

# Keppel Infrastructure Trust

(Business Trust Registration Number: 2007001)  
(Constituted in the Republic of Singapore as a business trust pursuant to a trust deed dated 5 January 2007 (as amended))

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## ANNOUNCEMENT

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Basslink Pty Ltd ("**Basslink**"), a wholly-owned subsidiary of Keppel Infrastructure Trust ("**KIT**"), had announced on 28 March 2018 that a third-party contractor damaged a piece of equipment during routine maintenance works which resulted in a service outage (the "**2018 Outage**"). The Basslink interconnector ("**Basslink Interconnector**") returned to service on 5 June 2018. Keppel Infrastructure Fund Management Pte. Ltd. ("**KIFM**" or "**KIT Trustee-Manager**"), in its capacity as trustee-manager of KIT had stated in KIT's unaudited results for the second quarter and half year ended 30 June 2018 on 17 July 2018 that Basslink was working with the insurers to claim for the physical loss and damage as well as time element loss in relation to the 2018 Outage. The 2018 Outage is unrelated to the outage of the Basslink Interconnector that occurred on 20 December 2015 and the ongoing dispute with the State of Tasmania.

Basslink did not receive facility fees for the period of the 2018 Outage, but an advance payment of A\$4.1 million had been made by the insurer to Basslink in July 2018 for business interruption loss. As Hydro Tasmania ("**HT**") does not accept the 2018 Outage was a force majeure event, HT did not pay Basslink the full facility fees from July to August 2018.

As a result of the above, an entity that serves as a finance company for the Basslink group of companies, Nexus Australia Management Pty Ltd in its capacity as trustee of the Premier Finance Trust Australia ("**Borrower**"), is unable to meet the minimum debt service coverage ratio ("**DSCR**") under the project financing ("**Project Financing**") for the Basslink Interconnector between the group of commercial bank financiers ("**Financiers**") and the Borrower, thus resulting in a default under the Project Financing.

Following HT's resumption of payment of the full facility fees from September 2018, the Borrower expects to meet the minimum DSCR under the Project Financing by September 2019 as the DSCR is computed on a trailing 12-month basis.

As previously disclosed, discussions have been ongoing with the Financiers on the subsisting defaults under the Project Financing. To date, the Borrower remains current on the debt service and all payments due under the Project Financing have been fulfilled.

As there is no contractual recourse to KIT under the Project Financing and KIT does not rely on BPL's cash flows for its distributions, the above-mentioned update is not expected to have any material financial impact on the distribution per unit of KIT for the financial year ending 31 December 2018.

The Trustee-Manager will update unitholders as and when there are material developments on this matter.

**BY ORDER OF THE BOARD**  
**KEPPEL INFRASTRUCTURE FUND MANAGEMENT PTE. LTD.**  
**(Company Registration Number: 200803959H)**  
**As Trustee-Manager of Keppel Infrastructure Trust**

20 November 2018