

19 May 2014



TO: ASX Limited
Singapore Exchange Securities Trading Limited

Distribution Reinvestment Plan Updated Rules and Securityholder Communications

Enclosed is an announcement made by SP AusNet which is provided for the information of SPI Electricity & Gas Australia Holdings Pty Ltd noteholders.

Susan Taylor
Company Secretary

19 May 2014

Distribution Reinvestment Plan Updated Rules and Securityholder Communications

Please find attached the following documents relating to SP AusNet's Distribution Reinvestment Plan (DRP):

1. Updated DRP Rules and Summary (DRP Booklet);
2. Letter to ASX securityholders;
3. Letter to SGX-ST securityholders; and
4. Entitlement Advice for SGX-ST securityholders.

Items 2, 3 and 4 are being sent to securityholders in Australia, New Zealand, Singapore and Hong Kong, as applicable:

Susan Taylor
Company Secretary

For further information contact:

Investor Relations
John Nicolopoulos
Manager, Investor Relations
+61 3 9695 6301 or +61 409 672 912

Media Relations
Jonathan Geddes
Corporate Relations
+61 3 9695 6401 or +61 410 573 278

SP AusNet

SP Australia Networks (Distribution) Ltd
ABN 37 108 788 245

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

Level 31
2 Southbank Boulevard Southbank
Victoria 3006 Australia

Locked Bag 14051
Melbourne City Mail Centre
Victoria 8001 Australia

Tel: +61 3 9695 6000
Fax: +61 3 9695 6666

Distribution Reinvestment Plan



SP Australia Networks (Distribution) Ltd (“**SP AusNet Distribution**”)
SP Australia Networks (Transmission) Ltd (“**SP AusNet Transmission**”)
SP Australia Networks (Finance) Trust (“**SP AusNet Finance Trust**”)
SP Australia Networks (RE) Ltd in its capacity as responsible entity
of SP AusNet Finance Trust (“**Responsible Entity**”)

Contents

Summary of the Distribution Reinvestment Plan	3
Distribution Reinvestment Plan Rules	7

Disclaimer

This booklet does not constitute an offer of securities and does not give the right to any person to invest in securities in any jurisdiction in which it would not be lawful to make such an offer or give such a right.

This is not investment or financial product advice and does not take into account your individual investment objectives, financial situation, tax position or particular needs. You should consult your financial or other professional adviser before deciding whether or not to participate in the Plan.

Important information for Hong Kong securityholders

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. If your registered address is in Hong Kong, you are advised to exercise caution in relation to the Plan. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

This document does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document which contains an invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this document in Hong Kong, other than to persons who are “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder or in other circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Securities and Futures Ordinance; and no person may issue or have in its possession for the purposes of issue, this document or any advertisement, invitation or document relating to the Plan, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to the Plan that are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder.

This document is for the exclusive use of Securityholders in connection with the Plan, and no steps have been taken to register or seek authorisation for the issue of this document in Hong Kong.

No person to whom a copy of this document is issued or accessed may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this document to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with the consideration of the Plan.

As at 15 May 2014, there were less than 20 SP AusNet securityholders with registered addresses in Hong Kong.

Terms and abbreviations

All terms and abbreviations used in this booklet are defined in clause 18 of the Plan Rules.

Summary of the Distribution Reinvestment Plan

The Plan

The SP AusNet Distribution Reinvestment Plan (“**Plan**”) provides holders of SP AusNet Stapled Securities (“**Securityholders**”) with a convenient method of reinvesting all or part of their distributions (“**Distributions**”) in additional Stapled Securities.

The Plan will be administered by the directors of SP AusNet Distribution, SP AusNet Transmission and the Responsible Entity (together, the “**Administrators**”).

If a Securityholder elects to participate in the Plan, on each Distribution payment date, all or part of the Distribution otherwise payable on the Securityholder’s Stapled Securities participating in the Plan will be automatically reinvested in additional Stapled Securities.

These Stapled Securities will be issued at the average of the Volume Weighted Average Price of sales of Stapled Securities on ASX (or such other trading systems as the Administrators may determine) during the ten trading days (or such other number of trading days as determined by the Administrators) immediately after the Plan Election Date for a relevant Distribution (or such other date as determined by the Administrators), less such discount, if any, as determined by the Administrators not exceeding five percent.

Securityholders may elect to participate in the Plan in respect of all or part of their holding of Stapled Securities.

They may vary their level of participation or terminate their participation in the Plan at any time.

The Plan will commence operation on such date as the Administrators determine. Thereafter the Administrators may determine for which Distributions and Securityholders, if any, the Plan is available.

The specific features of the Plan are explained in more detail below. The Plan Rules are set out on pages **7** to **14** of this booklet. • • •

Who may participate in the Plan

All Securityholders whose registered address is in Australia, New Zealand, Singapore or Hong Kong are eligible to participate in the Plan. This includes CDP Account Holders whose registered address is in Australia, New Zealand, Singapore or Hong Kong.

A Securityholder whose registered address is outside of Australia, New Zealand, Singapore or Hong Kong may only participate in the Plan if the Administrators determine that the issue of Stapled Securities to them under the Plan is lawful and practicable.

Securityholders who are not eligible to participate in the Plan will continue to be paid Distributions as normal.

How to participate in the Plan

To participate in the Plan, you must complete and sign an Election Notice, specifying whether you would like to participate in full or in part, and lodge it with the Registrar (at the address shown on the notice). If you elect to participate in the Plan in part, you must specify the number of your Stapled Securities that are to participate.

The Administrators may at their discretion approve or refuse any Election Notice.

In general, each Election Notice approved by the Administrators will be effective in respect of:

- the first Distribution payment after receipt of the Election Notice, provided that the notice is received by the Registrar before the Plan Election Date for that Distribution; and
- every Distribution thereafter unless superseded by a later Variation Notice or by termination of participation in the Plan, or the Plan has been suspended or terminated.

There are special arrangements for CDP Account Holders (see the ‘CDP Account Holders’ section below).

Level of participation

Securityholders can elect to participate in the Plan in respect of all or part of their holding of Stapled Securities.

Subject to the Plan Rules, Participants may vary their level of participation or terminate their participation in the Plan at any time by completing a Variation Notice and lodging it with the Registrar. A Variation Notice will generally be effective for a particular Distribution if received by the Registrar before the Plan Election Date for that Distribution.

Operation of the Plan

Each participating Securityholder ("**Participant**") will, on each Distribution payment date, be issued with that whole number equal or rounded down nearest to the number of Stapled Securities (after deducting any withholding tax or other sum to be retained) which the Distribution on that Participant's Plan Stapled Securities would purchase at the issue price, after applying the discount referred to above.

