Media statement

12 November 2021

Basslink Enters Voluntary Administration

Companies in the Basslink group[1] (Basslink) have entered voluntary administration, with the directors of those companies appointing EY representatives Adam Nikitins, Stewart McCallum and Colby O'Brien as voluntary administrators.

Basslink owns and operates an HVDC interconnector connecting Tasmania to the national electricity market. The interconnector enhances security of supply on both sides of Bass Strait; assists in protecting Tasmania against the risk of drought-constrained energy shortages while providing Victoria and southern states with secure renewable energy during times of peak demand. The Basslink Interconnector is one of the world's longest submarine power cables and amongst the best performing HVDC Interconnectors globally, when benchmarked against other systems by CIGRE.

Basslink Chief Executive Malcolm Eccles said that while today's decision was difficult, it was made with the long-term interests of Basslink, its creditors and employees in mind. It follows ongoing disputes with its customer Hydro Tasmania and an unsuccessful sale process with APA.

"Basslink has operated in a highly challenging environment for some time," said Mr Eccles.

"Given the issues as a result of the cessation of discussions with APA and the ongoing disputes with Hydro Tasmania, it felt that Administration was the best way to effect change while protecting all stakeholders.

"Basslink emphasises that it has always worked in good faith to progress the implementation of the arbitration awards and to progress the matters under the Standstill Agreement, which included engaging the State and Hydro Tasmania with several proposals for a resolution of issues and proposed repayment plans.

"Regrettably, against the backdrop of many issues and having exhausted options, Basslink needed to take proactive action to put Basslink in the best possible position to navigate forward through these challenges."

"We know this is a challenging time for our small team and their wellbeing will continue to be at the front of our minds throughout the voluntary administration process," said Mr Eccles.

[1] The Basslink group companies that have entered administration are: Coral Holdings Australia Pty Ltd, Nexus Australia Management Pty Ltd, Nexus Investments Australia Pty Ltd, Basslink Australia GP Pty Ltd, Basslink Pty Ltd and Basslink Telecoms Pty Ltd.

"The Basslink Interconnector continues to operate efficiently and reliably, connecting Tasmania to the national electricity market. We continue to serve the communities of Tasmania and Victoria, providing a reliable and sustainable source of energy."

Mr Nikitins said that the administrators will undertake a preliminary review and assessment of the Basslink's operations.

"Over the coming weeks we will be seeking to assess the best options for the business with a view to restructuring it for a more sustainable future," said Mr Nikitins.

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For further information, please contact:

Matthew Mahon, RoyceComm, 0413 101 860 or matthew@royce.com.au

About Basslink www.basslink.com.au

The Basslink Interconnector enhances security of supply on both sides of Bass Strait; assists in protecting Tasmania against the risk of drought-constrained energy shortages while providing Victoria and southern states with secure renewable energy during times of peak demand. The Basslink Interconnector is the world's second longest undersea electricity cable. Owned by Keppel Infrastructure Trust, Basslink delivers excellence in the areas of safety, reliability and performance.

Basslink has a number of fibre optic assets which carry high speed telecommunication traffic. Basslink Telecoms offers a range of wholesale transmission services between Tasmania and Victoria.