

AusNet Services Holdings Pty Ltd

**Issue of NOK1,000,000,000 2.79 per cent. Notes due 2027 (the "Notes")
Guaranteed by AusNet Asset Services Pty Ltd, AusNet Electricity Services Pty Ltd, AusNet
Finance Pty Ltd, AusNet Gas Services Pty Ltd and AusNet Transmission Group Pty Ltd
under the U.S.\$5,000,000,000 Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 23 November 2016. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

1	(i) Issuer:	AusNet Services Holdings Pty Ltd (ABN 97 086 006 859)
	(ii) Guarantors:	AusNet Asset Services Pty Ltd (ABN 27 075 826 881), AusNet Electricity Services Pty Ltd (ABN 91 064 651 118), AusNet Finance Pty Ltd (ABN 69 092 341 690), AusNet Gas Services Pty Ltd (ABN 43 086 015 036) and AusNet Transmission Group Pty Ltd (ABN 78 079 798 173)
2	(i) Series Number:	21
	(ii) Tranche Number:	1
3	Specified Currency or Currencies:	Norwegian Krone (" NOK ")
4	Aggregate Nominal Amount:	
	(i) Series:	NOK1,000,000,000
	(ii) Tranche:	NOK1,000,000,000
5	(i) Issue Price:	100 per cent. of the Aggregate Nominal Amount
	(ii) Net proceeds:	NOK1,000,000,000
6	(i) Specified Denominations:	NOK1,000,000 and integral multiples of NOK1,000,000 in excess thereof.
	(ii) Calculation Amount	NOK1,000,000
7	(i) Issue Date:	23 January 2017
	(ii) Interest Commencement Date:	Issue Date
8	Maturity Date:	23 July 2027
9	Interest Basis:	2.79 per cent. Fixed Rate, subject to Condition 6(g) (Step Up Rating Change or Step Down Rating Change), further particulars of which are set out in Annex 1 to this Pricing Supplement
10	Redemption/Payment Basis:	Redemption at par – 100%

11	Change of Interest or Redemption/Payment Basis:	Not Applicable
12	Put/Call Options:	Call Option (further particulars specified below)
13	(i) Status of the Notes:	Senior
	(ii) Status of the Guarantee:	Senior
14	Listing:	Australian Securities Exchange ("ASX")
15	Method of distribution:	Non-Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	Fixed Rate Note Provisions	Applicable
	(i) Rate of Interest:	2.79 per cent per annum payable annually in arrear, subject to Condition 6(g) (Step Up Rating Change or Step Down Rating Change) further particulars of which are set out in Annex 1 to this Pricing Supplement
	(ii) Interest Payment Date(s):	23 July in each year commencing 23 July 2017 up to and including the Maturity Date,
	(iii) Fixed Coupon Amount:	NOK27,900 per Calculation Amount, subject to the Broken Amount payable on the first Interest Payment Date falling on 23 July 2017 (set out in item 16(iv) below) and subject to Condition 6(g) (Step Up Rating Change or Step Down Rating Change) further particulars of which are set out in Annex 1 to this Pricing Supplement
	(iv) Broken Amount:	NOK13,835.34246 per Calculation Amount, payable on the first Interest Payment Date falling on 23 July 2017 in respect of the period from and including the Interest Commencement Date to but excluding such Interest Payment Date, subject to Condition 6(g) (Step Up Rating Change or Step Down Rating Change) further particulars of which are set out in Annex 1 to this Pricing Supplement
	(v) Day Count Fraction:	Actual/Actual (ICMA), unadjusted
	(vi) Determination Date:	23 July in each year
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Condition 6(g) (Step Up Rating Change or Step Down Rating Change), further particulars of which are set out in Annex 1 to this Pricing Supplement, applies
17	Floating Rate Provisions	Not Applicable
18	Zero Coupon Note Provisions	Not Applicable
19	Index Linked Interest Note Provisions	Not Applicable

20 **Dual Currency Note Provisions**
PROVISIONS RELATING TO REDEMPTION

Not Applicable

21 **Call Option**

Applicable

- (i) Optional Redemption Date(s):

- (ii) Optional Redemption Amount(s) of each Note and specified denomination method, if any, of calculation of such amount(s):

The date fixed for redemption in the notices referred to in Condition 8(c) as amended as set out in paragraph 21(ii) below.