If there is any residual balance left over after the reinvestment of the Participant's Distribution on Plan Stapled Securities, the residual balance will, at the election of the Administrators, either be carried forward to the next Distribution or it will be paid to the Participant. No interest will accrue in respect of any residual balances.

CDP Account Holders

CDP Account Holders may participate in the Plan by completing an Election Notice and lodging it with CDP.

In general, an Election Notice by CDP Account Holders electing to participate in the Plan in full will be effective for all Distribution payments after CDP's receipt of the Election Notice, provided that the notice is received before the relevant Plan Election Date.

CDP Account Holders wishing to participate in the Plan in part will need to refresh their Election Notice for each relevant Distribution by lodging a new Election Notice with CDP before the Plan Election Date for the Distribution. This requirement also applies to CDP Depository Agents wishing to participate in the Plan whether in full or in part.

Any residual balance after the reinvestment of a CDP Participant's Distribution on Plan Stapled Securities will not be carried forward to the next Distribution but paid to the CDP Participant on the relevant Distribution payment date.

There are also special rules for CDP Account Holders to vary their level of participation in the Plan (see clause 8.3 of the Plan Rules).

Issue price of Stapled Securities under the Plan

Stapled Securities issued under the Plan will be issued at the average of the Volume Weighted Average Price of sales of Stapled Securities on ASX or such other trading systems as the Administrators may determine (excluding sales otherwise than in the ordinary course of trading) during the ten trading days (or such other number of trading days as determined by the Administrators) immediately after the Plan Election Date for a relevant Distribution (or such other date as determined by the Administrators), less such discount, if any, as determined by the Administrators, not exceeding five percent.

Plan statements

As soon as practicable after each issue of Stapled Securities under the Plan, each Participant will be sent a statement giving details of the Participant's participation in the Plan.

Sales of Stapled Securities

Stapled Securities participating in the Plan ("**Plan Stapled Securities**") or Stapled Securities issued or transferred under the Plan may be sold at any time.

Plan Stapled Securities sold after the Record Date for a relevant Distribution will remain subject to the Plan for that Distribution unless Plan participation has been varied or terminated by the Participant by lodging a Variation Notice prior to the Plan Election Date for that Distribution. If all of a Participant's Plan Stapled Securities are sold before the Record Date for a Distribution, the Participant will not receive Stapled Securities under the Plan for that Distribution.

A Participant will be deemed to have terminated its participation in the Plan if it disposes of all of its Stapled Securities. Any residual cash balance in the Participant's Plan account will be paid to the Participant at the time of the next Distribution.

Stapled Securities rank equally

Stapled Securities issued under the Plan will from the date of issue rank equally in all respects with existing Stapled Securities.

Singapore Power International Pte Ltd's participation in the Plan

A major Securityholder, Singapore Power International Pte Ltd ("SPI"), currently intends to participate in the Plan to the extent required to maintain its 31.1% Stapled Security holding.

SPI currently intends, instead of electing to participate in full or in part (as will be the case for all other eligible Securityholders, other than SGIAD), to specify on its Election Notice that it wishes to participate in the Plan to the extent required to maintain its 31.1% Stapled Security holding. If necessary, SPI is able to adjust its participation level by lodging a Variation Notice with the Registrar after the Plan Election Date for a Distribution.

State Grid International Australia Development Company Limited's participation in the Plan

A major Securityholder, State Grid International Australia Development Company Limited ("SGIAD"), currently intends to participate in the Plan to the extent required to maintain its 19.9% Stapled Security holding.

SGIAD currently intends, instead of electing to participate in full or in part (as will be the case for all other eligible Securityholders, other than SPI), to specify on its Election Notice that it wishes to participate in the Plan to the extent required to maintain its 19.9% Stapled Security holding. If necessary, SGIAD is able to adjust its participation level by lodging a Variation Notice with the Registrar after the Plan Election Date for a Distribution.

ASX and SGT-ST listing

Application will be made promptly for quotation on ASX and on SGX-ST of Stapled Securities issued under the Plan.

Underwriting

The Plan may be fully or partially underwritten from time to time at the discretion of the Administrators.

Costs to Participants

There are no brokerage or other transaction costs payable in respect of Stapled Securities issued under the Plan.

Under present law, no stamp or other duties are payable.

Tax considerations

Australian resident Participants

Participants will be liable to include any Distributions reinvested under the Plan in their taxable income on the same basis as if those Distributions had been received in cash.

The Plan statement sent to each Participant as soon as practicable after each issue of Stapled Securities under the Plan will set out, among other things, the Distribution payable in respect of the Participant's Plan Stapled Securities.

Plan statements should be retained by Participants as a record for tax purposes.

If an Australian resident Securityholder intends to participate in the Plan and has not lodged their Tax File Number (or, in some cases, their Australian Business Number) with Computershare Investor Services Pty Limited by the Record Date for a particular Distribution, Australian withholding tax may be deducted from the Distribution prior to the entitlement to additional Stapled Securities. Information to assist investors to determine the cost base of their Stapled Securities will be provided on SP AusNet's website, www.sp-ausnet.com.au.

If in doubt you should consult your financial adviser. The Administrators do not take responsibility for the tax liabilities of Participants. It is recommended that you obtain professional tax advice on these matters.

All other Participants

All other Participants are advised to make enquiries about their tax liabilities in their country of residence.

The Administrators do not take responsibility for the tax liabilities of Participants. It is recommended that you obtain professional tax advice on these matters.

No withholding tax is payable by non-Australian resident investors on franked dividends in SP AusNet Distribution or SP AusNet Transmission and/or distributions of capital in SP AusNet Finance Trust. All unfranked SP AusNet Distribution or SP AusNet Transmission dividends and/or distributions of SP AusNet Finance Trust income paid to non-Australian resident investors will attract a withholding tax.

To the extent a Distribution is subject to Australian withholding tax (for example in respect of a distribution of unfranked dividends by SP AusNet Distribution or SP AusNet Transmission or the distribution of trust income from SP AusNet Finance Trust), only the balance of the cash dividends in SP AusNet Distribution or SP AusNet Transmission, distribution of SP AusNet Finance Trust income and/or capital in SP AusNet Finance Trust will be applied to subscribe for Stapled Securities pursuant to the terms of the Plan.

Stapling

The Plan will only operate whilst Stapling applies.

Shares in each of SP AusNet Distribution and SP AusNet Transmission and units in SP AusNet Finance Trust may only be issued under the Plan in identical numbers Stapled together.

Modification, suspension and termination of the Plan

Subject to the Plan Rules, the Administrators have the right to modify, suspend or terminate the Plan at any time.

