
Undertaking to the
Australian Competition And Consumer Commission

given under section 87B of the Trade Practices Act 1974

by

Alinta Limited

(MIA Joint Proposal)

2 August 2006

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BACKGROUND

1. On 21 February 2006, Alinta announced to the ASX its proposal to merge with AGL by way of a shareholder scheme of arrangement. On 13 March 2006, AGL rejected Alinta's merger offer and announced its intention to make a takeover offer to acquire all of the ordinary shares in Alinta. On 20 March 2006, Alinta announced its intention to make a takeover offer for all of the ordinary shares in AGL.
2. On 26 April 2006, Alinta and AGL signed a legally binding Heads of Agreement (HOA) in relation to the merger of their infrastructure and energy businesses (Proposed Transaction). On 1 June 2006, Alinta and AGL executed a Merger Implementation Agreement (MIA) formalising the HOA. On 22 June 2006, Alinta and AGL signed further documents including the Relationship, Regulatory and Transaction Implementation Deeds. These documents were required to be executed under the MIA.
3. A diagram of the corporate structure, post the Proposed Transaction, is set out in Annexure 3 to this Undertaking.
4. Alinta has sought informal clearance of the Proposed Transaction by the Commission.
5. As part of the Proposed Transaction, Alinta will acquire AGL's 30% unit holding in Australian Pipeline Trust (APT) and AGL's 50% interest in Australian Pipeline Limited (APL), the responsible entity of APT. APL, or its subsidiaries, owns gas transmission pipelines, including the MSP and Parmelia Pipeline.
6. Alinta will also acquire AGL's subsidiary Agility, which provides operating, maintenance and management services to APT in relation to its gas transmission pipelines, including the MSP and Parmelia Pipeline.
7. Alinta has a 20% interest in AIH, which owns infrastructure assets in Australia, including the EGP. Alinta provides operational, management and corporate support services to AIH.
8. On 16 June 2006 the Commission published a Statement of Issues in which it raised issues of concern in relation to the competitive effects of the Proposed Transaction.
9. Without admission as to whether the Proposed Transaction might otherwise have the effect of substantially lessening competition in any relevant market, Alinta offers this Undertaking to the Commission in relation to the Proposed Transaction. The Commission is of the view that this Undertaking may have the effect of addressing the competition concerns identified in its

Statement of Issues. The Commission is prepared to accept this Undertaking as it provides a mechanism to ensure that competition will ultimately be promoted in the relevant market or markets while facilitating the transaction as proposed by Alinta.

DEFINITIONS

10. Defined Terms

Term	Definition
Act	means the <i>Trade Practices Act 1974</i>
ActewAGL	means the distribution network partnership between Actew Corporation and AGL and, unless otherwise required by context, a reference to ActewAGL in this Undertaking is a reference to ActewAGL and any of its related bodies corporate
ActewAGL gas and electricity distribution networks in ACT	means ActewAGL's gas and electricity distribution networks in the ACT, Palerang, Greater Queanbeyan, Shoalhaven and Tumut in NSW
Agility	means Agility Management Pty Limited (ACN 086 013 461) and, unless otherwise required by context, a reference to Agility in this Undertaking is a reference to Agility and any of its related bodies corporate
Agility-APT (MSP and Parmelia) Contracts	means the contracts between Agility and APT under which Agility provides asset management and network services in relation to the MSP and the Parmelia Pipeline
Agility-APT (MSP and Parmelia) Contracts Assets	means the: <ul style="list-style-type: none"> a. assets; b. employees; and c. material contracts and contractors, which or who are directly involved in, or are required for, the provision of services to APT by Agility under the Agility-APT (MSP and Parmelia) Contracts
AGL	means The Australian Gas Light Company (ABN 95 052 167 405) and, unless otherwise required by context, a reference to AGL in this Undertaking is a reference to AGL and any of its related bodies corporate
AGL electricity distribution network in Victoria	means AGL's electricity distribution network in north-west greater Melbourne
AGL gas distribution networks in NSW	means AGL's gas distribution network servicing Sydney, Newcastle, Wollongong and other NSW country areas

