



PO Box 1199, Dickson ACT 2602
470 Northbourne Ave, Dickson ACT 2602
Ph (02) 6243 1111 Fax (02) 6243 1199
www.accc.gov.au

A.C.C.C. REJECTS ALINTA UNDERTAKING ON ALINTA/APT MERGER PROPOSAL

The Australian Competition and Consumer Commission has decided that it will not accept Alinta's offer of varied undertakings in relation to Alinta's proposal to take an increased interest in APT and subsequently control APT, ACCC Chairman, Mr Graeme Samuel, said today.

On 8 September 2006, the ACCC commenced market inquiries in relation to the draft varied undertaking proposal put forward by Alinta. The draft proposal put forward would allow Alinta to retain its ownership of APT on condition that certain assets, including the Moomba to Sydney Pipeline, Parmelia Pipeline and GasNet, are divested.

"The ACCC will not accept the current offer of a varied undertaking from Alinta", Mr Samuel said. "The ACCC has significant concerns in relation to the structure and enforceability of the varied undertaking as it currently stands. The ACCC is now waiting for Alinta to respond. The ACCC notes that Alinta may engage in further undertaking negotiations.

"The current situation is that Alinta must still divest all of its interest in APT within a specified confidential period of the AGL-Alinta Joint Merger proposal and not appoint or vote on any directors. The ACCC accepted an undertaking to that effect on 3 August 2006 and that undertaking remains in force".

The draft proposed varied undertaking put forward by Alinta is available on the ACCC's website, www.accc.gov.au, by following the link to *Mergers* and then the link to *Mergers register*.

The earlier accepted undertaking, from 3 August 2006, is available on the ACCC's website by following the link to *Mergers*, then *Mergers Register* then *Recently Completed*.

The ACCC notes that both the 3 August 2006 undertaking and the draft proposed varied undertaking contain clauses requiring Alinta to divest the Agility contracts involving the supply of management and operational services to the Moomba to Sydney and Parmelia Pipelines.

Media inquiries

Mr Graeme Samuel, Chairman, (03) 9290 1812 or mobile/pager 0408 335 555

Dr Stephen King, Commissioner, (03) 9290 1863 or 0439 988 901

Ms Lin Enright, Director, Public Relations, (02) 6243 1108 or 0414 613 520

General inquiries

Infocentre: 1300 302 502

MR 231/06

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