Further information

Further information concerning the operation of the Plan can be obtained from:

For Securityholders holding Stapled Securities quoted on ASX:

Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford VIC 3067
Australia

For CDP Account Holders:

The Central Depository (Pte) Limited
9 North Buona Vista Drive,
#01-19/20 The Metropolis,
Singapore 138588

You should read the detailed Plan Rules set out on pages **7** to **14** and not rely on this summary. In the event of any inconsistency between the Plan Rules and this summary, the Plan Rules will prevail.

This summary and the Plan Rules do not take into account your individual investment objectives, financial situation, tax position or particular needs. You are encouraged to seek appropriate financial or other professional advice before deciding whether or not to participate in the Plan.

Distribution Reinvestment Plan Rules

1. The Plan

- 1.1 The Plan and the Plan Rules will commence operation on such date as the Administrators determine.

2. Participation in the Plan

- 2.1 Participation in the Plan is optional and not transferable.
- 2.2 All Securityholders whose registered address is in Australia, New Zealand, Singapore or Hong Kong are eligible to participate in the Plan.
- 2.3 CDP Account Holders whose registered address is in Australia, New Zealand, Singapore or Hong Kong are eligible to participate in the Plan in respect of Stapled Securities held by CDP on their behalf.
- 2.4 A Securityholder whose registered address is outside of Australia, New Zealand, Singapore or Hong Kong may only participate in the Plan if the Administrators determine that the issue of Stapled Securities to them under the Plan is lawful and practicable. In making this determination, the Administrators may consider, among other things, any actual or anticipated inconvenience or expense in allowing, or investigating the possibility of allowing, such participation.
- 2.5 If a Securityholder is an officer, employee or contractor of SP AusNet, or an associate of any of these, SP AusNet's Guidelines for Dealing in Securities may apply and if so, that Securityholder may only participate in the Plan in accordance with those Guidelines.
- 2.6 A Securityholder who wishes to participate in the Plan must lodge an Election Notice with the Registrar.
- 2.7 An Election Notice by joint holders of Stapled Securities must be signed by all joint holders.
- 2.8 An Election Notice must be lodged for each Stapled Security holding account, and each Stapled Security holding account of a Securityholder will be treated separately for all purposes under the Plan.

3. Level of participation

- 3.1 A Securityholder must specify on the Election Notice the extent to which the Securityholder wishes to participate in the Plan in respect of the nominated Stapled Security holding account. Participation may be:
- a) full participation for the whole of that Securityholder's holding from time to time however acquired (including Stapled Securities issued under the Plan); or
 - b) partial participation for a specified number of that Securityholder's Stapled Securities together with Stapled Securities issued under the Plan and any bonus Stapled Securities issued in respect of Plan Stapled Securities. However, if at the Record Date for a Distribution, the number of Stapled Securities held by the Participant is less than the specified number, then the Plan will apply only to that lesser number for that Distribution.
- 3.2 Notwithstanding clause 3.1, the Administrators may at any time with written notice to Securityholders limit participation in the Plan by limiting the amount of the Distribution that may be reinvested under the Plan.
- 3.3 If an Election Notice lodged by a Securityholder with the Registrar does not specify the extent of participation in the Plan, it will be deemed to be an election for full participation by that Securityholder.
- 3.4 SP AusNet records of the level of a Securityholder's participation and the number of Plan Stapled Securities held by a Participant from time to time will be conclusive evidence of the matters so recorded.

4. Acceptance of Election Notices

- 4.1 The Administrators may approve or refuse any Election Notice, without being bound to give any reason for doing so.
- 4.2 If the Administrators refuse an Election Notice, the Administrators must notify the Securityholder as soon as practicable that the Election Notice has been refused.

4.3 *For Securityholders other than CDP Account Holders participating in the Plan in part or who are CDP Depository Agents:*

Each Election Notice approved by the Administrators will be effective in respect of:

- a) the first Distribution payment after receipt of the Election Notice, provided that the notice is received by the Registrar before the Plan Election Date for that Distribution; and
- b) every Distribution thereafter unless:
 - i. superseded by a later Variation Notice or by termination of the Participant's participation in the Plan; or
 - ii. the Plan has been suspended or terminated.

4.4 *For CDP Account Holders participating in the Plan in part or who are CDP Depository Agents:*

Each Election Notice approved by the Administrators will be effective only in respect of the first Distribution payment after receipt of the Election Notice, provided that the notice is received by the Registrar before the Plan Election Date for that Distribution.

A CDP Account Holder wishing to continue its participation in the Plan in respect of a Distribution thereafter must complete a new Election Notice and lodge it with the Registrar before the Plan Election Date for that Distribution payment.

5. Operation of the Plan

5.1 Subject to the Constitutions, Distributions on Plan Stapled Securities will, upon payment, be applied by the Administrators on the Participant's behalf in subscribing for additional Stapled Securities.

5.2 Any Distributions on Plan Stapled Securities which SP AusNet Distribution, SP AusNet Transmission and the Responsible Entity are entitled or required to retain under the Constitutions or otherwise will not be available to be applied in subscribing for additional Stapled Securities.

5.3 If withholding tax is payable in respect of a Distribution, that tax will be deducted and only the balance will be applied in subscribing for additional Stapled Securities.

5.4 The Administrators will establish, and the Registrar will maintain, a Plan account for each Stapled Security holding account of each Participant. At the time of each Distribution payment, the Administrators will, for each Participant:

- a) determine the Distribution payable in respect of that Participant's Plan Stapled Securities (before any deduction referred to in (b) below);
- b) determine (where applicable) the withholding tax deductible in respect of the Distribution, and any other sum the Administrators are entitled or required to retain in respect of the Distribution or the Plan Stapled Securities;
- c) credit the amount in (a) above and debit any amount in (b) above to the Participant's Plan account;
- d) determine the maximum whole number of additional Stapled Securities that can be acquired under the Plan Rules by using the amount in the Participant's Plan account;
- e) subscribe for additional Stapled Securities in the Participant's name and apply the amount in the Participant's Plan account towards and in satisfaction of the issue price for those additional Stapled Securities; and
- f) carry forward any residual positive balance or pay it to the Participant in accordance with clause 5.9.

5.5 The number of additional Stapled Securities issued to each Participant will be the whole number equal to, or where not a whole number, the nearest whole number below the number calculated by the formula:

$$\frac{D - T + R}{C}$$

where:

D is the amount of the Distribution payable on the Participant's Plan Stapled Securities as at the Record Date for that Distribution;

T is any withholding tax deductible in respect of the Distribution and any other sum the Administrators are entitled or required to retain in respect of the Distribution or the Plan Stapled Securities;

R is the residual positive balance carried forward in the Participant's Plan account (if any); and

C is the amount (rounded down to the nearest cent) equal to the arithmetic average of the VWAP during each of the ten trading days (or such other number of trading days as determined by the Administrators) immediately after the Plan Election Date for the Distribution (or such other date as determined by the Administrators), less any discount, if any, as determined by the Administrators, not exceeding five percent.