AIH	means Alinta Infrastructure Holdings, the listed stapled security entity comprising Alinta Infrastructure Limited (ABN 63 108 311 100), Alinta Infrastructure Trust (ARSN 115 765 985) and Alinta Infrastructure Investment Trust (ARSN 115 766 179) and, unless otherwise required by context, a reference to AIH in this Undertaking is a reference to AIH and any of its related bodies corporate
Alinta	means Alinta Limited (ABN 40 087 857 001) and, unless otherwise required by context, a reference to Alinta in this Undertaking is a reference to Alinta and any of its related bodies corporate
Alinta Scheme Assets	means the infrastructure assets and asset management business of AGL to be acquired by Alinta, including: <ul style="list-style-type: none"> a. the AGL gas distribution networks in NSW; b. the AGL electricity distribution network in Victoria; c. the 50% interest in ActewAGL gas and electricity distribution networks in the ACT; d. GasValpo, a natural gas distributor in Chile; e. the Wattle Point windfarm in South Australia; f. the Cawse co-generation plant in WA; g. the 30% interest in APT; and h. Agility's assets management business
APL	means Australian Pipeline Limited (ACN 091 344 704) and, unless otherwise required by context, a reference to APL in this Undertaking is a reference to APL and any of its related bodies corporate
Approved Agent	has the meaning given to it in clause 44
Approved Purchaser	has the meaning given to it in clause 30
APT	means the Australian Pipeline Trust (ARSN 091 678 778) and, unless otherwise required by context, a reference to APT in this Undertaking is a reference to APT and any of its related bodies corporate
Business Day	means a day other than a Saturday, Sunday or a public holiday in New South Wales
Calendar Day	means any day including Saturday, Sunday or a public holiday
Commission	means the Australian Competition and Consumer Commission
Commencement Date	has the meaning given to it in clause 11

DBNGP	means the Dampier to Bunbury Natural Gas Pipeline in WA
Divestment Assets	means: <ul style="list-style-type: none"> a. all of the units Alinta holds in APT and all of the shares it holds in APL, including any rights or options to acquire shares in APL or units in APT; and b. the Agility-APT (MSP and Parmelia) Contracts (unless notified otherwise by the Commission)
Divestment Date	has the meaning given to it in Confidential Annexure 1
EGP	means the Eastern Gas Pipeline
HOA	means the Heads of Agreement signed by Alinta and AGL on 26 April 2006
Hold Separate Termination Date	means the date on which Alinta divests the last of the Divestment Assets
Material Interest	Means: <ul style="list-style-type: none"> a. in relation to an entity, any interest, direct or indirect, in excess of 5%; and b. in relation to an asset: <ul style="list-style-type: none"> i. any interest in the asset in excess of 5% of the value of the asset; or ii. an interest of more than 5% in any entity which has a substantial interest in the asset.
MIA	means the Merger Implementation Agreement executed on 1 June 2006
MSP	means the Moomba to Sydney Pipeline, including all of the pipelines known as laterals which carry gas from Young to Wagga Wagga, Burnt Creek to Griffith, Dalton to Canberra, and the Interconnect from Wagga Wagga to Culcairn, including the bi-directional connection at Culcairn, but does not include the Young to Lithgow Lateral or the Central West Pipeline.
Parmelia Pipeline	means the Parmelia pipeline in WA, including all the pipelines known as laterals which carry gas from the Parmelia Pipeline (namely the Midland, Perth, Kwinana and Rockingham Laterals)

Proposed Agent	has the meaning given to it in clause 40
Proposed Alinta Acquisition	means the acquisition by Alinta of the Alinta Scheme Assets from AGL as contemplated in the MIA
Proposed Approved Purchaser	has the meaning given to it in clause 31
Proposed Transaction	means the merger of the infrastructure assets and energy businesses of Alinta and AGL as provided for in the MIA
related body corporate	has the meaning given to it by the Act
Scheme Completion Date	means the date on which Alinta acquires control over the Alinta Scheme Assets
Undertaking	means the undertakings provided by Alinta in this document
Unsold Divestment Asset	has the meaning given to it in clause 39
WA Retail Business	<p>means Alinta's retail and cogeneration businesses in WA, including:</p> <ul style="list-style-type: none"> a. Alinta's gas and electricity retail business in WA, including all relevant wholesale gas supply and transmission agreements; and b. Alinta's energy generation business, comprising two 140 MW gas-fired cogeneration plants at Alcoa's Pinjarra alumina refinery and any additional developments under the cogeneration alliance between Alinta and Alcoa

PART 1 – PRIMARY OBLIGATION

Commencement and Termination of Undertakings

11. This Undertaking comes into effect when the following conditions are satisfied:
 - a. this Undertaking is executed by Alinta; and
 - b. the Commission accepts this Undertaking,

(Commencement Date).

