



**Alinta Limited**  
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28 August 2003

To: Company Announcements Office  
ASX

By: Electronic Lodgement

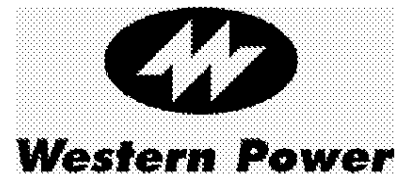
**Western Power and Alinta Sign Standby Agreement**

Attached is a Media Statement regarding the above matter.

A handwritten signature in black ink, appearing to read 'M King', on a light background.

**Murray King**  
**Company Secretary**

Enclosure



## MEDIA STATEMENT

DATE: 28 August 2003

ATTN: Chief of Staff

### **Western Power and Alinta sign standby agreement**

Western Power and Alinta recently signed an agreement that will pave the way for the first major foray by a private electricity generator/retailer into the deregulated Western Australian electricity market.

The agreement between Western Australia's biggest energy retailers will allow Alinta access rights to the South West Interconnected System (SWIS) enabling the fledgling electricity generator and retailer to sell electricity to contestable customers.

To gain access to the network, new generators entering the market must have standby arrangements in place to supply their customers with power while their generator is out of service for routine or breakdown maintenance.

Alinta Chief Executive Officer, Bob Browning was pleased that Alinta and Western Power were able to reach an acceptable agreement.

"Fair access to Western Power's network is a critical element of our co-generation project," he said.

Alinta intends to construct a 140MW co-generation facility at the Alcoa Pinjarra alumina refinery and the agreement sees Western Power providing standby power to cover any unavailability of the 140MW generator.

The agreement was signed after eight months of negotiations and is anticipated it will come into effect when Alinta's gas-fired Pinjarra plant comes online in the second half of 2005. The arrangement will stand until the introduction of the new electricity market in 2006.

Ongoing deregulation of the electricity market means that since 1 January 2003 consumers using more than 34kW of electricity have been able to choose their electricity retailer.

With the proposed 140MW generating unit, Alinta will be able to supply about 1,000 gigawatt hours (GWh) or almost 10 per cent of Western Power's current customer sales.

Western Power Managing Director Dr Stephen van der Mye said the arrangement showed Western Power was facilitating the entry of competition into the WA electricity market.

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“Western Power is committed to the State Government’s reform of the electricity market,” Dr van der Mye said.

“The greatest benefits to come out of the reform process will be from increased competition in the generating and retailing sectors of the industry.

“Alinta has had to rely on Western Power as the dominant player in the electricity market, to provide this sort of service until such time as the new market provides its own mechanisms for covering the loss of generating capacity,” he said.

Mr Browning said electricity reforms in WA would greatly reduce barriers to other generators and retailers entering the market.

“Alinta’s project shows that electricity competition will deliver benefits to customers as well as take the pressure of providing new generation off the Government’s balance sheet,” he said.

But Mr Browning added that the benefits would be limited unless the Government’s reform package is implemented in full.

(ENDS)

**Media contacts:**

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