- 5.6** The issue price of a Stapled Security under the Plan will be equal to C in clause 5.5. The issue price of a Stapled Security under the Plan will be broken into three components consisting of the issue price of a share in SP AusNet Distribution, the issue price of a share in SP AusNet Transmission and the application price of a unit in SP AusNet Finance Trust. The issue price of a share in SP AusNet Distribution, a share in SP AusNet Transmission or a unit in the SP AusNet Finance Trust may be nil.
- 5.7** Notwithstanding any other provision of the Plan Rules, no shares or units may be issued under the Plan unless the number of shares in each of SP AusNet Distribution and SP AusNet Transmission and the number of units in SP AusNet Finance Trust are identical and the shares in each of SP AusNet Distribution and SP AusNet Transmission and the units in SP AusNet Finance Trust are Stapled together.
- 5.8** Dividends on shares in each of SP AusNet Distribution and SP AusNet Transmission and distributions on units in SP AusNet Finance Trust will be pooled together for the purpose of calculating a Participant's entitlement to additional Stapled Securities under the Plan.
- 5.9** In relation to each Distribution, the amount of a Participant's Distribution on Plan Stapled Securities not reinvested in Stapled Securities (including amounts representing a fraction of a Stapled Security or a share or a unit as the case may be), subject to the proper withholding of any tax or other sum, at the election of the Administrators, will either be:
- a)** recorded as a residual positive balance in the Participant's Plan account and carried forward to the next Distribution (no interest will accrue in respect of any residual positive balance); or
 - b)** paid to the Participant without interest.

6. Issue of Stapled Securities

- 6.1** All Stapled Securities to be issued under the Plan will be issued within the time required under the ASX Listing Rules and the applicable listing requirements of the SGX-ST.
- 6.2** All Stapled Securities to be issued under the Plan will from the date of issue rank equally in all respects with existing Stapled Securities.
- 6.3** All Stapled Securities issued to a Participant under the Plan will be registered on the Register.
- 6.4** The Administrators will make application promptly after any issue of Stapled Securities under the Plan for quotation of those Stapled Securities on ASX and on SGX-ST (as applicable), if other Stapled Securities are quoted at that time.

7. Statements to Participants

As soon as practicable after each issue of Stapled Securities under the Plan, the Administrators will send to each Participant, for each Stapled Security holding account, a statement setting out:

- a)** for Participants (other than CDP Participants):
- i.** the number of that Participant's Plan Stapled Securities on the Record Date for the relevant Distribution;
 - ii.** the Distribution payable in respect of that Participant's Plan Stapled Securities that has been applied in subscribing for additional Stapled Securities;

- iii. the amount of any withholding tax or other sum the Administrators have retained in respect of the Distribution or the Plan Stapled Securities;
- iv. the number, issue price and issue date of additional Stapled Securities issued to that Participant under the Plan;
- v. the number of Stapled Securities (including Plan Stapled Securities) in respect of which that Participant is the registered holder after the issue;
- vi. the amount of that Participant's residual positive balance, if any; and

b) for CDP Participants:

- i. the number of that Participant's Plan Stapled Securities on the Record Date for the relevant Distribution; and
- ii. the number of additional Stapled Securities issued to that Participant under the Plan, together with any other information included in such statements to CDP Participants from time to time.

8. Variation or termination of participation

8.1 A Participant, other than a CDP Participant, may, by lodging a Variation Notice with the Registrar, either:

- a)** increase or decrease the number of the Participant's Plan Stapled Securities; or
- b)** terminate the Participant's participation in the Plan.

A Variation Notice must be lodged for each Stapled Security holding account.

8.2 CDP Participants wishing to terminate their participation in the Plan must lodge a Notice of Cancellation with CDP.

8.3 CDP Participants wishing to vary their level of participation in the Plan must lodge:

- a)** a Notice of Cancellation with CDP, terminating their participation in the Plan; and
- b)** a new Election Notice with CDP, specifying their new level of participation in the Plan.

8.4 If a Securityholder is an officer, employee or contractor of SP AusNet, or an associate of any of these, SP AusNet's Guidelines for Dealing in Securities may apply and if so, subject to clauses 8.6, 8.7 and 8.8, that Securityholder may only vary or terminate their participation in the Plan in accordance with those Guidelines.

8.5 To be effective for a particular Distribution, a Variation Notice must be received by the Registrar before the Plan Election Date for that Distribution. However, the Administrators may permit a Participant (including SPI or SGIAD) to lodge a Variation Notice with the Registrar after the Plan Election Date for a Distribution, which is effective for that Distribution.

8.6 If a Participant disposes of all of the Participant's Stapled Securities without giving the Registrar a Variation Notice and is not registered as the holder of any Stapled Securities at the next Plan Election Date, the Participant will be deemed to have terminated its participation in the Plan on the last date when the Registrar registered a transfer of the Participant's Stapled Securities.

8.7 A CDP Participant participating in the Plan in part or who is a CDP Depository Agent will be deemed to have terminated its participation in the Plan immediately after the Plan Election Date for the first Distribution payment occurring after the Registrar's receipt of the Election Notice. If the CDP Participant wishes to continue to participate in the Plan, it must complete a new Election Notice and lodge it with the Registrar before the Plan Election Date for the following Distribution payment.

8.8 Where a Participant disposes of part of a holding of Stapled Securities, and does not notify the Registrar otherwise, the Stapled Securities disposed of will, to the extent possible, be taken to be:

- a)** first, Stapled Securities which are not Plan Stapled Securities; and
- b)** secondly, Plan Stapled Securities.

- 8.9** Where a Participant has terminated or is deemed to have terminated participation in the Plan, any residual cash balance will be paid (in the same manner as if the payment were a Distribution) by cheque at the time the next Distribution is paid.

9. Modification, suspension and termination of the Plan

- 9.1** The Plan may be modified by the Administrators at any time after giving notice in writing to all Participants. A Participant's Plan Stapled Securities continue to participate in the modified Plan unless the Administrators are notified to the contrary by the Participant in accordance with the Plan Rules. A modification of the Plan is effective the day after notice has been given to Participants.
- 9.2** Subject to clause 9.3, the Plan may be suspended, recommenced or terminated by the Administrators at any time after giving notice in writing to all Participants. The Administrators may determine for which Distributions and Securityholders, if any, the Plan is available.
- 9.3** If a Director or Senior Manager of SP AusNet is or becomes aware of Inside Information at any time between the announcement of SP AusNet's financial results for a Reporting Period and the date on which additional Stapled Securities are due to be allotted to Participants for Distributions in relation to that Reporting Period, the Administrators must promptly:
- a)** disclose the Inside Information to ASX and SGX – ST or, if that is not practicable;
 - b)** suspend or terminate the Plan in accordance with the Plan Rules.
- 9.4** A suspension, recommencement or termination of the Plan will be effective:
- a)** the day after notice has been given to Participants; and
 - b)** until such time as the Administrators resolve either to recommence or terminate the Plan.
- 9.5** Whilst the Plan is suspended, Distributions on Plan Stapled Securities will not be applied by the Administrators on the Participant's behalf in subscribing for additional Stapled Securities.
- 9.6** The accidental omission to give notice of the modification, suspension, recommencement or termination to any Participant, or the non-receipt of any notice under the Plan by any Participant, will not invalidate the modification, suspension, recommencement or termination of the Plan.
- 9.7** The Administrators reserve the discretion to waive strict compliance with any provision of the Plan Rules.

