ASX & SGX-ST Release

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www.ausnetservices.com.au

26 May 2015

TO: ASX Limited
Singapore Exchange Securities Trading Limited

Distribution Reinvestment Plan Securityholder Communications

Attached are the following documents relating to AusNet Services' Distribution Reinvestment Plan (**DRP**), which are being sent to SGX-ST securityholders in Australia, New Zealand, Singapore and Hong Kong, as applicable:

1. Letter to securityholders; and
2. Entitlement Advice.

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AusNet Services

AusNet Services (Distribution) Ltd
ABN 37 108 788 245

AusNet Services (Transmission) Ltd
ABN 48 116 124 362

AusNet Services Finance Trust
ARSN 116 783 914

AusNet Services (RE) Ltd
ABN 46 109 977 371

AFS Licence No. 294117 as responsible entity for AusNet Services Finance Trust

CONFIDENTIAL

Dear Securityholder,

I am writing to you about AusNet Services Distribution Reinvestment Plan (**DRP**).

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

The DRP is in operation for the 2014/15 final distribution. Under the DRP, new AusNet Services securities will be allotted in accordance with DRP Rules at a **2 per cent discount** to the average trading price per security*. For further information, please refer to the 2014/15 AusNet Services results announcements on the ASX and SGX-ST on 14 May 2015.

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 2014/15 interim distribution but now wish to do so; or
- applied for a partial participation for the 2014/15 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 2014/15 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 AusNet Services 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, partially, and the proportion of your intended participation, by completing and returning the Election Notice to AusNet Services 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 Friday, 12 June 2015.

For more information, the DRP Booklet is available on AusNet Services website at **www.ausnetservices.com.au** > Investors > Securities Information > Distribution Reinvestment Plan and from the ASX (Code:AST) and SGX-ST.

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@ausnetservices.com.au for assistance.

Thank you for your continued support of AusNet Services.

Yours sincerely,

Nino Ficca

MANAGING DIRECTOR

AusNet Services

AusNet Services

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ABN 37 108 788 245

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AusNet Services (RE) Ltd
ABN 46 109 977 371 AFS Licence No. 294117
as responsible entity for
AusNet Services Finance Trust

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www.ausnetservices.com.au

** The average of the volume weighted average price of AusNet Services securities sold in ordinary market transactions on the ASX during the 5 trading days commencing 12 June 2015.*

Actions to be taken by AusNet Services CDP Securityholders wishing to participate in the DRP:

		Upcoming DRP Participation		
		NIL	**PARTIAL**	**FULL**
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 AusNet Services 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.

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

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

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.ausnetservices.com.au > Investors > Securities Information > Distribution Reinvestment Plan).

AusNet Services has announced the operation of the DRP for the **2014/15 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. For further information, please refer to the 2014/15 AusNet Services results announcements on the ASX and SGX-ST on 14 May 2015.

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 2014/15 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 **AusNet Services 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 on 12 June 2015 ("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 : **AusNet Services**
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 2014/15 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 AusNet Services securities sold in ordinary market transactions on the ASX during the 5 trading days commencing 12 June 2015.*

Explanatory notes

1. **Notice of Cancellation.** If you wish to cancel your permanent election to participate in the DRP and elect to receive the 2014/15 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 2014/15 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. AusNet Services 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 AusNet Services, 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 **AusNet Services 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 **AusNet Services 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 AusNet Services, 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*. For further information, please refer to the 2014/15 AusNet Services results announcements on the ASX and SGX-ST on 14 May 2015.

   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 are available on the AusNet Services website (www.ausnetservices.com.au > Investors > Securities Information > Distribution Reinvestment Plan) and from the ASX (Code:AST) 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 AusNet Services 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).

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