

10 December 2007

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**TO:** ASX Limited  
Singapore Exchange Securities Trading Limited

## Notification of Cancellation of General Meeting

Notice is hereby given that the general meeting of SP Australia Networks (Distribution) Ltd, SP Australia Networks (Transmission) Ltd and SP Australia Networks (Finance) Trust ("SP AusNet") scheduled for 10.00am on Tuesday 11 December 2007 has been cancelled.

The SP AusNet Board has decided not to proceed with the proposed acquisition of the Alinta assets and businesses from its majority securityholder Singapore Power International Pte Ltd ("SPI").

The Board has noted the ongoing deterioration in capital markets, in particular debt capital markets, since the Explanatory Memorandum was released. Current conditions would have a material impact on the overall transaction metrics, as well as SP AusNet's ability to achieve the forecasts provided in the Explanatory Memorandum.

The Board and its financial advisers, Pacific Road, therefore consider it is no longer in the best interests of SP AusNet to proceed with the transaction.

SP AusNet Chairman, Mr Ng Kee Choe, said, "The management team has spent considerable time with our existing and potential new securityholders since the release of the Explanatory Memorandum in November and the Board acknowledges that investors have had mixed views on the proposed acquisition. However, had the capital market conditions been more favourable for raising fresh debt and equity capital the Board would have proceeded to the securityholder vote."

"Obviously we are disappointed with this outcome. However, the strong fundamentals of our existing business position us well for future growth and we aim to continue to provide a stable and sustainable investment for securityholders today and into the future," Mr Ng said.

"While the decision to not proceed was a difficult one, it reflects an open, rigorous and transparent process", said Mr Ian Renard, Chairman of the Independent Directors' Committee.

The 2007/08 and 2008/09 forecasts provided in the Explanatory Memorandum for the existing SP AusNet business remain applicable. However, SP AusNet has incurred a portion of the costs of the transaction, estimated at approximately \$26 million (per page 17 of the Explanatory Memorandum), which will be expensed to the profit and loss in the 2007/08 full year financial statements.

SP AusNet Managing Director, Mr Nino Ficca, said, "Our investors can be sure that the focus of the SP AusNet management team will be on continuing to deliver value from our high quality regulated assets through organic growth, operating efficiencies and delivering on the forecasts outlined for SP AusNet in the Explanatory Memorandum."

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SP AusNet and SPI have, throughout the transaction, been impressed with the benefits which could accrue to the two groups in streamlining and optimising business and operational processes. The two groups will continue to work together to ensure that mutual benefits are realised.

SPI has advised that for the time being, it will manage the Alinta assets as a separate entity and will continue to work closely with SP AusNet to achieve synergies and explore growth opportunities for SP AusNet going forward.

SP AusNet maintains its 2007/08 full year distribution guidance of 11.55 Australian cents per security.

**Elizabeth Mildwater**  
Company Secretary

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**SP AusNet**

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SP Australia Networks (Transmission) Ltd  
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SP Australia Networks (Finance) Trust  
ARSN 116 783 914

SP Australia Networks (RE) Ltd  
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