10. Administration of the Plan

- 10.1** The Plan will be administered by the Administrators who have the power to:
- a)** determine procedures for the administration of the Plan consistent with the Plan Rules and the Constitutions;
 - b)** settle in such manner as they think expedient any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the Plan, whether generally or in relation to any Participant or any Stapled Securities, and the determination of the Administrators is to be conclusive and binding on all Participants and other persons to whom the determination relates; and
 - c)** delegate to any one or more persons, for such period and on such conditions as they may determine, the exercise of any of their powers or discretions arising under the Plan.
- 10.2** The Administrators may exercise any of their powers or discretions arising under the Plan Rules in any way they consider appropriate, unless these Plan Rules expressly state otherwise, and subject to any applicable laws.
- 10.3** Notwithstanding any other provision of the Plan Rules, the Plan must be administered in accordance with the ASX Listing Rules, the applicable listing requirements of the SGX-ST, the Constitutions and applicable laws in the Commonwealth of Australia.

11. Underwriting

The Plan may be fully or partially underwritten from time to time at the discretion of the Administrators.

12. No representations or warranties

The Plan relates to the reinvestment of Distributions for which the Administrators have determined that the Plan is available. Neither the Plan nor the Plan Rules contain any warranties or representations regarding the payment of Distributions. Further, the Plan does not in any way restrict the discretion of the Administrators to determine to pay Distributions in accordance with the Constitutions.

13. Costs to Participants

No brokerage, commission or other transaction costs will be payable by Participants in respect of Stapled Securities issued under the Plan. However, a Participant assumes liability for any taxes, stamp duty or other imposts assessed against or imposed on the Participant.

14. Participants to be bound

Participants are at all times bound by the Plan Rules.

15. Stapling

If Stapling ceases to apply, this Plan will terminate automatically.

16. Notices

All communications by the Administrators to eligible Securityholders or Participants under the Plan Rules will be given in accordance with the notice provisions of the Constitutions.

17. Governing law

These Plan Rules shall be governed by and construed in accordance with the laws of the State of Victoria and the Commonwealth of Australia.

18. Definitions and interpretation

18.1 When used in these Plan Rules, unless the context otherwise indicates:

Administrators means the administrators of the Plan, being the directors of SP AusNet Distribution and SP AusNet Transmission in relation to shares in SP AusNet Distribution and SP AusNet Transmission and the directors of the Responsible Entity in relation to units in SP AusNet Finance Trust.

ASX means ASX Limited or the market conducted by it as the context requires.

ASX Listing Rules means the official listing rules of ASX as modified by ASX from time to time.

ASX Operating Rules means the operating rules of ASX as modified by ASX from time to time.

Business Day means a business day as defined in the ASX Listing Rules.

CDP means The Central Depository (Pte) Limited.

CDP Account Holder means a registered holder of a direct securities account with CDP that is credited with Stapled Securities (including a CDP Depository Agent).

CDP Depository Agent means a person approved as a depository agent by CDP and holding a securities account with CDP on behalf of sub-account holders that is credited with Stapled Securities.

CDP Participant means a CDP Account Holder whose election to participate in the Plan in respect of a particular Stapled Security holding account has been approved by the Administrators.

Constitutions means the constitutions of each of SP AusNet Distribution and SP AusNet Transmission and the trust deed establishing SP AusNet Finance Trust, each as amended from time to time.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Director means a director as defined in the Corporations Act.

Distribution means a dividend in respect of a share in SP AusNet Distribution, a dividend in respect of a share in SP AusNet Transmission and/or a distribution in respect of a unit in SP AusNet Finance Trust.

Election Notice means an application to participate in the Plan in respect of a particular Stapled Security holding account in a form (which may include an electronic form), that the Administrators from time to time approve.

Inside Information means inside information as defined in Part 7.10 of the Corporations Act in relation to SP AusNet.

Participant means an eligible Securityholder whose election to participate in the Plan in respect of a particular Stapled Security holding account has been approved by the Administrators.

Plan means the SP AusNet Distribution Reinvestment Plan, the terms of which are set out in the Plan Rules

Plan Election Date means 5pm Melbourne time on the Business Day following the Record Date for a Distribution (or such other date and/or time as the Administrators may determine).

Plan Rules means the rules of the Plan outlined in this booklet, as modified from time to time.

Plan Stapled Securities means the Stapled Securities in a particular Stapled Security holding account which are specified by a Participant as participating in the Plan.

Record Date means the date and time, as determined by the Administrators, at which a person holds or is taken to hold Stapled Securities for the purposes of determining Distribution entitlements.

Register means the registers maintained by or on behalf of SP AusNet.

Registrar means such registrar (or registrars) as may be appointed by SP AusNet from time to time (including, in relation to Stapled Securities quoted on SGX-ST, CDP).

Reporting Period means a financial reporting period ending on either 30 September or 31 March in any year.

Responsible Entity means SP Australia Networks (RE) Ltd (ABN 46 109 977 371) in its capacity as responsible entity of SP AusNet Finance Trust and also means any subsequent responsible entity of SP AusNet Finance Trust from time to time.

Securityholder means:

- a) a person registered on the Register as the holder of Stapled Securities; or
- b) a CDP Account Holder.

Senior Manager means a senior manager as defined in the Corporations Act.

SGIAD means State Grid International Australia Development Company Limited.

SGX-ST means the Singapore Exchange Securities Trading Limited or the market conducted by it as the context requires.

SP AusNet means SP AusNet Distribution, SP AusNet Transmission and SP AusNet Finance Trust.

SP AusNet Distribution means SP Australia Networks (Distribution) Ltd (ABN 37 108 788 245).

SP AusNet Finance Trust means SP Australia Networks (Finance) Trust (ARSN 116 783 914).

SP AusNet Transmission means SP Australia Networks (Transmission) Ltd (ABN 48 116 124 362).

SPI means Singapore Power International Pte Ltd.

Stapled means the linking together of a share in SP AusNet Distribution, a share in SP AusNet Transmission and a unit in SP AusNet Finance Trust so that any one may not be transferred or otherwise dealt with without the others as provided under the Stapling Deed and the Constitutions.