Condition 8(c) shall be deemed deleted and replaced as follows:

If the Call Option is specified in the applicable Pricing Supplement, the Issuer may, in the event of any proposed or actual reorganisation, restructuring, amalgamation, merger, acquisition or disposal involving the Issuer or any Guarantor, which may otherwise constitute an event of default or breach of any other obligations of the Issuer or any Guarantor under the Conditions or the Trust Deed, at any time, having given:

- (i) not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 15; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Principal Paying Agent and the Trustee,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) determined as specified below in this Condition 8(c).

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such

Redeemed Notes will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes or represented by a Global Note shall in each case bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding and Notes outstanding represented by such Global Note, respectively, bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that, if necessary, appropriate adjustments shall be made to such nominal amounts to ensure that each represents an integral multiple of the Specified Denomination. No exchange of the relevant Global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this Condition 8(c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least five days prior to the Selection Date.

"Optional Redemption Amount" means with respect to each Note the higher of:

- (i) 100 per cent. of the principal amount of the Notes being redeemed; or
- (ii) the price (as reported in writing to the Issuer and the Trustee by the Calculation Agent) expressed as a percentage at which the Gross Redemption Yield on the Notes on the Calculation Date is equal to the Gross Redemption Yield at 11.00 a.m. (London time) on the Calculation Date of the 1.50 per cent. Norwegian Government Bond due 2026 (ISIN: NO0010757925), or if such bond is no longer in issue, such other Norwegian government bond with a maturity date as near as possible to the Maturity Date as the Calculation

Agent may reasonably determine to be appropriate by way of substitution for the 1.50 per cent. Norwegian Government Bond due 2026 (ISIN: NO0010757925) plus 0.21 per cent.,

plus, in each case, any accrued and unpaid interest thereon and any accrued and unpaid additional amounts which may be payable with respect to the Notes under Condition 9 to but excluding the Optional Redemption Date.

In this Condition 8(c):

"**Calculation Date**" means the date which is the second London Business Day prior to the Optional Redemption Date; and

"**Gross Redemption Yield**" means a yield calculated in accordance with general accepted market practice at such time by the Calculation Agent.

(iii) If redeemable in part:

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| (a) Minimum Redemption Amount: | Not Applicable |
| (b) Maximum Redemption Amount: | Not Applicable |
| (c) Make-Whole Spread: | Not Applicable |

(iv) Notice period: As set out in Condition 8(c) as amended as set out in paragraph 21(ii) above

(v) Basis for calculation of discount to Optional Redemption Date: Not Applicable

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| 22 | Put Option | Not Applicable |
| 23 | Final Redemption Amount of each Note | NOK1,000,000 per Calculation Amount |
| 24 | Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 8(b)) or an event of default (Condition 11) and/or the method of calculating the same (if required or if different from that set out in Condition 8(e)): | Conditions 8(b) and 8(e) apply |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 25 | Form of Notes: | Bearer Notes: |
| | (i) Temporary or permanent global Notes: | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only in the limited circumstances specified in the |

		Permanent Global Note
	(ii) Applicable TEFRA exemption:	D Rules
26	Financial Centre(s) or other special provisions relating to payment dates:	Melbourne, Sydney, Oslo, London, New York
27	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	Not Applicable
28	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
29	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
30	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
31	Consolidation provisions:	Not Applicable
32	Rounding:	Not Applicable
33	Other terms or special conditions:	The Notes are expected to be rated A3 by Moody's Investors Services, Inc. (its successors or affiliates) and A- by Standard & Poor's Rating Services, a division of the McGraw Hill Companies, Inc. (its successors or affiliates) on the Issue Date

