Alinta Infrastructure Holdings
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and
Alinta Funds Management Limited
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4 July 2006

To: Company Announcements Office
ASX

By: Electronic Lodgement

New Contracts & Growth Prospects

Attached is an Open Briefing dated 4 July 2006 on the above matter.

Rebecca O'Brien
Company Secretary

Attention ASX Company Announcements Platform
Lodgement of Open Briefing®

Alinta Infrastructure Holdings
Level 5, The Quadrant
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PERTH, WA, 6000

Date of lodgement: 04-Jul-2006

Title: Open Briefing®. Alinta Infrastructure. New Contracts & Growth Prospects

Record of interview:

corporatefile.com.au
Alinta Infrastructure Holdings (AIH) recently announced binding Memoranda of Understanding (MOU) to provide gas transportation services to TRUenergy. Can you outline the minimum and upside revenues under the MOU?

CEO John Cahill
The announcement of the TRUenergy (TRU) deal is a very exciting development for AIH because it represents significant new revenue streams on the Eastern Gas Pipeline (EGP). We've executed two binding MOUs with TRU relating to gas transport. One relates to the Tallawarra power station and the other is for their retail gas business.

With TRU's recent announcement to proceed with the power station, the Tallawarra MOU has become unconditional and accordingly secures a minimum of $97 million firm forward revenue for AIH through to 2017.

The MOU relating to the retail gas business is, in effect, an option for TRU to take additional gas transportation services. This could generate up to an additional $140 million in revenue between the period 2008 and 2017, however, we won't know our precise revenue generating capability from this MOU until they exercise their option. TRU also has the option to transport gas in 2006 and 2007 that may give us up to an additional $7.5 million in revenue over that period.

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What other detail can you give about the terms of the MOU?

CEO John Cahill
In addition to the arrangements we've just discussed, TRU has the ability to use our gas transport services on an as available basis, if we have the available capacity, which represents additional upside to AIH. TRU also has an option to extend the gas transport arrangements for both the Tallawarra and Retail MOUs for a further five years beyond 2017, subject to the EGP having spare capacity available at that time.

The MOUs are legally binding and reflect a detailed term sheet. The Tallawarra MOU is in the process of being converted into a formal gas transport agreement and the Retail MOU will follow at an appropriate time, but the substance of the contracts is already in place.

These MOUs underpin our belief in the strong growth prospects for AIH, particularly in relation to the eastern gas market and the EGP.

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Can you recap all the new contracts AIH has entered into this year?

CEO John Cahill
We've announced a number of new contracts relating to the EGP and a major contract renewal on the Queensland Gas Pipeline (QGP). Earlier this year we announced new contracts on the EGP for the 2006 winter period for a total of 11 PJ on a take or pay basis. We also announced the renewal of the Queensland Alumina Limited (QAL) contract. QAL is the foundation customer on the QGP. That contract secures in excess of 13 PJ per annum of firm forward gas transport revenue for the next 10 years out to the end of 2016. There are also a number of smaller contracts up for renewal relating to the QGP which we are finalising at present. All of this activity underpins our confidence in the growth prospects for both of those pipelines.

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What other initiatives are in place to improve or grow your business?

CEO John Cahill
AIH is continually on the lookout for new business opportunities including further organic growth opportunities for our pipelines and power station assets, as well as potential asset acquisitions. On the finance side, we've successfully renegotiated our senior debt facility, which has allowed us to reduce credit margins and extend maturities on that debt. This will result in annual cash flow savings of approximately $2 million per year.

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A sizeable infrastructure company will emerge from the Alinta/AGL transaction. What threats or opportunities will that create for AIH?

CEO John Cahill
The Alinta/AGL merger proposal, and indeed other opportunities in the energy infrastructure sector in Australia, present AIH with plenty of opportunity. It should be a very exciting time for AIH going forward. Assuming the Alinta/AGL transaction is approved by shareholders, AIH will have a first right to acquire infrastructure assets that Alinta decides to divest (except greenfield developments and renewables). Under the recently announced Merger Implementation Agreement (MIA), Alinta can divest up to $1.2 billion worth of AGL infrastructure assets within six months of completion of the merger, subject to AIH's consent for Alinta to transfer the Western Australian Cogeneration assets to AlintaAGL. Alinta can divest more than that value of assets earlier if shareholders of the enlarged Alinta approve it in an ordinary resolution. Beyond that Alinta is free under the MIA to sell down assets to AIH after twelve months of completion of the transaction.

