

10 July 2013

TO: ASX Limited
Singapore Exchange Securities Trading Limited

Letter to Securityholders

Attached is a Letter to Securityholders, which is being sent to ASX and SGX-ST securityholders.

Susan Taylor
Company Secretary

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SP AusNet

SP Australia Networks (Distribution) Ltd
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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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Dear Securityholder,

As we announced to the market on 17 May, 2013, Singapore Power Limited has 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.

As at the date of this letter, the transaction remains subject to a number of conditions, including regulatory approvals from the Foreign Investment Review Board and the ACCC.

The Board is presently considering a number of implications which arise from this transaction. Amongst these is a possible restructure of the composition of the Board, the efficacy of retaining arrangements under which management of SP AusNet is provided by Singapore Power, and branding consequences. This will take time. However, the Board will carefully and thoroughly consider all implications and options.

Any consequential decisions will be made only after all the conditions to which the SGID transaction is subject are satisfied.

In the unlikely event that the SGID transaction is completed and material decisions are made prior to SP AusNet's Annual General Meeting (AGM) on 18 July 2013, those decisions will be communicated to the market and at the AGM. Otherwise, once the SGID transaction is completed, material Board decisions will be communicated to the market promptly.

In the meantime, we do not foresee that the transaction will have any material impact on the day-to-day operations of SP AusNet. The Board and management will work towards ensuring that the transition to the new ownership structure occurs smoothly and that the market is kept appropriately informed.

Kind regards,



Ng Kee Choe
Chairman

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