12. With the exception of clauses 17, 27, 28, 63, 64, 65 and 68 the obligations in this Undertaking will cease on the Hold Separate Termination Date.

Divestiture

13. Alinta will divest the Divestment Assets by the Divestment Date.

PART 2 – OBLIGATIONS WHICH OPERATE WHILE ALINTA OWNS INTEREST IN APT

Ring Fencing obligations concerning APT

14. Alinta will not as a unit holder in APT:
 - a. nominate a person to fill a vacancy on the Board of APL;
 - b. vote in any meeting of unit holders called for the purpose of approving the nomination of a person to be appointed to the Board of APL; or
 - c. vote in any postal ballot undertaken for the purpose of approving the nomination of a person to be appointed to the Board of APL.

15. Alinta will not remove a director of the Board of APL appointed by AGL unless expressly asked to do so by a majority of the Board of APL (although Alinta is not obliged by this Undertaking to comply with such a request).

16. Alinta will:
 - a. take all steps necessary to preserve the business of APT as a viable going concern;
 - b. not propose or consent to any sale or transfer of the assets of APT to Alinta;
 - c. procure that the management and operation of APT and APL are conducted separately from the management and operation of Alinta;
 - d. ensure that the management of APT and APL operate the business of those entities independently of Alinta and particularly, Alinta will do nothing to prevent or hinder either APT or APL from:
 - i. continuing to independently market, price and sell all gas transmission and other services offered by APT; and
 - ii. maintaining all current contracts, agreements and assets,
 - e. not seek from or receive from APT or APL, or any director, officer, employee or contractor of APT or APL, any information or documents other than information or documents which are:
 - i. publicly available; or
 - ii. which are necessary to enable Alinta to comply with obligations it has pursuant to this Undertaking and any legal or mandatory reporting obligations in Australia,

and,

- f. provide and maintain access to sufficient working capital and sources of credit for APT and APL to ensure (in so far as it is within Alinta's reasonable ability to do so) that APT is able, without limitation, to continue to promote and provide the same level and quality of services it did prior to the transaction.

Restrictions on Alinta appointments and employment

17. Alinta will not:
 - a. for a period of 3 years after the Hold Separate Termination Date appoint as director of the Board of Alinta any director, officer or other employee of APL or APT;
 - b. for a period of 3 years after the Hold Separate Termination Date employ a person who was, within the last three years, a director or senior executive of APL or APT and had any involvement in the marketing or commercial operations of the MSP or Parmelia; or
 - c. for a period of 1 year after the Hold Separate Termination Date employ a person who, has been, within the last year, an employee of APL or APT and had any involvement in the marketing or commercial operations of the MSP or Parmelia.

Ring fencing of the EGP and the DBNGP

18. Alinta will ensure that any information other than publicly available information that it obtains as a unit holder in APT will not be made available, in any form, to persons (including directors) who perform, for or on behalf of Alinta, functions relating to the management and/or running of the EGP and/or the DBNGP.
19. Alinta will, within 5 Business Days of acquiring AGL's interest in APT, advise the Commission of the:
 - a. persons who will have access to information other than publicly available information that Alinta obtains as a unit holder in APT; and
 - b. the manner in, and terms on, which those persons have been prohibited from communicating information, that is not publicly available, to persons who perform, for or on behalf of Alinta, functions relating to the management and/or running of the EGP and/or the DBNGP.

Divestiture of the Agility-APT (MSP and Parmelia) Contracts

20. Within 3 Business Day of Alinta acquiring a controlling interest in Agility, Alinta must notify the Commission in writing of that fact.

