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23 June 2006

To: Company Announcements Office  
ASX

By: Electronic Lodgement

**Open Briefing – CEO on Timetable for Alinta/AGL Transaction**

Attached is an Open Briefing dated 23 June 2006 regarding the above matter.

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

Enclosure

**Attention ASX Company Announcements Platform  
Lodgement of Open Briefing®**



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**Title:** Open Briefing® . Alinta. Timetable for Alinta/AGL Transaction

**Record of interview:**

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Alinta Limited (Alinta) and The Australian Gas Light Company (AGL) have signed a Merger Implementation Agreement (MIA). The MIA records and documents the binding terms and conditions to proceed to implement the proposed merger of the two companies announced in April 2006. What are the broad terms of the MIA?

**CEO Bob Browning**

The MIA formalises, and is broadly consistent with, the Heads of Agreement (HOA) that Alinta and AGL announced on 26 April. Essentially the MIA sets down the terms and conditions under which we will proceed to implement the transaction announced in April. There are some subtle changes in the MIA, but certainly the high level numbers are very consistent with that previously announced in the HOA. The full MIA was released to the ASX on 2 June.

At the completion of this transaction, AGL's energy business will be wholly owned by existing AGL Shareholders. The business will include AGL's current energy assets and an initial 33% interest in Alinta's Western Australian retail and cogeneration business, plus an option to move to 100% over 5 years. The enlarged Alinta, will be 54% owned by Alinta's current Shareholders and 46% owned by

current AGL Shareholders. In addition to its existing infrastructure assets, the expanded Alinta will own AGL's infrastructure assets and asset management business (Agility).

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Can you outline the procedural steps and timetable up to the expected completion date for the merger and subsequent demerger of the combined energy and infrastructure assets?

**CEO Bob Browning**

We're hoping to finalise the whole transaction around October 2006. We expect to dispatch the scheme booklets to shareholders in August/September and that each group of shareholders will have meetings to vote in mid October. If approved by shareholders, the schemes will then need to be approved by a court.

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Are there any outstanding issues that could derail the merger?

**CEO Bob Browning**

We have just completed nearly all of the legal documentation that was required under the MIA, so all of the contractual relationships are now in place between Alinta and AGL. All the important decisions have been agreed on by both organisations. At this point we can't foresee any issues that would derail the merger. It is of course ultimately up to the shareholders of both companies who will vote on the proposal later in the year.

We don't believe the ACCC's decision of last week will ultimately derail the merger, but it is important we continue to work with them to address their concerns.

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What is the impact of the ACCC ruling on the Alinta/AGL transaction and what is the timing for a final decision?

**CEO Bob Browning**

Alinta is disappointed with the ACCC's decision not to provide an informal clearance for its merger with AGL's infrastructure assets. However, we will continue to work co-operatively with the ACCC to meet any ongoing concerns it has. While we believe the undertakings we have made to date are broad and sufficient, we will continue to work with the ACCC to work out how we can further strengthen these undertakings.

The ACCC has indicated it anticipates making a final decision on 28 July.

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What are the important documents for Alinta shareholders to read to understand the Alinta/AGL merger proposal?

**CEO Bob Browning**

Clearly we recommend that Alinta shareholders read all our ASX announcements during the transaction process, as well as our website which is being continuously updated. However, the most important documentation for Alinta shareholders to read is the Scheme Booklet.

There has been some confusion amongst our shareholders because we are required to continue to lodge various documents with the ASX as part of the takeover offers for each other - even though both parties are not actively pursuing these options. For example, we were required by law to lodge the Target Statement in response to AGL's offer, which was lodged with the ASX on 20 June. Alinta shareholders will start receiving this document in the mail early next week. Both the boards of Alinta and AGL have recommended to shareholders to take no action on those takeover offers as we are now pursuing the merger option announced on 26 April.

In summary, the important document that shareholders will receive in relation to the merger is the Scheme Booklet and that will be dispatched around 28 days ahead of the scheme meeting scheduled at this stage for October.

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When will shareholders have to take some action on the Alinta/AGL merger proposal?

**CEO Bob Browning**

The Scheme Booklet will set out the action required by Alinta shareholders. Shareholders will have the opportunity to vote by proxy on forms contained in the Scheme Booklet or to vote in person at the scheme meeting.

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When during that timeline do you expect to advise Alinta Infrastructure Holdings (AIH) on the assets it will have first rights to bid for as a result of the change in ownership?

**CEO Bob Browning**

The important thing to realise in relation to AIH is that they have a standing right of first refusal on any infrastructure assets that Alinta might divest. So, AIH has the first right to purchase any infrastructure assets that Alinta decides to divest (except greenfield developments and renewables) as a result of a successful merger transaction with AGL. AIH would then make an independent decision as to whether they purchase those assets.

One of the differences between the HOA announced in April and the MIA announced last week was a slight change to the timeframe during which Alinta can sell down any assets it acquires as a result of the merger transaction. In the HOA we stated that we would not be able to sell down any assets in the 12 months after completing the total transaction. What has now been agreed, and outlined in the

MIA, is that subject to certain conditions, we can sell 20% of the value of the assets acquired from AGL six months or more after completing the total transaction and the full value of the assets acquired can be sold down at any time with shareholder approval.

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As you said earlier, Alinta and AGL are required by law to lodge various documents with the ASX as part of the takeover offers for each other even though both parties are not actively pursuing these options. When will the bids finally close?

**CEO Bob Browning**

Given that neither takeover bid has been actively pursued, our preference was to delay sending our Target Statement to shareholders because we recognise that it is confusing for them to be receiving these documents while we are doing the merger transaction. Sending the documents, with a recommendation that no action be taken, is also a waste of printing and mailing. However, we are required by law to do so.

Our Target Statement takes into consideration where the overall process is. It is a very brief document to keep costs to a minimum and essentially recognise that there are friendly merger negotiations ongoing, but also that the hostile bid for Alinta undervalues our stock. So we wouldn't be expecting any shareholders to accept AGL's takeover anyway.

We also expect that the offer periods are likely to be extended beyond the time of the merger scheme meetings. AGL shareholders will shortly receive a notice extending our offer to 31 July.

Shareholders should bear in mind that up until the scheme meetings on the merger, the takeover process will be ongoing in the background and we advise shareholders to take no action on any documents they might receive in relation to the takeover offers.

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Babcock & Brown has taken an equity stake in Alinta. What do you understand is their holding – including direct equity holdings and any possible equity swap arrangements?

**CEO Bob Browning**

All we're aware of is Babcock & Brown hold a 2% direct equity holding in Alinta.

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A small number of AGL shareholders accepted Alinta's takeover offer. Can you explain that situation? For how long will they remain in trading limbo? Are there any solutions?

**CEO Bob Browning**

Shareholders accounting for approximately 1.5 million shares – approximately one-third of 1% – have accepted Alinta's takeover offer for AGL. Now that Alinta's offer for AGL is being extended to July 31 2006, these shareholders now have the right to withdraw their acceptances.

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Thank you Bob.

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For further information on Alinta please visit [www.alinta.net.au](http://www.alinta.net.au) or call Shaun Duffy (Investor enquiries) on (08) 9486 3229 or Tony Robertson (Media enquiries) on (08) 9486 3014.

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