

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 disclosed in Keppel Infrastructure Fund Management Pte. Ltd. ("**KIFM**" or "**KIT Trustee-Manager**"), in its capacity as trustee-manager of Keppel Infrastructure Trust's ("**KIT**") unaudited results for the first quarter ended 31 March 2018, Basslink Pty Ltd ("**BPL**"), a wholly-owned subsidiary of KIT, has been engaged in and continues to have ongoing discussions with Hydro Tasmania and a group of commercial bank financiers ("**Financiers**") on matters arising from the outage of the Basslink Interconnector ("**Interconnector**") that occurred on 20 December 2015 (which returned to service on 13 June 2016), including under the project financing for the Interconnector ("**Project Financing**") between the Financiers and a related entity of BPL, Nexus Australia Management Pty Ltd in its capacity as trustee of the Premier Finance Trust Australia ("**Borrower**").

As referred to in KIT's statements issued on 22 and 26 March 2018 as well as on 26 April 2018, BPL had received a letter from the State of Tasmania ("**State**") alleging that it had breached the Basslink Operations Agreement. Subsequent to the aforementioned letter, on 26 March 2018, BPL received a Notice of Dispute from the State. As the dispute between parties remained unresolved, on 26 April 2018, BPL received a letter from the State to refer the said dispute to arbitration.

The Borrower received a letter from the Financiers stating that the existence of the aforesaid dispute amounted to a breach of a repeated representation and warranty under the Project Financing. While BPL and the Borrower had promptly disclosed the dispute to the Financiers, the Financiers have not waived the breach. As a result, a default had occurred on 1 May 2018 under the Project Financing.

Further breaches will occur when the relevant representation is repeated periodically under the Project Financing (which may result in defaults under the Project Financing) while the dispute with the State remains unresolved or until such time these are waived by the Financiers.

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 and KIT does not rely on BPL's cash flows for its distributions, the above-mentioned update is not expected to have any material financial impact on the distribution per unit of KIT for the financial year ending 31 December 2018.

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

2 May 2018