Stapled Security means one share in SP AusNet Distribution, one share in SP AusNet Transmission and one unit in SP AusNet Finance Trust which are Stapled together.

• • •

Stapling means the linking process that results in each share in SP AusNet Distribution, share in SP AusNet Transmission and unit in SP AusNet Finance Trust being and remaining Stapled to each other.

Stapling Deed means the stapling deed in relation to SP AusNet dated 19 October 2005 between SP AusNet Distribution, SP AusNet Transmission and the Responsible Entity.

Variation Notice means a notice in a form (which may include an electronic form) that the Administrators from time to time approve by which a Participant may vary or terminate their participation in the Plan (including a '**Notice of Cancellation**' in relation to CDP Account Holders who wish to terminate their participation in the Plan).

Volume Weighted Average Price or VWAP means the daily volume weighted average market price for all Stapled Securities sold on the ASX automated trading system (and/or such other trading systems as the Administrators may determine), excluding Stapled Securities which are sold otherwise than in the ordinary course of trading (which include transactions defined in the ASX Operating Rules as special crossings, crossings prior to the commencement of the open session state, portfolio special crossings, equity combinations, crossings during overnight trading, overseas trades or trades pursuant to the exercise of options over Stapled Securities) and any other sales that the Administrators determine should be excluded on the basis that they are not fairly reflective of genuine supply and demand.

- 18.2** Unless the context otherwise indicates, a reference in these Plan Rules to:
- a)** the word "person" includes a corporation;
 - b)** the singular includes the plural and vice versa; and
 - c)** the words "include", "including", "for example" or "such as", when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.
- 18.3** Headings are for convenience only and do not affect interpretation.

THIS PAGE INTENTIONALLY LEFT BLANK

SP AusNet

Level 31
2 Southbank Boulevard Southbank
Victoria 3006 Australia

Locked Bag 14051
Melbourne City Mail Centre
Victoria 8001 Australia

Tel: +61 3 9695 6000

Fax: +61 3 9695 6666

www.sp-ausnet.com.au





Dear Securityholder,

SP AusNet's Distribution Reinvestment Plan (**DRP**) is in operation for the 2013/14 final distribution. The **DRP** is a convenient method of reinvesting all or part of your distribution payments in additional SP AusNet securities with no commission or brokerage charges.

For the 2013/14 final distribution, SP AusNet securities will be issued under the **DRP** at a **2 per cent discount** to the average trading price per security.*

Participation

Participation in the **DRP** is optional and subject to the **DRP** Rules. You can elect to participate or change your participation:

- by completing the attached Election Notice and sending it back to Computershare using the enclosed self-addressed envelope; or
- through Computershare's Investor Centre at www.investorcentre.com.

Deadline for participation for 2013/14 final distribution

To be effective for the 2013/14 final distribution, your election or change to participation must be received or electronically processed (as applicable) by Computershare by 5.00 pm (AEST) on Thursday, 29 May 2014 (**Election Participation Date**).

The **DRP** Rules and Important Information

The **DRP** Rules and summary in the **DRP** Booklet were recently amended. The amendments included:

- an update to the eligibility criteria for participation so that securityholders whose registered address is in Hong Kong are also eligible to participate; and
- an extension of the deadline for making or changing an election to participate in the **DRP** for a distribution to 5pm Melbourne time on the business day following the record date for the distribution (or such other deadline as the administrators may determine).

The **DRP** Booklet (containing the **DRP** Rules and summary) is available on SP AusNet's website at www.sp-ausnet.com.au and from the ASX (Code:SPN).

For further information or questions please email the Investors Relations team at investor.enquiries@sp-ausnet.com.au.

Yours sincerely,

Nino Ficca
MANAGING DIRECTOR
SP AusNet

Important Information

*This letter is not financial product or investment advice. It is not a recommendation to participate in the **DRP** or advice about the suitability or appropriateness of participating in the **DRP**. Before deciding whether to participate in the **DRP** (or your level of participation) you should read the **DRP** Booklet in full and consider whether it is appropriate for you, taking into account your individual investment objectives, financial circumstance (including financial and tax issues) and needs. You should also seek independent advice from your financial or other professional adviser where appropriate.*

* The average of the volume weighted average price of SP AusNet securities sold in ordinary market transactions on the ASX during the 10 trading days commencing 30 May 2014.



Dear Securityholder,

I am writing to you about SP AusNet's Distribution Reinvestment Plan (DRP).

The DRP provides eligible securityholders with a convenient method of reinvesting all or part of their distributions in additional SP AusNet stapled securities.

The DRP is in operation for the 2013/14 final distribution. Under the DRP, new SP AusNet securities will be allotted in accordance with DRP Rules at a **2 per cent discount** to the average trading price per security*.

Participation in the DRP is optional and securityholders may already have elected last year to participate in respect of all or part of their security holding, by completing an Election Notice. Participation is subject to the DRP Rules.

This letter encloses an Election Notice for securityholders who:

- did not participate in the DRP for the 2013/14 interim distribution but now wish to do so; or
- applied for a partial participation for the 2013/14 interim distribution and wish to apply for another partial or full allocation; or
- are Depository Agents.

You need to take action in the following circumstances:

1. If you did not participate in the DRP for the 2013/14 interim distribution and you now wish to do so, you must instruct us as to the proportion (including 100 per cent) of your intended participation by completing and returning the Election Notice to SP Ausnet c/o The Central Depository (Pte) Limited (CDP), in accordance with the instructions in the Election Notice.
2. If you previously elected to partially participate in the DRP, you must instruct us as to whether you wish to participate again, whether fully or partially, and the proportion of your intended participation, by completing and returning the Election Notice to SP Ausnet c/o CDP in accordance with the instructions in the Election Notice. If you do not wish to participate in the DRP this time, you do not need to take action.
3. If you are a Depository Agent, you must complete the Election Notice, and advise us whether you wish to participate fully or partially in the DRP.

Please see the table on the reverse of this page, which sets out these instructions.

If you are in one of the above categories and there is a need to return an Election Notice, you will need to ensure that it is received by CDP by 3.00 pm (Singapore time) on Thursday, 29 May 2014.

For more information, the DRP Booklet is available on SP AusNet's website at www.sp-ausnet.com.au > Investors > Securities Information > Distribution Reinvestment Plan and from the ASX (Code:SPN) and SGX-ST.

The DRP Rules and summary in the DRP Booklet were recently amended. The amendments included:

- an update to the eligibility criteria for participation so that securityholders whose registered address is in Hong Kong are also eligible to participate in the DRP; and
- an extension of the cut-off date for making, varying or terminating an election to participate in the DRP for a distribution to 5pm Melbourne time on the business day following the record date for the distribution (or such other dates and/or times as the administrators may determine).

