directors have again been reminded (in writing) of their obligations.

In addition, at the commencement of each trading window, Directors are reminded of their obligations pursuant to section 205G of the Corporations Act and SP AusNet's obligations under listing rules 3.19A and 3.19B.

We trust that the above steps demonstrate that SP AusNet has reinforced its measures and plans in place to achieve compliance with Listing Rule 3.19A.

Yours sincerely,



Susan Taylor

General Counsel & Company Secretary