21. During the first 30 Business Days in which Alinta has a controlling interest in Agility, or for as long as it takes Alinta to be in a position to give effect to the obligations in clause 1 of Annexure 2, Alinta will, unless otherwise permitted by the ACCC in writing, operate Agility as an independent business and will not:
 - a. make any change to the composition of the Board of Directors; or
 - b. concern itself directly with the management of Agility,except to the extent reasonably necessary (but no more) to comply with the obligations Alinta has under Annexure 2.
22. Within 20 Business Days of Alinta acquiring a controlling interest in Agility, Alinta will identify and make a record (to be audited by the Independent Auditor) in writing, of the Agility-APT (MSP and Parmelia) Contracts Assets.
23. Once prepared, Alinta will immediately provide a copy of the written record of the Agility-APT (MSP and Parmelia) Contracts Assets to the Commission. Upon receipt of that record, the Commission may request and Alinta must provide any further information or documents requested in relation to the Agility-APT (MSP and Parmelia) Contracts Assets, and Alinta must reasonably permit staff of the Commission to interview any employees of Alinta so as to verify that record as accurate, or to modify it as is reasonably required by the Commission.
24. Alinta will perform the obligations set out in Annexure 2 if, 30 Business Days after the Commission is given notice under clause 20, Alinta has not been notified by the Commission that the Commission has decided to relieve Alinta of its obligation to divest its interest in the Agility-APT (MSP and Parmelia) Contracts.
25. If the Commission notifies Alinta that it has decided to relieve Alinta of its obligations to divest any of the Agility-APT (MSP and Parmelia) Contracts, Alinta may seek a variation of this Undertaking pursuant to sub-section 87B(2) of the Act.
26. If Alinta is not relieved of its obligation to divest the Agility-APT (MSP and Parmelia) Contracts, and:
 - a. a consent or approval is required for the divestiture by Alinta of the Agility-APT (MSP and Parmelia) Contracts; and
 - b. Alinta has used all reasonable endeavours to procure that consent or approval; and
 - c. that consent or approval has not been given to Alinta within 20 Business Days of seeking it;

Alinta may, upon obtaining the consent in writing of the Commission to do so, enter into an arrangement to subcontract each of the Agility-APT (MSP and Parmelia) Contracts in the same terms as the Agility-APT (MSP and Parmelia) Contracts to any person who would otherwise have been an Approved Purchaser of the Divestiture Asset, and having done so, Alinta will have performed its obligations under clause 13 in relation to that Divestment Asset.

No Common Management of Pipelines

27. If the Commission does not relieve Alinta of its obligation to divest its interest in the Agility-APT (MSP and Parmelia) Contracts, Alinta will, for a period of 5 years from the Hold Separate Termination Date, not supply or offer to supply pipeline management or maintenance services (of any kind) to:
 - a. the MSP while Alinta supplies management or maintenance services (of any kind) to the EGP; or
 - b. the Parmelia Pipeline while Alinta supplies management or maintenance services (of any kind) to the DBNGP.

28. In the event that the Commission does relieve Alinta of its obligation to divest its interest in the Agility-APT (MSP and Parmelia) Contracts, Alinta (including Agility) will not, for a period of 5 years from the Hold Separate Termination Date, supply or offer to supply any services to APT in respect of the Parmelia or MSP pipelines, beyond the scope of services Agility currently provides to APT under the Agility-APT (MSP and Parmelia) Contracts in relation to the:
 - a. MSP; and
 - b. Parmelia Pipeline.

