



Alinta Limited
ABN 40 087 857 001

The Quadrant
1 William Street
Perth WA 6000
GPO Box W2030
Perth WA 6846

Telephone 08 9486 3000
Facsimile 08 9486 3030

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To: Company Announcements Office
ASX

By: Electronic Lodgement

Open Briefing – Alinta Acquires Stake in APT

Attached is an Open Briefing dated 17 August 2006 regarding the above matter.

Patrick McCole
Company Secretary

Enclosure

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



Alinta Limited
Level 7, The Quadrant
1 William Street
PERTH, WA, 6000.

Date of lodgement: 17-Aug-2006

Title: Open Briefing® . Alinta. Acquires Stake in APT

Record of interview:

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Alinta Limited announced today that it has purchased a stake of approximately 4% in Australian Pipeline Trust (APT), yet you have recently given undertakings to the ACCC as part of the AGL transaction to divest the holding in APT that you will acquire. How does this acquisition fit with those undertakings?

CEO Bob Browning

Firstly, we have every intention of complying with the undertakings we have provided to the ACCC, which revolve around the ownership of specific assets and management contracts.

After spending substantial time with the ACCC over the past few months, we have a really good handle on what the issues are and look forward to working with the ACCC to address their competition concerns, while at the same time, capturing better value for all APT unitholders.

By taking the actions we have, we're acknowledging that the suite of assets built up by APT are quality assets, and we at Alinta would like to take a long term interest in these assets. Obviously, there are things that we need to work

through with ACCC, but we believe that we have some outcomes that will keep Alinta, ACCC and other stakeholders happy.

Additionally, the market and media have speculated for some time that consolidation in our sector is likely. There are a number of listed infrastructure investment vehicles with similar investment mandates. We think we have a role to play in driving this consolidation. Alinta has been instrumental in part of this with AGL and we're now looking to take this further with APT.

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Can you provide further detail on these plans? Are you contemplating seeking approval from the ACCC to simply sell the Moomba to Sydney and Parmelia pipelines?

CEO Bob Browning

It's too early to publicly discuss possible options, but we have given this a great deal of thought and we're keen to discuss options with the Board and management of APT in due course.

We're looking at all options to physically separate Alinta from these assets. Of course a sale is one option, however there are other options which we will explore with the ACCC and the APT Board which we believe could be more beneficial to APT unitholders.

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What's in it for APT unitholders? How will you demonstrate the value for them?

CEO Bob Browning

It's too early at this stage to go into the possibilities Alinta is considering, except to say that Alinta is well aware of its duties to all parties including its own shareholders, co-investors and co-stakeholders in entities that it has investments or interests. In undertaking the investment in APT, Alinta is aware that any restructuring needs to be done to benefit all stakeholders.

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What do you intend to do with your investment in APT? Will Alinta be making a full takeover offer for APT?

CEO Bob Browning

Ultimately our plans are dependent on whether our upcoming Scheme of Arrangement for the AGL merger transaction is approved by shareholders. If it is, we will acquire an additional 30% stake in APT and move to a position where we can present options to the APT Board which will be in the best interests of all unitholders. Assuming that we can reach a suitable position with ACCC, we would like to keep the unitholding and work with APT in a cooperative manner. They have high quality assets and we have ideas that will be value accretive for all unitholders.

At this stage, there is no intention to make a full takeover offer. Circumstances may change over time, but as of today, there is no intention in this regard.

If the Scheme does not proceed, we will be content with a strategic stake in APT.

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Will this affect the Scheme of Arrangement with AGL?

CEO Bob Browning

No, Alinta would do nothing to jeopardise the Scheme of Arrangement. The Scheme is of paramount importance to Alinta. That said, we did negotiate the ability in the Merger Implementation Agreement for Alinta to acquire assets prior to the Scheme vote, providing this does not reduce the forecast 2007 dividend to Alinta shareholders. I can confirm the acquisition of these APT units does not dilute the forecast dividend and, therefore, is permitted under the MIA.

