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To: Company Announcements Office
ASX

By: Electronic Lodgement

Alinta Go-ahead For 90MW Wind Farm

Attached is a News Release dated 9 March 2004 regarding the above matter.

Murray King
Company Secretary

Enclosure

News Release



9 March 2004

Alinta Go-ahead For 90MW Wind Farm

Alinta today announced the go-ahead for the development of Western Australia's largest wind farm as part of its plans to provide cheaper and cleaner electricity to Western Australian consumers.

Alinta has signed a power purchase agreement with Renewable Power Ventures Pty Ltd (RPV) to enable RPV to develop a \$200 million wind farm situated 35 km south east of Geraldton in Western Australia's mid-west. Alinta will take all electricity generated from the facility for sale to its burgeoning electricity customer portfolio in WA.

RPV is currently seeking financial close, and Alinta and RPV are jointly seeking to complete necessary agreements with Western Power's networks division, in order for the deal to reach unconditional status and for construction to begin.

The Alinta Wind Farm, with a capacity of 90 megawatts, will be by far the largest in Western Australia, capable of powering the equivalent of 60,000 homes. It will be of similar size to the largest wind farms developed in Australia to date.

Each year, the green energy produced by the Alinta Wind Farm will displace 400,000 tonnes of greenhouse gas emissions produced by traditional power generation. This is the equivalent of removing 80,000 cars from WA roads each year.

Alinta Chief Executive Officer Bob Browning said the Alinta Wind Farm was an important part of Alinta's plans to provide cheaper and cleaner electricity to Western Australian consumers.

"In addition to our cogeneration project with Alcoa, Alinta is actively seeking to develop its generation options to support our sale of power into the retail market," Mr Browning said.

"The Alinta Wind Farm is an important diversification of Alinta's and the State's electricity generation sources, while extending Alinta's core competency in energy retailing.

"It is a win-win situation where we can provide our customers with cheaper and cleaner electricity while securing a good commercial return from the project.

"Alinta will continue to investigate and develop green-friendly electricity projects within Western Australia, particularly renewable and energy-efficient generation technologies."

Alinta estimates the additional generation capacity provided by the Alinta Wind Farm will enable it to generate between \$20 million and \$25 million in additional sales revenue per year.

Mr Browning said the State Government's introduction of Top Up and Spill (TUAS) market rules as part of its electricity reform agenda was essential to the success of the project. The State has indicated it is proceeding with TUAS, despite the decision to abandon some elements of its reform agenda. The power purchase agreement is conditional upon the TUAS rules being introduced.

Mr Browning said Alinta's plans to develop further wind farms would be greatly improved if there were a competitive electricity market in Western Australia that encouraged independent generation.

RPV is a project company jointly owned by Carbon Solutions, National Power and Babcock & Brown. Carbon Solutions is a WA-based company which instigated the proposed development. National Power is a US-based company with technical expertise in wind farm and other power developments and is not related to the company of a similar name within the Alinta Group. Babcock & Brown is a worldwide merchant banking group with a strong interest in renewable energy projects.

The Alinta Wind Farm will comprise 54 wind turbines, each on a tower 80 metres high. If laid end to end, the towers would stretch 4.3 kms.

The precise combined generating capacity of the turbines is 89.1 MW. In comparison, the Albany Wind Farm – currently Western Australia's largest – comprises 12 turbines with a combined capacity of 22MW.

When both the wind farm and cogeneration unit are in operation, Alinta will be producing about 230 MW of electricity – roughly the equivalent of the Muja A and B coal-fired power stations.

Construction is scheduled to begin in July 2004 with the first electricity to be produced in mid-2005. The project will inject approximately \$30 million into the Mid-West region economy and create about 200 jobs during construction.

NEG Micon, a Danish wind turbine manufacturer, will supply the Alinta Wind Farm turbines.

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For more information please contact: Tony Robertson, Principal Advisor, Alinta Corporate Communications (08) 9486 3014 or 0419 867 230.