

Keppel Infrastructure Trust

(Business Trust Registration Number: 2007001)

(Constituted in the Republic of Singapore as a business trust pursuant to a trust deed dated 5 January 2007 (as amended))

ANNOUNCEMENT

As previously announced, the Basslink Interconnector ("**Interconnector**") owned by Basslink Pty Ltd ("**BPL**"), a wholly-owned subsidiary of Keppel Infrastructure Trust ("**KIT**"), was taken out of service due to a subsea cable fault on 20 December 2015 ("**Incident**"). On 13 June 2016, the Interconnector returned to service and the cause of the Incident is being investigated.

The insurer has confirmed that the physical loss and damage to the cable as well as time element loss (such as business interruption loss) arising from the Incident are insurable (subject to the relevant terms of the insurance policy).

There is in place a project financing (the "**Project Financing**") for the Interconnector between a group of commercial bank financiers (the "**Financiers**") and a related entity of BPL, Nexus Australia Management Pty Ltd in its capacity as trustee of the Premier Finance Trust Australia (the "**Borrower**").

As a result of the Incident, the Borrower was unable to meet the minimum debt service coverage ratio under the Project Financing and as a condition of waiver of this event of default, was required to agree with the Financiers a long term financing plan (the "**Long Term Financing Plan**"). As of the date of this announcement, the Borrower and the Financiers are still in discussions to work towards agreeing a Long Term Financing Plan.

Notwithstanding the foregoing, the Borrower remains current on the debt and all outstanding payments under the Project Financing have been fulfilled.

As there is no contractual recourse to KIT under the Project Financing, the above-mentioned update is not expected to have any material financial impact on the distributions per unit of KIT for the financial year ending 31 December 2016.

The Trustee-Manager will update unitholders as and when there are material developments on this matter.

BY ORDER OF THE BOARD
KEPPEL INFRASTRUCTURE FUND MANAGEMENT PTE. LTD.
(Company Registration Number: 200803959H)
As Trustee-Manager of Keppel Infrastructure Trust