The implications of this acquisition are that Alinta needs to make some amendments to various limited sections of the Scheme Booklets. This has been another reason why we needed to act quickly in order to properly describe the transaction in the Booklets, without causing delay to the Scheme vote.

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What happens if the Scheme does not succeed for some reason?

CEO Bob Browning

This is always a risk and we acknowledge that there are a number of conditions that still need to be fulfilled including a shareholder vote and court approval, however, given that the Schemes will be the subject of Board recommendations, we would hope they will be well supported. This is a case where all shareholders get to decide on the future directions of their companies and due to the different ambitions of AGL Energy and the New Alinta (being Alinta plus the AGL Infrastructure), there are significant benefits for all shareholders by splitting and focussing on core business.

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How do you justify the price of \$5 per unit for APT?

CEO Bob Browning

We have run a number of sensitivities and we're satisfied that given our plans, the price is an acceptable one for Alinta. We do recognise that the price represents a significant premium, but this has been necessary to secure the stake we sought.

As has been proven in the AGL deal, the market was surprised that we could offer such a premium for the stake that we acquired in AGL. In the end, all Alinta's assumptions have proven correct and, in some cases, conservative. For instance, the synergies that we predicted in the AGL acquisition may prove to be a little

light, especially in view of AGL's press announcements over the past few days as to the cost savings it intends to make.

We're confident that we have done our homework on the APT opportunity.

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Do you need to raise equity for this acquisition?

CEO Bob Browning

No, as will be seen in the Scheme Booklet, Alinta will actually be under-gearred following the Scheme and we were able to fully fund this acquisition with a debt facility.

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What are the cash flow and earnings impacts of this acquisition?

CEO Bob Browning

Given the timing of APT's dividend payments, the transaction is marginally cash flow per share accretive for Alinta in 2007 and will not impact on the dividend forecasts provided publicly as a result of the AGL merger transaction. The APT stake is earnings per share neutral for us.

More importantly, the stake is very strategic given the consolidation that the industry is starting to experience. Alinta intends to be a key facilitator of the integration and we strongly believe that there are strategic benefits associated with first mover advantage.

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Where are the synergies to justify the price you paid, given the operational management of the pipelines sit with Agility?

CEO Bob Browning

At the moment Australia has approximately 10 entities who are all chasing regulated assets. There is certainly a role for multiple players in the market, however, we believe the number of entities at the moment is too high. As such, there is substantial scope for cost savings that industry consolidation will no doubt bring.

At the completion of the AGL infrastructure acquisition, Alinta will be the largest manager of Australian utility infrastructure assets. As such, we're in a strong position to facilitate this consolidation process and to benefit from it. Alinta was able to ensure that the best quality assets are sought and acquired by Alinta.

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When will you stop buying things?

CEO Bob Browning

We only acquire things where we believe it adds value for our shareholders. The assets have to satisfy many filters before we will acquire them. Alinta has been fortunate that there have been many value adding opportunities for us in recent years. That said, we have actually looked at a number of things and turned them down as they didn't meet our criteria. These include the Singapore Power merchant energy business, a water business in the UK, a transmission and distribution business in the United States plus some other local opportunities.

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How does the investment in APT fit with your stake in AIH?

CEO Bob Browning

There is nothing in the arrangements with either AIH or APT that prevents Alinta from taking an interest in both. We recognise that the market needs clarity as to the future for all of these entities, and we're constantly reviewing our strategy to ensure we are maximising shareholder returns. Alinta plans to be the leading energy infrastructure participant in the Australian market.

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What happens to APT's joint bid for GasNet with Babcock and Brown?

CEO Bob Browning

At this stage, Babcocks and APT have not provided a formal response to the recommended bid put forward by Colonial First State Global Asset Management on Tuesday. As far as this is concerned, I would expect that we need to meet with executives at Babcocks and APT, as appropriate.

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Thank you Bob.

For further information on Alinta please visit 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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