The DRP Booklet contains the DRP Rules and a summary of the DRP and I encourage you to please read through it carefully.

Further information

Further information concerning the DRP can be obtained from:

The Central Depository (Pte) Limited
9 North Buona Vista Drive
#01-19/20 The Metropolis
Singapore 138588

You can also contact investor.enquiries@sp-ausnet.com.au for assistance.

Thank you for your continued support of SP AusNet.

Yours sincerely,

Nino Ficca
MANAGING DIRECTOR
SP AusNet

SP AusNet

SP Australia Networks (Distribution) Ltd
ABN 37 108 788 245

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

Level 31, 2 Southbank Boulevard Southbank
Victoria 3006 Australia

Locked Bag 14051
Melbourne City Mail Centre
Victoria 8001 Australia

Tel: +61 3 9695 6000
Fax: +61 3 9695 6666

www.sp-ausnet.com.au

* The average of the volume weighted average price of SP AusNet securities sold in ordinary market transactions on the ASX during the 10 trading days commencing 30 May 2014.

Actions to be taken by SP AusNet's CDP Securityholders wishing to participate in the DRP:

		Upcoming DRP Participation		
		NIL	PARTIAL	NIL
Last DRP Participation	NIL	No Action Required	Submit Election Notice	Submit Election Notice
	PARTIAL	No Action Required ⁽¹⁾	Submit Election Notice	Submit Election Notice
	Depository Agent ⁽²⁾	No Action Required	Submit Election Notice	Submit Election Notice

⁽¹⁾ As per DRP Rules in DRP Booklet.

⁽²⁾ A Depository Agent must submit an Election Notice for full or partial participation in the DRP. No action is required for nil participation.

This is not financial product or investment advice

This letter is not financial product or investment advice. It is not a recommendation to participate in the DRP or advice about the suitability or appropriateness of participating in the DRP. Before deciding whether to participate in the DRP you should read the DRP Booklet in full and consider whether participation is appropriate taking into consideration your individual investment objectives, financial circumstances (including financial and tax issues) and needs. You should also seek independent advice from your financial or other professional adviser where appropriate.

Important information for Hong Kong securityholders

The contents of this document and the DRP Booklet have not been reviewed by any regulatory authority in Hong Kong. If your registered address is in Hong Kong, you are advised to exercise caution in relation to participation in the DRP. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. Neither this document, nor the DRP Rules, constitute a prospectus (as defined in section 2(1) of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document which contains an invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this document in Hong Kong, other than to persons who are "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance or which do not constitute an offer to the public within the meaning of the Companies Ordinance. No person may issue or have in its possession for the purposes of issue, this document or any advertisement, invitation or document relating to the DRP, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to the DRP that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" (as defined in the Securities and Futures Ordinance and any rules made thereunder). This document is for the exclusive use of SP AusNet securityholders in connection with the DRP. No steps have been taken to register or seek authorisation for the issue of this document or the DRP Booklet in Hong Kong. This document is personal to the person to whom it is addressed, and a subscription for securities under the DRP will only be accepted from such person. This document is confidential to the person to whom it is addressed and no person to whom a copy of this document is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this document to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with the consideration of the DRP by the person to whom this document is addressed.

As at 15 May 2014, there were less than 20 SP AusNet securityholders with registered addresses in Hong Kong.



SP AusNet
C/- The Central Depository (Pte) Limited
9 North Buona Vista Drive
#01-19/20 The Metropolis
Singapore 138588

SP Australia Networks (Transmission) Ltd incorporated in Australia ABN 48 116 124 362
SP Australia Networks (Distribution) Ltd (incorporated in Australia ABN 37 108 788 245)
SP Australia Networks (RE) Ltd (incorporated in Australia ABN 46 109 977 371 and AFSL No. 294117)
as the responsible entity of
SP Australia Networks (Finance) Trust (established in Australia ARSN 116 783 914)
(The group of entities has stapled securities and is known as "SP AusNet")

DISTRIBUTION REINVESTMENT PLAN ("DRP") - ENTITLEMENT ADVICE

THIS ENTITLEMENT ADVICE IS IN RESPECT OF THE NUMBER OF NEW SECURITIES WHICH WILL AUTOMATICALLY BE ISSUED AND CREDITED INTO YOUR SECURITIES ACCOUNT HELD WITH THE CENTRAL DEPOSITORY (PTE) LIMITED ("CDP") FOR THE BELOW-MENTIONED DISTRIBUTION AS YOU HAVE MADE A PERMANENT ELECTION TO PARTICIPATE IN THE DRP. THE INFORMATION CONTAINED HEREIN SHOULD BE READ IN CONJUNCTION WITH THE FULL TEXT OF THE "DISTRIBUTION REINVESTMENT PLAN" RULES ("DRP RULES") WHICH ARE AVAILABLE ON THE WEBSITE (www.sp-ausnet.com.au > Investors > Securities Information > Distribution Reinvestment Plan).

SP AusNet has announced the operation of the DRP for the **2013/14 final** distribution. You have received this Entitlement Advice because you have previously made a permanent election to participate in the DRP in respect of all applicable distributions for all your securities which are deposited with CDP. Accordingly, new securities will be allotted to you at a **2 per cent discount** to the average trading price per security* in lieu of the cash amount of the distribution (after the deduction of applicable tax) in accordance with the DRP Rules.

YOU DO NOT NEED TO TAKE ANY ACTION IF YOU WISH TO RECEIVE THIS DISTRIBUTION, AND TO CONTINUE TO RECEIVE YOUR FUTURE DISTRIBUTIONS TO WHICH THE DRP APPLIES, IN SCRIP PURSUANT TO THE DRP.

If you wish to cancel your permanent election to participate in the DRP in respect of the 2013/14 final distribution, and all future distributions to which the DRP applies, and receive cash, you must complete, sign and return this Entitlement Advice with the Notice of Cancellation to **SP AusNet c/o The Central Depository (Pte) Limited by hand at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, or by post at Robinson Road Post Office, P.O. Box 1597, Singapore 903147, by 3.00 pm (Singapore time) on 29 May 2014 ("Plan Election Date").**

Instructions are set out on the back of this Entitlement Advice and should be read carefully before completion of the Notice of Cancellation below.

NOTICE OF CANCELLATION - TO BE COMPLETED AND SIGNED BY DIRECT SECURITIES ACCOUNT HOLDER

To : **SP AusNet**

c/o The Central Depository (Pte) Limited

By completing and signing this Notice of Cancellation, I/we confirm that I/we wish to cancel my/our permanent election to participate in the DRP in respect of the 2013/14 final distribution and all future distributions to which the DRP applies, and receive cash.