Overall, this gives us a lot of potential activity moving forward. Importantly, AIH is not obligated to acquire the assets and will not buy assets simply to control a larger asset portfolio. We will only buy assets that meet our investment criteria, add value to our securityholders and we will ensure that there is no material impact on our BBB credit rating. In that context, any acquisition will have to be approved by AIH's Independent Directors who form our Investment Committee.

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When do you expect clarity on the assets that will become available to AIH as a result of the Alinta/AGL deal?

CEO John Cahill
Once Alinta and AGL have held their Scheme meetings and all formal approvals are in place to complete the transaction, AIH will have a clearer picture as to what assets may potentially become available. The MIA lodged with ASX by Alinta and AGL outlines AGL's infrastructure assets. They comprise the electricity distribution network in Victoria; the gas distribution network in NSW; the Cawse cogeneration plant in the goldfields of Western Australia; Agility; the Chilean gas distribution network, GasValpo; a 30% stake in the Australian Pipeline Trust; the Wattle Point wind farm in South Australia and a 50% interest in the ActewAGL distribution partnership in the ACT. So, there are a number of infrastructure assets there that could potentially become part of the AIH portfolio. However, I would note that based on Alinta's current business model it will clearly not be looking to sell Agility, and AIH will not be interested in pursuing an acquisition of the Gas Valpo business.

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Why do you think the AIH security price has been so weak recently? What market feedback are you getting?

CEO John Cahill
It's always very difficult to have a definitive view on share market movements and individual share prices.

Some feedback from the market is that the overall sector is fatigued given the large number of funds that are now in existence. General weakness has partly been driven by investor concerns that bond yields will strengthen relative to the yields in the infrastructure sector and it also appears that there has been a propensity for investors to move funds into the resources sector.

Having said that, we think we've achieved a great deal this year and the business is in great shape. We're meeting the forecasts we set in our IPO Prospectus, our growth prospects are strong and the yields on AIH securities at these current prices are very attractive indeed.

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What is the current profile of your share register? Have you been able to attract institutional shareholders as well as the strong retail base?

CEO John Cahill
There has been a fair amount of movement on our register in recent times. In May, Barclays Global Investors became a substantial shareholder with roughly 5.2% of AIH stock and have since moved up to around 8.2%. We still have UBS as a substantial shareholder. They are a foundation shareholder, holding roughly 7%, and of course Alinta holds the cornerstone shareholding of approximately 20%. AIH has attracted institutional interest and maintains a strong retail base with the register well balanced between retail and institutional/corporate investors based on a percentage of issued capital.

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Getting back to yield - how does AIH compare with other infrastructure companies in terms of yield?

CEO John Cahill
We definitely have one of the more attractive yields in the sector, particularly considering the largely contracted nature of our revenues which will lock in those yields going forward.

Based on the current share price and distributions growing from 15.75 cents in 2006 to 28.5 cents in 2007, AIH is returning a yield in excess of 9% for 2006 and nearly 10% for 2007. These distributions are on a 100% tax-deferred basis.

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Have AIH's business fundamentals changed in any significant way over the last few months? How are you tracking compared with the projections outlined in the IPO Prospectus?

CEO John Cahill

The strong fundamentals of the business have been confirmed over the last few months. Our revenues have been underpinned by the new contracts and we've reiterated our distribution guidance. Beyond that, it's business as usual. We are pursuing organic growth within the existing assets and continue to look at assets that we can potentially add to the portfolio going forward.

At this stage, we're confident in meeting the projections as detailed in the IPO Prospectus.

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Thank you John.

For further information on Alinta Infrastructure Holdings please visit www.aih.net.au or call James Tranter (Manager Investor Relations) on (08) 9486 3164.

To read other Open Briefings, or to receive future Open Briefings by email, please visit www.corporatefile.com.au