PART 3 –DIVESTMENT OF ASSETS

Approved Purchaser

29. Unless the Commission otherwise requires and subject to clauses 37 and 38, Alinta must not, and Alinta must not authorise an Approved Agent or any other person to sell, transfer, novate, assign or otherwise dispose of a Divestment Asset to any person who is not an approved purchaser.
30. An approved purchaser (**Approved Purchaser**) is a prospective purchaser of one or more of the Divestment Assets that:
 - a. is independent of and has no Material Interest in Alinta;
 - b. Alinta believes in good faith, having made reasonable inquiries, is of good financial standing and has an intention to maintain the relevant Divestment Assets (and, in the case of the Agility-APT (MSP and Parmelia) Contracts, is capable of providing the services pursuant to that contract effectively); and
 - c. has not been objected to by the Commission within the objection period specified in clause 33.
31. Within 5 Business Days of Alinta reaching a conditional sale agreement with a prospective purchaser for one or more Divestment Assets (**Proposed Approved Purchaser**), Alinta will provide the Commission with the following information and such other information that the Commission reasonably requires to assess whether the purchase of the Divestment Assets by the Proposed Approved Purchaser satisfies the criteria in clause 30:
 - a. the name, address and all available contact details of the Proposed Approved Purchaser;
 - b. a copy of a signed conditional sale agreement with the Proposed Approved Purchaser;
 - c. a description of the business carried on in Australia by the Proposed Approved Purchaser; and
 - d. the names of the ultimate holding company and directors of the Proposed Approved Purchaser.
32. Alinta will notify the Commission of an intended Proposed Approved Purchaser without delay.
33. If, within 20 Business Days of receipt of the information from Alinta referred to in clause 31 (or such further period as Alinta and the Commission may agree) the Commission does not object to the Proposed Approved Purchaser, the Proposed Approved Purchaser becomes an Approved Purchaser for the purposes of this Undertaking.

34. The Commission may, acting reasonably, object to the Proposed Approved Purchaser on the basis the Commission has formed the view, in its absolute discretion, that a sale to the Proposed Approved Purchaser is likely to result in a substantial lessening of competition in a market and Alinta will not contest the Commission's view.
35. In the event that the Commission objects to a Proposed Approved Purchaser, it will on a confidential basis provide Alinta with a written statement of its reasons including the material facts it relies on for its view.
36. In the event that the Commission objects to a Proposed Approved Purchaser, Alinta may identify to the Commission an alternative Proposed Approved Purchaser in accordance with clauses 30 and 31 for consideration by the Commission in accordance with clauses 34 and 35.

Sale of APT Units

37. Alinta may sell APT units without having to comply with clauses 29 to 36 (Approved Purchaser obligations) if:
 - a. Alinta sells APT units on the ASX or pursuant to a book-build or other public offering; and
 - b. the terms of, and the context of, the sale pursuant to clause 37a above explicitly prevent any acquirer of APT units pursuant to that sale acquiring or then holding a Material Interest in APT.
38. If by the Divestment Date Alinta has not otherwise disposed of all of its units in APT, Alinta must sell all its units in APT on the market within 10 Business Days of the Divestment Date.

Sale by Approved Agent

39. If by the Divestment Date, any Divestment Asset other than the APT Units has not been sold or divested, it becomes an unsold divestment asset (**Unsold Divestment Asset**).
40. Alinta must, within 10 Business Days of a Divestment Asset becoming an Unsold Divestment Asset, identify a person as a prospective sales agent for that Unsold Divestment Asset (**Proposed Agent**).
41. The Proposed Agent must be a person who is independent of Alinta and has the qualifications and experience necessary to effect the sale of the Unsold Divestment Asset.
42. Alinta will advise the Commission in writing, within 5 Business Days of Alinta selecting a Proposed Agent, of the identity of the Proposed Agent together with such information that the

Commission reasonably requires to assess whether the Proposed Agent satisfies the criteria set out in clause 41.

43. If, within 5 Business Days of receipt of the information from Alinta referred to in clause 42 (or such further period as the Commission and Alinta may agree):
 - a. the Commission does not object to the Proposed Agent, Alinta will appoint the Proposed Agent as soon as practicable thereafter and forward to the Commission a copy of the executed terms of appointment of the Proposed Agent; or
 - b. the Commission does object to the Proposed Agent, Alinta will appoint a person nominated by the Commission as the Proposed Agent and Alinta will appoint the nominee to carry out the functions contemplated pursuant to clauses 44 and 45.
44. Within 5 Business Days of the appointment of the Proposed Agent referred to in clause 43 (**Approved Agent**), Alinta must procure and/or grant the Approved Agent all necessary power and authority to divest, sell or transfer the Unsold Divestment Assets in the manner and on the terms (including as to price) considered appropriate by the Approved Agent, in its sole discretion, to ensure, or to ensure so far as practicable, compliance with this Undertaking.
45. The obligation to divest, sell or transfer referred to in clause 44 (and the terms of the Approved Agent's appointment in clause 43 and 46) may be subject to a condition that if more than one Approved Purchaser makes an offer for the Unsold Divestment Asset, the Approved Agent must accept the offer or offers that would maximise the total price paid for the Unsold Divestment Asset.
46. Within 5 Business Days after the appointment of the Approved Agent, Alinta will procure, execute and provide an unconditional (except as permitted under clause 45) and irrevocable power of attorney in favour of the Approved Agent that:
 - a. grants the Approved Agent all rights and powers necessary to permit the Approved Agent to effect the divestiture of the Unsold Divestment Asset, subject only to the condition that the Unsold Divestment Asset may not be divested to any person who is not an Approved Purchaser; and
 - b. unconditionally (save for fraud) indemnifies the Approved Agent against loss and damage incurred by the Approved Agent, arising directly or indirectly from the Approved Agent exercising or attempting to exercise the powers and rights conferred upon it under the power of attorney.