DISTRIBUTION

34	(i) If syndicated, names of Managers:	Not Applicable
	(ii) Stabilising Manager (if any):	Not Applicable
35	If non-syndicated, name of Dealer:	Citigroup Global Markets Limited
36	Additional selling restrictions:	Not Applicable

OPERATIONAL INFORMATION

37	ISIN Code:	XS1550170077
38	Common Code:	155017007
39	Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	Not Applicable
40	Delivery:	Delivery free of payment
41	Additional Agents appointed in respect of the Notes:	Not Applicable

LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.\$5,000,000,000 Medium Term Note Programme of AusNet Services Holdings Pty Ltd.

ADDITIONAL INFORMATION

To the extent the Notes are capable of being traded on ASX, the Notes may only be traded on ASX in parcels with a minimum value of AUD500,000.

The Notes may only be transferred (whether on ASX or elsewhere) in or from Australia to a person who is not a "retail client" within the meaning of section 761G of the Corporations Act 2001 (Cth).

RESPONSIBILITY

The Issuer and the Guarantors accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: Alastair Watson
Duly authorised
ALASTAIR WATSON

Signed on behalf of the Guarantors:

By: Alastair Watson
Duly authorised
ALASTAIR WATSON

Annex 1

For the purposes of the Notes only, a new Condition 6(g) shall apply as follows:

"(g) Step Up Rating Change or Step Down Rating Change

(i) The Rate of Interest payable on the Notes will be subject to adjustment from time to time in the event of a Step Up Rating Change or a Step Down Rating Change as follows:

(A) if the Notes are assigned a credit rating from the two Rating Agencies of Baa1/BBB+ (or equivalent) or better as at any Interest Payment Date, the Rate of Interest payable on the Notes in respect of the Interest Period commencing on such Interest Payment Date shall be 2.79 per cent. per annum (the **"Initial Rate of Interest"**). For the avoidance of doubt, the Rate of Interest payable on the Notes shall remain at the Initial Rate of Interest, notwithstanding any increase in the rating assigned to the Notes above Baa1/BBB+ (or equivalent);

(B) if in the Interest Period ending on the date immediately prior to an Interest Payment Date:

(a) either Rating Agency has announced a Step Up Rating Change, the Rate of Interest shall be adjusted such that the Rate of Interest, with effect from the Interest Period commencing on such Interest Payment Date (subject to any further adjustment pursuant to this Condition 6(g)), for each subsequent Interest Period thereafter, will increase above the Initial Rate of Interest by an amount per Rating Agency equal to the percentage set out opposite the applicable lower rating of the Notes assigned by that Rating Agency in the table below:

Rating (or equivalent)	Applicable percentage adjustment per Rating Agency
Baa2/BBB	0.25
Baa3/BBB-	0.50
Ba1/BB+ (or lower)	1.00

For the avoidance of doubt, should one Rating Agency announce one or more Step Up Rating Changes that in aggregate result in the rating assigned to the Notes by that Rating Agency being Ba2/BB or lower (or equivalent), no further increase in the Rate of Interest above the Initial Rate of Interest plus 1.00 per cent. shall occur in respect of Step Up Rating Changes announced by that Rating Agency.

Accordingly, if one Rating Agency assigns a rating of Ba2/BB or lower (or equivalent), the Rate of Interest payable on the Notes shall be the Initial Rate of Interest plus 1.00 per cent. If both Rating Agencies assign ratings of Ba2/BB or lower (or equivalent) the Rate of Interest payable on the Notes shall be the Initial Rate of Interest plus 2.00 per cent.;

(b) either Rating Agency has announced a Step Down Rating Change which change remains in effect on the relevant Interest Payment Date, the Rate of Interest shall be adjusted such that the Rate of Interest, with effect from the Interest Period commencing on such Interest Payment Date (subject to any

further adjustment pursuant to this Condition 6(g)), for each subsequent Interest Period thereafter, will decrease by either:

