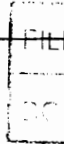


N90800
FREEHILL
HOLLINGDALE
& PAGE



20 June 2000

Our ref DOR:BDK
File no 20867053
Doc no MELCD\00369236.2

Mr Ian Searles
Australian Competition and Consumer Commission
PO Box 1199
DICKSON ACT 2602

Dear Sir

**Australian Energy Services Pty Ltd ("AES")
Notification of Exclusive Dealing**

We act for AES and enclose our client's Exclusive Dealing Notification.

As you will see from the Notification, the conduct in question concerns the contractual requirement that customers of AES will enter into contracts for the supply of electricity with the supplier selected by AES as offering the best "deal". The conduct therefore falls within section 47(6). A copy of the form of contract is enclosed.

With reference to the test that must be satisfied pursuant to section 93(3A), we submit there is no public detriment, and there is a significant public benefit. The customers of AES rely on it to select the cheapest supply of electricity, and AES has done so, with considerable success.

The contracts entered into by AES customers with the nominated electricity suppliers are for fixed terms. The average term is two to three years, while a small percentage (less than 5%) have terms of four to five years. By those contracts the price of electricity is fixed for the term of the contract.

When AES commenced mainstream operations in early 1998, the price of electricity at peak supply times was approximately \$20.00 per megawatt hour (for large consumers), and the price now is from \$40.00 to \$45.00. For smaller consumers, the price was approximately \$35.00, and is now approximately \$60.00. The many customers of AES (in excess of 10,000 contracts) have therefore paid far less for electricity by contracting with the suppliers nominated by AES.

101 Collins Street
Melbourne Victoria 3000 Australia
Telephone (03) 9288 1234 Int+ (61 3) 9288 1234 Facsimile (03) 9288 1567
DX 240 Melbourne

MELBOURNE SYDNEY PERTH CANBERRA BRISBANE SINGAPORE HANOI HO CHI MINH CITY
CORRESPONDENT OFFICE IN JAKARTA

Liability is limited by the Solicitors Scheme under the Professional Standards Act 1994 (NSW)

We should add that the form of contract, the subject of the Notification, is being phased out, and will not be used after July this year. Under the new form of AES contract, AES is itself the supplier of the electricity.

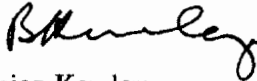
A cheque for \$1,000.00 in payment of the filing fee is enclosed.

If you require further information, please contact the writer.

Yours faithfully

FREEHILL HOLLINGDALE & PAGE

per:



Brian Kewley
Special Counsel

enc.

[Front of Form]

COMMONWEALTH OF AUSTRALIA

Trade Practices Act 1974 - Sub-section 93 (1)

EXCLUSIVE DEALING:

NOTIFICATION

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with sub-section 93 (1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to in sub-section 47 (2), (3), (4), (5), (6) or (7), or paragraph 47 (8) (a), (b), (c), or (d), of that Act in which the person giving notice engages or proposes to engage.

1. (a) **Name of person giving notice:**
Australian Energy Services Pty Ltd ("AES").
- (b) **Short description of business carried on by that person:**
The sale of electricity, and the provision of pricing advice and contract procurement.
- (c) **Address in Australia for service of documents on that person:**
Freehill Hollingdale & Page
Level 43
101 Collins Street
MELBOURNE VIC 3000
DX 240 MELBOURNE
Ref: DOR:BDK:20867053
2. (a) **Description of the goods or services in relation to the supply or acquisition of which this notice relates:**
The services in question are pricing advice and the procurement for customers of contracts with suppliers of electricity.

(b) **Description of the conduct or proposed conduct:**

AES negotiates the best "deals" on electricity on behalf of business consumers of electricity. It enters into a form of contract with its customers under which it agrees to provide such a service. It provides that the customer will acquire electricity from the "nominated supplier", being the supplier AES recommends and selects for the customer. The customer then enters into a separate contract with the electrical supplier.

3. (a) **Class or classes of persons to which the conduct relates:**

Customers of AES.

(b) **Number of those persons:**

(i) **At the present time:**

Approximately 10,000

(ii) **Estimate within the next year:**

Less than 2,000

(c) **Where number of persons stated in Item 3(b)(i) is less than 50, their names and addresses:**

Not applicable.

4. **Name and address of person authorised by that person giving this notice to provide additional information in relation to this notice:**

Attention: Brian Kewley
Freehill Hollingdale & Page
Level 43
101 Collins Street
MELBOURNE VIC 3000
DX 240 MELBOURNE
Ref: WMC:20867053

Dated 20th day of June 2000

Signed by/on behalf of the person giving this notice

..... *BKewley* (Signature)
..... *Brian Kewley* (Full Name)
..... *Secretary* (Description)