47. Alinta will provide the Approved Agent with:
- a. all relevant information available to Alinta; and
 - b. all reasonable assistance,
- to enable the Approved Agent to divest, sell and transfer the Unsold Divestment Asset as quickly as possible.
48. Alinta will promptly pay the costs of the Approved Agent in the performance of his or her functions.

Permissible Receipt of Information

49. Alinta is entitled to receive and use from APT, APL and Agility:
- a. all publicly available information;
 - b. information and documents necessary to enable Alinta to comply with obligations on it pursuant to this Undertaking and any legal and mandatory reporting obligations in Australia, including taxation, accounting and ASX continuous and periodical disclosure obligations;
 - c. such aggregate commercial and financial information as is reasonably necessary to enable the directors of Alinta or its related bodies corporate to fulfil their duties as directors; and
 - d. such aggregate commercial and financial information as is reasonably necessary to enable Alinta to effect any divestiture of the Divestment Assets.
50. Alinta has the right to defend any legal claims, investigations or enforcement actions threatened or brought in respect of the Divestment Assets and to access such books, records, information and staff assistance as is reasonably necessary for this purpose.

Independent Audit

51. Alinta will appoint an independent auditor (Independent Auditor) approved by the Commission within three weeks from the Commencement Date.
52. Alinta will procure the Independent Auditor to prepare an audit of Alinta's compliance with this Undertaking every 3 months from the Commencement Date until the Hold Separate Termination Date and promptly provide a copy of that audit to the Commission.
53. Unless specifically approved by the Commission following full disclosure by the Independent Auditor, the Independent Auditor will not be approved by the Commission if he or she:

- a. is a staff member or director of Alinta or has been a staff member or director of Alinta;
 - b. acts for Alinta or has acted for Alinta within the last 3 years;
 - c. is retained by Alinta in any other capacity, either currently or at any time in the last 3 years (excluding by reason of the operation of an undertaking given to the Commission);
 - d. does provide or has provided within the last three years consultancy or other services for Alinta; or
 - e. has a significant shareholding or other interests in Alinta, being a shareholding or other interest (direct or indirect) of a value of more than \$10,000.00.
54. Alinta must submit the name and contact details of its choice of Independent Auditor to the Commission prior to the appointment of the Independent Auditor.
55. In the event that the Commission does not approve the proposed Independent Auditor, Alinta must appoint an Independent Auditor nominated by the Commission.
56. Alinta must, within three months of the Commencement Date, provide a detailed audit prepared by the Independent Auditor to the General Manager of the Mergers and Asset Sales Branch of the Commission, at Alinta's expense, reporting on (without limitation):
- a. Alinta's compliance with this Undertaking;
 - b. full reasons for the conclusions reached in the audit, including references to the supporting evidence;
 - c. any qualifications made by the Independent Auditor in forming its views; and
 - d. any recommendations by the Independent Auditor to improve the integrity of the audit process and the elimination of any qualifications, including, without limitation, any reasonable recommendations to improve Alinta's processes or reporting systems.
57. Alinta will implement any recommendations of the Independent Auditor made pursuant to clause 56 within 5 Business Days after receiving the Independent Auditor's audit report.
58. If Alinta reasonably believes that the implementation required by clause 57 is likely to take more than 5 Business Days, it must notify the Commission as soon as practicable in writing, stating:
- a. the reasons why it believes the implementation will take more than 5 Business Days, including supporting evidence;
 - b. the steps it is taking to implement the recommendations; and