- (i) 0.25 per cent. per notch per Rating Agency for each notch above the rating which is assigned by that Rating Agency to the Notes immediately prior to the announced Step Down Rating Change (the "**Base Rating**") if the Base Rating was at such time at Baa3/BBB- (or equivalent) or higher; or
- (ii) an initial 0.50 per cent. per Rating Agency if the Base Rating was at such time Ba1/BB+ (or equivalent) or lower plus an additional 0.25 per cent. per notch per Rating Agency for every notch the newly assigned rating is above Baa3/BBB- (or equivalent);

until the Rate of Interest equals the Initial Rate of Interest (and for the avoidance of doubt, the Rate of Interest shall never be less than the Initial Rate of Interest);

(C) if on any Interest Payment Date a credit rating is:

- (a) assigned to the Notes by only one Rating Agency (and for so long as this remains the case), any increase in the Rate of Interest of the Notes necessitated by a reduction in the rating by that Rating Agency shall be twice the applicable percentage set forth in this Condition; or
- (b) not assigned to the Notes by both Rating Agencies, the Rate of Interest applicable to the Notes in respect of the Interest Period commencing on such Interest Payment Date shall be the Initial Rate of Interest plus 2.00 per cent. until such Interest Payment Date on which there is once more a rating assigned to the Notes by at least one Rating Agency whereupon, from and including such Interest Payment Date, the Rate of Interest shall be determined in accordance with the provisions of this Condition; and

(D) if in any Interest Period one or more Step Down Rating Changes and/or Step Up Rating Changes occurs, the Rate of Interest applicable to the next following Interest Period shall be determined based on the ratings in effect as at the end of such Interest Period.

- (ii) The Issuer shall use its reasonable endeavours to maintain a credit rating for the Notes assigned by two Rating Agencies. If, notwithstanding such reasonable efforts, such Rating Agency or Rating Agencies fail to or cease to assign a rating to the Notes, the Issuer shall use its reasonable endeavours to obtain a rating of the Notes from another Rating Agency or another two Rating Agencies, as the case may be, and references in this Condition 6 to a Rating Agency, or the ratings assigned thereby, shall be to such Rating Agency or, as the case may be, the equivalent ratings thereof.
- (iii) Notwithstanding any other provision of this Condition 6, there shall be no adjustment in the Rate of Interest applicable to the Notes on the basis of any rating assigned to the Notes by any rating agency other than on a basis solicited by or on behalf of the Issuer even if at the relevant time such rating is the only rating then assigned to the Notes.
- (iv) There shall be no limit on the number of times that adjustments to the Rate of Interest payable on the Notes may be made pursuant to this Condition 6 during the term of the Notes, provided always that at no time during the term of the Notes will the Rate of Interest payable on the Notes be less than the Initial Rate of Interest or more than the Initial Rate of Interest plus 2.00 per cent. per annum.

- (v) The Issuer will cause the occurrence of an event giving rise to an adjustment in the Rate of Interest payable on the Notes pursuant to this Condition 6 to be notified to the Trustee and the Principal Paying Agent and notice thereof to be given in accordance with Condition 15 (*Notices*) as soon as possible after the occurrence of the relevant event but in no event later than the fourth Business Day thereafter.

- (vi) In these Conditions:

"Moody's" means Moody's Investors Service and its successors or affiliates;

"Rating Agency" means each of S&P and Moody's and, only in the event that the Notes have ceased at any time to have a rating assigned to them by any of S&P and Moody's, any other credit rating agency of equivalent international standing specified from time to time by the Issuer and, in each case, their respective successors or affiliates, and together, the **"Rating Agencies"**;

"S&P" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. and its successors or affiliates;

"Step Down Rating Change" means the public announcement by any Rating Agency assigning a credit rating to the Notes of an increase in, or confirmation of, a higher rating of the Notes but does not include any increase or confirmation of credit rating where the increased or confirmed credit rating is Ba1/BB+ (or equivalent) or lower; and

"Step Up Rating Change" means the public announcement by any Rating Agency assigning a credit rating to the Notes of a decrease in, or confirmation of, a lower rating of the Notes."