I/We hereby irrevocably agree to be bound by the Terms and Conditions of the DRP as set out in the DRP Rules.

Date

Signature(s)/thumbprint(s) of depositor(s)/joint depositors.

(For corporations, please sign as per your signing mandate and **where appropriate**, the Common Seal to be affixed in accordance with your Memorandum and Articles of Association or relevant constitutive documents)

* The average of the volume weighted average price of SP AusNet securities sold in ordinary market transactions on the ASX during the 10 trading days commencing 30 May 2014.

Explanatory notes

1. **Notice of Cancellation.** If you wish to cancel your permanent election to participate in the DRP and elect to receive the 2013/14 final distribution, and all future distributions to which the DRP applies, in **CASH**, please sign and submit the signed original of this Entitlement Advice to CDP by 3.00 pm (Singapore time) on the Plan Election Date. CDP's standard format for the Notice of Cancellation is also available from CDP, upon request. A duly completed and signed Notice of Cancellation in CDP's standard format which is submitted through CDP after 3.00 pm on the Plan Election Date will not be effective for the 2013/14 final distribution, but will be effective for all future distributions to which the DRP applies. Cancelling your permanent election will not preclude you from electing to receive securities in respect of any future distributions to which the DRP applies. SP AusNet and/or CDP will be authorised and entitled to reject any Notice of Cancellation which does not comply with the Terms and Conditions of the DRP or which is otherwise incomplete, incorrect, unsigned or invalid in any respect, or if your true intentions are not ascertainable from the instructions specified in the Notice of Cancellation submitted or otherwise in accordance with the DRP Rules.
 2. **Joint Holders**
 - a) **If it is a Joint alternate-signatory account, ANY** of the securities account holders may sign the Notice of Cancellation, and the signing of the Notice of Cancellation by any one of such joint alternate securities account holders shall be binding on all joint securities account holders.
 - (b) **If it is a Joint signatories account, ALL** the securities account holders are to sign the Notice of Cancellation.
 3. **Power of Attorney/Letter of Authorisation.** For an individual holder, this Notice of Cancellation may be signed by an attorney or other authorised person for and on his behalf. If signed by an attorney, the original or a certified copy of the Power of Attorney must accompany this Notice of Cancellation. If signed by an authorised person, the original letter of authorisation in the format as prescribed by CDP, together with all other relevant documentation as may be required by SP AusNet, must accompany the Notice of Cancellation. The format for the letter of authorisation is available from the Company or CDP, upon request.
 4. **Deceased Holders**
 - (a) **If the sole holder is deceased and if:**
 - (i) the Grant of Probate or Letters of Administration have been registered and lodged with CDP, this Notice of Cancellation must be signed by all the personal representative(s) of the deceased and lodged with **SP AusNet c/o The Central Depository (Pte) Limited, by hand at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, or by post at Robinson Road Post Office, P.O. Box 1597, Singapore 903147;** or
 - (ii) the Grant of Probate or Letters of Administration have not been registered and lodged with CDP, all the personal representative(s) of the deceased must go to CDP personally together to register and lodge the original Grant of Probate or Letters of Administration with CDP first, before submitting this Notice of Cancellation.
 - (b) **If one of the joint holders is deceased and if:**
 - (i) it is a Joint alternate-signatory account, this Notice of Cancellation must be signed by **ANY** surviving joint holder(s).
 - (ii) it is a Joint signatories account, this Notice of Cancellation must be signed by **ALL** surviving joint holder(s) and lodged with **SP AusNet c/o The Central Depository (Pte) Limited, by hand at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588;** accompanied by the Death Certificate, Grant of Probate or Letters of Administration and all other relevant documentations, in respect of the deceased holder.
 5. The new securities to be issued to you pursuant to the DRP, in respect of your securities deposited with CDP will be credited to your Securities Account maintained with CDP. You may receive new securities in odd lots.
 6. Neither SP AusNet, nor CDP take any responsibility for the taxation liabilities or the tax consequences of any election made by you. As individual circumstances and laws vary considerably, you should seek your own specific taxation advice if you are in any doubt.
 7. New securities will be allotted in accordance with the DRP Rules at a **2 per cent discount** to the average trading price per security*.
- Securities allotted will be rounded down to the nearest unit and any residual will be paid to the Depositor in cash. No interest will accrue in respect of any residual balances.**
8. The Terms and Conditions of the DRP are set out in the DRP Rules. The DRP Rules and summary in the DRP Booklet were recently amended. Those amendments included:
 - (i) an update to the eligibility criteria for participation so that securityholders whose registered address is in Hong Kong are also eligible to participate in the DRP; and
 - (ii) an extension of the cut-off date for making, varying or terminating an election to participate in the DRP for a distribution to 5pm Melbourne time on the business day following the record date for the distribution (or such other dates and/or times as the administrators may determine).

The DRP Rules and summary in the DRP Booklet are available on the SP AusNet website (www.sp-ausnet.com.au > Investors > Securities Information > Distribution Reinvestment Plan) and from the ASX (Code:SPN) and SGX-ST.

The DRP Rules apply to this Entitlement Advice and your participation in the DRP. By continuing to participate in the DRP you agree to be bound by the DRP Rules and represent and warrant that you are eligible under all applicable securities laws to participate in the DRP.
 9. Delivery of a duly completed and signed Notice of Cancellation through CDP shall be conclusive evidence in favour of SP AusNet and CDP of the right, title, power and authority of the person(s) signing it to deal in the same.
 10. **Important information for Hong Kong securityholders:** The contents of this document and the DRP Booklet have not been reviewed by any regulatory authority in Hong Kong. If your registered address is in Hong Kong, you are advised to exercise caution in relation to participation in the DRP. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. Neither this document, nor the DRP Rules, constitute a prospectus (as defined in section 2(1) of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document which contains an invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this document in Hong Kong, other than to persons who are "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance or which do not constitute an offer to the public within the meaning of the Companies Ordinance. No person may issue or have in its possession for the purposes of issue, this document or any advertisement, invitation or document relating to the DRP, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to the DRP that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" (as defined in the Securities and Futures Ordinance and any rules made thereunder).
- This document is for the exclusive use of SP AusNet securityholders in connection with the DRP. No steps have been taken to register or seek authorisation for the issue of this document or the DRP Booklet in Hong Kong. This document is personal to the person to whom it is addressed, and a subscription for securities under the DRP will only be accepted from such person.
- This document is confidential to the person to whom it is addressed and no person to whom a copy of this document is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this document to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with the consideration of the DRP by the person to whom this document is addressed.
- As at 15 May 2014, there were less than 20 SP AusNet securityholders with registered addresses in Hong Kong.

* The average of the volume weighted average price of SP AusNet securities sold in ordinary market transactions on the ASX during the 10 trading days commencing 30 May 2014.