



20 August 2007

ASX STATEMENT/MEDIA RELEASE

WA TO RECEIVE POWER BOOST FROM KEMERTON UPGRADE

Transfield Services Infrastructure Fund will increase Kemerton Power Station's capacity by 40 megawatts through an innovative \$20.4 million upgrade project, bringing the station's total contracted capacity to 300 megawatts and boosting Verve Energy's ability to supply peak power.

Transfield Services, as the manager of the Transfield Services Infrastructure Fund, developed the environmentally friendly approach and worked with Verve Energy to create a value add solution.

Transfield Services Infrastructure Fund CEO, Mr Steve MacDonald, said today: "This innovative solution delivers 40 megawatts of increased power capacity at a far less cost than that of new power plant generation."

"The upgrade will make the power station more efficient and improve its environmental rating by reducing greenhouse emissions, while providing power for an additional 10,000 households," he said.

Transfield Services Infrastructure Fund CFO, Mr Charles Mott, said the project would be fully-funded from existing debt facilities, making it earnings accretive.

Verve Energy Managing Director, Ms Shirley In't Veld, welcomed Transfield Services' initiative to expand the capacity of Kemerton Power Station.

"With Verve Energy's generation capacity capped at 3000MW, this type of private investment supports both Verve and the community," she said.

"In March this year, demand for electricity hit record levels when Western Australia experienced successive 40-degree days. This upgrade will help to meet the ever-growing demand for electricity in the South West Interconnected System."

The upgrade involves retrofitting an existing power generator with a wet compression system, enabling the power station to operate at full capacity even in extreme temperatures. It is an extension of the existing Power Purchase Agreement between Transfield Services Infrastructure Fund and Verve Energy.

The power station was designed to meet industry best-practice standards and the original design specifications included the foresight to be capable of upgrading the plant to meet Verve Energy's increasing power needs.

Transfield Services will project manage the upgrade in addition to its role as the operator and maintainer of the plant for Transfield Services Infrastructure Fund. The project is scheduled to commence in January 2008, and is expected to be completed in June 2008.

Located near Bunbury in Western Australia, Kemerton Power Station is a gas-fired peaking plant servicing the South West Interconnected System from Kalbarri in the north, east to Kalgoorlie and south to Albany.

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Transfield Services Infrastructure Fund (TSI Fund) is a publicly listed entity owning a portfolio of seven infrastructure assets including five power stations and two water filtration plants. The fund mandate includes sourcing, purchasing and managing assets across a diverse range of infrastructure sectors worldwide. Transfield Services is the manager of the fund and the preferred provider of operations and maintenance services for new assets owned by the Fund.

www.tsinfrastructurefund.com

Formerly owned by Transfield Services, Kemerton Power Station was officially opened in November 2005. It is a gas-fired peaking plant, with electricity output of 260 megawatts, which is sold to Verve Energy under a 25-year power purchase agreement.

Transfield Services is a leading global provider of operations, maintenance, and asset and project management services. Transfield Services has more than 23,000 employees working across Australia, New Zealand, the United States, the United Arab Emirates, Qatar, South East Asia, India, and Canada. The Company operates across diverse industries including: mining and process; hydrocarbons; roads; rail and public transport; water; power; telecommunications; facilities management; and defence. Transfield Services Limited is publicly listed in Australia and included in the S&P/ASX 200 with a turnover of A\$2 billion. www.transfieldservices.com

On 31 May 2007, Transfield Services won the Process and Control Engineering (PACE) Zenith Award in the Transport, Power and Infrastructure category for the Project Management of Kemerton Power Station's construction.

The award publicly recognises and rewards industrial projects that most successfully demonstrate vision, technological excellence and innovation. Criteria include technical innovation, engineering expertise, complexity, project management, quality, safety, best business practices and commercial aspects such as return on investment.

The award recognised Transfield Services' health, safety and environmental management as well as the station's innovative design and control systems. The power station was completed on time and on budget while maintaining an industry best practice safety performance.

Verve Energy is Western Australia's leading energy producer with 3240 megawatts of installed generating capacity in five major coal and gas fired power stations and a number of smaller power stations. Verve Energy has outstanding technical and engineering expertise and a proven track record in successfully building and operating power stations. Verve Energy also is a leader in the development of sustainable energy generation using wind and bio energy technologies.

www.verveenergy.com.au