

**FIRST SUPPLEMENTARY UNDERTAKING TO THE AUSTRALIAN COMPETITION
AND CONSUMER COMMISSION PURSUANT TO SECTION 87B OF THE *TRADE
PRACTICES ACT 1974***

**BY
GIPPSLAND POWER PTY LTD**

**TRARALGON POWER PTY LTD, IPM VENTURES AUSTRALIA PTY LTD
(FORMERLY KNOWN AS MISSION ENERGY VENTURES AUSTRALIA PTY LTD)
AND LATROBE POWER PTY LTD AS PARTNERS IN THE MISSION VICTORIA
PARTNERSHIP**

**TRARALGON POWER PTY LTD, IPM VENTURES AUSTRALIA PTY LTD
(FORMERLY KNOWN AS MISSION ENERGY VENTURES AUSTRALIA PTY LTD)
AND LATROBE POWER PTY LTD, AS PARTNERS IN THE MISSION VICTORIA
PARTNERSHIP AND IPM AUSTRALIA LIMITED (FORMERLY KNOWN AS EDISON
MISSION ENERGY AUSTRALIA LIMITED), TOGETHER AS MEMBERS OF THE
LATROBE POWER PARTNERSHIP.**

1 BACKGROUND

- 1.1 On 27 August 2004, the Commission accepted the Principal Undertaking pursuant to section 87B of the *Trade Practices Act 1974* given by IPM Eagle LLP in relation to the Acquisition.
- 1.2 By paragraph 21 of the Principal Undertaking, IPM Eagle LLP is required to procure each LYB Plant Entity to execute this First Supplementary Undertaking.
- 1.3 IPM Eagle LLP has completed the Acquisition and the Completion Date for the purposes of the Principal Undertaking and this First Supplementary Undertaking is 17 December 2004.
- 1.4 In accordance with paragraph 21 of the Principal Undertaking, IPM Eagle LLP has procured each LYB Plant Entity to execute this First Supplementary Undertaking and each LYB Plant Entity executes this First Supplementary Undertaking as follows.

2 INTERPRETATION

- 2.1 In this First Supplementary Undertaking:

Acquisition means the acquisition by IPM Eagle LLP of the EME Relevant Australian Generation Assets and the 70 per cent Ownership Interest of the EME Group in the Kwinana 118MW gas fired combined cycle cogeneration plant in Perth, Western Australia.

IPMAL means IPM Australia Limited (formerly known as Edison Mission Energy Australia Limited) (ABN 87 055 563 785).

Gippsland Power means Gippsland Power Pty. Ltd. (ABN 30 077 851 079).

Latrobe Power means Latrobe Power Pty. Ltd. (ABN 42 055 983 563).

LYB Plant Entity means each or any one of the LYB Plant Entities.

IPMVA means IPM Ventures Australia Pty. Limited (formerly known as Mission Energy Ventures Australia Pty. Limited) (ABN 57 055 984 499).

Principal Undertaking means the undertaking pursuant to section 87B of the *Trade Practices Act 1974* given by IPM Eagle LLP in relation to the Acquisition as accepted by the Commission on 27 August 2004.

Traralgon Power means Traralgon Power Pty Ltd (ABN 69 056 292 623).

2.2 A word or expression that has a defined meaning in the Principal Undertaking has the same meaning as in the Principal Undertaking when used in this First Supplementary Undertaking.

3 FIRST SUPPLEMENTARY UNDERTAKING

3.1 This First Supplementary Undertaking is supplementary to the Principal Undertaking.

3.2 Each of:

- (a) Gippsland Power;
- (b) Traralgon Power, IPMVA and Latrobe Power as partners in the Mission Victoria Partnership; and
- (c) Traralgon Power, IPMVA and Latrobe Power, as partners in the Mission Victoria Partnership, and IPMAL, together as partners in the Latrobe Power Partnership,

undertakes severally to the Commission as an enforceable undertaking under section 87B of the *Trade Practices Act 1974*:

(d) *Confidential Clause*

- (e) in terms identical to the other provisions of the Principal Undertaking so far as they relate to the LYB Plant Undertaking, save only for formal modifications necessary in the context of this First Supplementary Undertaking, to the same extent and effect as if each LYB Plant Entity were a party to the Principal Undertaking.

3.3 Consistent with paragraph 3.2(e), this First Supplementary Undertaking and the LYB Plant Undertaking are interdependent so that:

- (a) this First Supplementary Undertaking shall continue for so long as the LYB Plant Undertaking continues; and
- (b) if the LYB Plant Undertaking is revoked and withdrawn by the Consortium Entity with the consent of the Commission for the purposes of section 87B(2) of the Act,

this First Supplementary Undertaking shall be revoked and withdrawn by the LYB Plant Entities with the consent of the Commission for the purposes of section 87B(2) of the Act, simultaneously.

4 CONFIDENTIALITY

4.1 Each LYB Plant Entity gives this First Supplementary Undertaking on the representation of the Commission that save for the purpose of enforcement action under section 87B of the *Trade Practices Act* 1974 or as otherwise required by law, the Commission will not publish or disclose:

- (a) the contents of paragraph 3.2(d) of this First Supplementary Undertaking;
- (b) any Relevant Record, or part of, or extract from any Relevant Record; or
- (c) any information provided to the Commission pursuant to paragraph 5.3 of the Principal Undertaking or any audit report provided to the Commission pursuant to paragraph 6 of the Principal Undertaking,

except with the prior written consent of each LYB Plant Entity.

4.2 Nothing in paragraph 4.1 of this First Supplementary Undertaking shall prevent the Commission from disclosing that each LYB Plant Entity has given an undertaking to the Commission to execute the market operations of the LYB Plant in the NEM in a manner that ensures that the effect of the SECV Hedge Agreement in the NEM after the Acquisition will be similar to the effect that the SECV Hedge Agreement would have had in the NEM if the Acquisition had not occurred.

