CITYSPRING INFRASTRUCTURE TRUST

(Business Trust Registration No. 2007001)

Settlement of Basslink Disputes

CitySpring Infrastructure Management Pte. Ltd., as trustee-manager of CitySpring Infrastructure Trust ("**CIT**"), has settled all outstanding disputes between Basslink Pty Ltd ("**BPL**"), CIT's wholly-owned subsidiary, and Hydro Electric Corporation (also known as Hydro Tasmania, "**HT**") concerning the implementation of the "dynamic protocol" to the Basslink interconnector (as described further below).

Basslink

BPL owns and operates an electricity cable known as the Basslink interconnector, which runs from Victoria by undersea cable beneath Bass Strait to Tasmania in Australia, pursuant to a long-term agreement known as the Basslink Services Agreement ("**BSA**") entered into with HT.

Disputes

As CIT had previously announced, between December 2012 and January 2014, BPL implemented a certain protocol for operating the Basslink interconnector ("dynamic protocol"). HT alleged that the dynamic protocol was in breach of the BSA and sought to issue a default notice under the BSA.

BPL obtained an injunction preventing HT from issuing such default notice pending resolution of the issue, and certain other outstanding disputes between BPL and HT under the BSA, by arbitration. BPL issued the usual undertaking as to damages (in this case, up to A$5 million) in connection with the grant of the injunction.

In his awards issued in January 2014, the arbitrator, Mr Murray Gleeson AC QC, the former Chief Justice of Australia, found in favour of BPL on all disputes but one – he found that the dynamic protocol was in breach of the BSA. Subsequent to the awards, given Mr Gleeson's finding regarding the dynamic protocol, HT notified BPL that it would seek to recover damages and costs in respect of the injunction proceedings.

Settlement

BPL and HT have agreed to settle all disputes relating to the dynamic protocol (including the injunction proceedings). Pursuant to the settlement agreement, BPL has paid HT A$6 million, HT will release the A$5 million bank guarantee and each of BPL and HT agrees to release the other from any claim which it may have against the other in connection with the disputes.

By Order of the Board of
CitySpring Infrastructure Management Pte. Ltd.
as trustee-manager of
CitySpring Infrastructure Trust

Susanna Cher
Company Secretary
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Singapore

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