5 NOTICES

5.1 Any notice or other communication to the Commission pursuant to this First Supplementary Undertaking shall be sent by facsimile to:

General Manager, Mergers and Asset Sales
Australian Competition & Consumer Commission
470 Northbourne Avenue
Dickson ACT 2602
Facsimile: (02) 6243 1212

or in whatever manner the Commission subsequently notifies the LYB Plant Entities.

5.2 Any notice or other communication to the LYB Plant Entities pursuant to this First Supplementary Undertaking shall be sent by facsimile to:

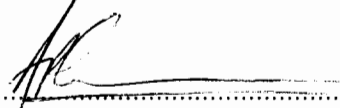
Gippsland Power Pty. Ltd, Traralgon Power Pty. Ltd, Mission Energy Ventures Australia Pty. Ltd, Latrobe Power Pty. Ltd and Edison Mission Energy Australia Ltd
c/o International Power (Australia) Pty Limited
Level 37 Rialto North Tower
525 Collins Street
Melbourne
Victoria, 3000
Facsimile: (03) 9617 8401

or such other address in Australia for International Power (Australia) Pty. Limited as the LYB Plant Entities may subsequently notify the Commission in writing.

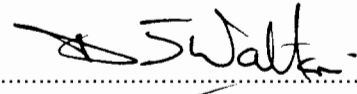
6 PROPER LAW, JURISDICTION AND SERVICE

- 6.1 Each LYB Plant Entity submits to the jurisdiction of the Federal Court of Australia for the purposes of the enforcement of this First Supplementary Undertaking.
- 6.2 The obligations of each LYB Plant Entity under this First Supplementary Undertaking are governed by the law as it applies in the State of Victoria.
- 6.3 Without preventing any mode of service, any document in an action commenced by the Commission under section 87B of the Act to enforce this First Supplementary Undertaking (including, without limitation, any application, statement of claim or other originating process) may be served on each LYB Plant Entity by being delivered to or left for each LYB Plant Entity (but not by means of facsimile transmission) at the address for service of notices under paragraph 5.2 of this First Supplementary Undertaking.

**EXECUTED by GIPPSLAND
POWER PTY. LTD.**
(ABN 30 077 851 079) in accordance
with section 127(1) of the
Corporations Act 2001 (Cwlth) by
authority of its directors:

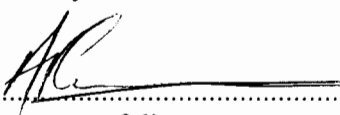

.....
Signature of director

Mr A.P. Concanon
.....
Name of director (block letters)

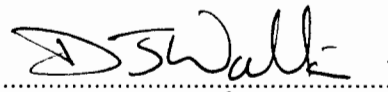

.....
Signature of director/company
secretary*
*delete whichever is not applicable

DAVID S WAGON
.....
Name of director/company secretary*
(block letters)
*delete whichever is not applicable

**EXECUTED by TRARALGON
POWER PTY. LTD.**
(ABN 69 056 292 623) in accordance
with section 127(1) of the
Corporations Act 2001 (Cwlth) by
authority of its directors:



.....
Signature of director

Mr A.P. Concanon
.....
Name of director (block letters)

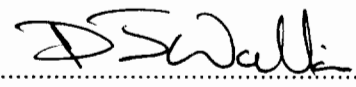

.....
Signature of director/company
secretary*
*delete whichever is not applicable

DAVID S WAGON
.....
Name of director/company secretary*
(block letters)
*delete whichever is not applicable

**EXECUTED by MISSION
ENERGY VENTURES
AUSTRALIA PTY. LTD.**
(ABN 57 055 984 499) in accordance
with section 127(1) of the
Corporations Act 2001 (Cwlth) by
authority of its directors:



.....
Signature of director

Mr A.P. Concanon
.....
Name of director (block letters)

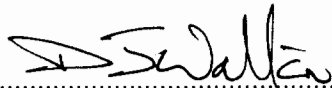

.....
Signature of director/company
secretary*
*delete whichever is not applicable

DAVID S WAGON
.....
Name of director/company secretary*
(block letters)
*delete whichever is not applicable

**EXECUTED by LATROBE
POWER PTY. LTD.**
(ABN 42 055 983 563) in accordance
with section 127(1) of the
Corporations Act 2001 (Cwlth) by
authority of its directors:



.....
Signature of director

Mr A.P. Concanon
.....
Name of director (block letters)

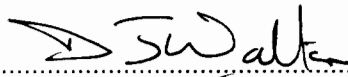

.....
Signature of director/company
secretary*
*delete whichever is not applicable

DAVID S WATSON
.....
Name of director/company secretary*
(block letters)
*delete whichever is not applicable

**EXECUTED by EDISON
MISSION ENERGY AUSTRALIA
LTD.** (ABN 87 055 563 785) in
accordance with section 127(1) of the
Corporations Act 2001 (Cwlth) by
authority of its directors:

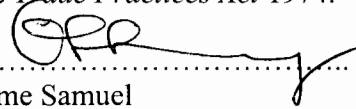

.....
Signature of director

Mr A.P. Concanon
.....
Name of director (block letters)


.....
Signature of director/company
secretary*
*delete whichever is not applicable

DAVID S WATSON
.....
Name of director/company secretary*
(block letters)
*delete whichever is not applicable

ACCEPTED by the Australian Competition and Consumer Commission pursuant to section 87B
of the *Trade Practices Act 1974*.


.....
Graeme Samuel
Chairman

This 16th day of June 2005