- c. an estimate of the date by which the recommendations will be fully implemented.
59. Alinta will furnish the ACCC with a report detailing the progress of implementing the Independent Auditor's recommendations every 5 Business Days until they are fully implemented.
60. Alinta will cooperate fully with the Independent Auditor and shall ensure that the audits are able to be conducted by the Independent Auditor on the basis of any relevant information in Alinta's control. To the fullest extent possible, Alinta will ensure the Independent Auditor is given access to all relevant information, including, without limitation:
- a. access to officers, employees, representatives and agents of Alinta for any relevant purpose, including to find out how this Undertaking is to be implemented and understood and Alinta will direct those officers, employees or representatives to answer the Independent Auditor's questions honestly and comprehensively;
 - b. access to (to the extent it is within Alinta's control) information about customers, and the customers themselves, in order to obtain information about customers' experience of Alinta and its services and compliance with the Undertakings; and
 - c. access to all the records of Alinta, in whatever form, relevant to the Independent Auditor's inquiries whether specifically requested or not.
61. Alinta shall authorise the Independent Auditor to engage any technical expertise or other assistance as the Independent Auditor reasonably requires to conduct the audits and Alinta will meet any and all costs of the Independent Auditor.
62. Alinta gives the Commission permission to use all information which is:
- a. in the Commission's possession; or
 - b. reasonably requested by the Commission from Alinta,
- and which is not confidential or otherwise commercially sensitive to Alinta to inform the public (including shippers) of Alinta's obligations and the role of the Independent Auditor under this Undertaking.

Obligations to procure

63. Where the performance of an obligation under this Undertaking is imposed on Alinta, if complete performance of the Undertakings requires a related body corporate of Alinta to take some action or refrain from taking some action, Alinta will procure that related body corporate to take that

action or refrain from taking that action and, if necessary, will procure the offering of undertakings on identical terms to this Undertaking by the related body corporate to the Commission.

Further Information

64. Alinta will provide the Commission with all information and documents that the Commission reasonably requires for the purpose of monitoring compliance with the Undertakings (and Alinta acknowledges that the Commission is free to use such information for any purpose consistent with its functions as a regulator).
65. Alinta will use its best endeavour to comply with any request for information by the Commission within 5 Business Days or such other period of time as may be agreed by the Commission.

Confidentiality

66. Confidential Annexure 1 will remain confidential until the Hold Separate Termination Date.
67. Alinta acknowledges that the Commission will make the Undertakings available for public inspection, save for those parts of the Undertakings which are to remain confidential, as provided for in this Undertaking or as otherwise agreed between Alinta and the Commission.

Service of notices

68. Any notice or other communication to the Commission pursuant to the Undertakings must be sent to:

General Manager, Mergers & Asset Sales
Australian Competition & Consumer Commission
470 Northbourne Avenue
Dickson ACT 2602


or in whatever manner the Commission subsequently notifies Alinta.

69. Any notice or other communication from the Commission to Alinta pursuant to the Undertakings must be sent to:

Alinta Limited
c/- Blake Dawson Waldron
101 Collins St

Melbourne VIC 3000
Attention: Company Secretary

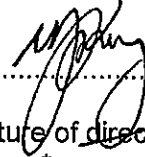
EXECUTED by ALINTA LIMITED)
in accordance with section 127(1) of)
the Corporations Act 2001 (Cwlth))
by authority of its directors:)


.....)

Signature of director)

ROBERT BROWNING)
.....)

Name of director (block letters))


.....)
Signature of director/company)
secretary*)

*delete whichever is not applicable)

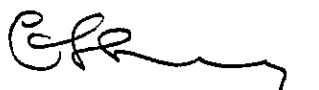
MURRAY KING)
.....)

Name of director/company)
secretary* (block letters))

*delete whichever is not applicable)

Dated: 3 AUGUST 2006

ACCEPTED BY THE AUSTRALIAN COMPETITION & CONSUMER COMMISSION


.....

Graeme Julian Samuel

Chairman

Australian Competition and Consumer Commission

Dated: 3 August 2006

CONFIDENTIAL ANNEXURE 1

ANNEXURE 2

Obligations Concerning Ring Fencing and Disposal of Agility-APT (MSP and Parmelia) Contracts

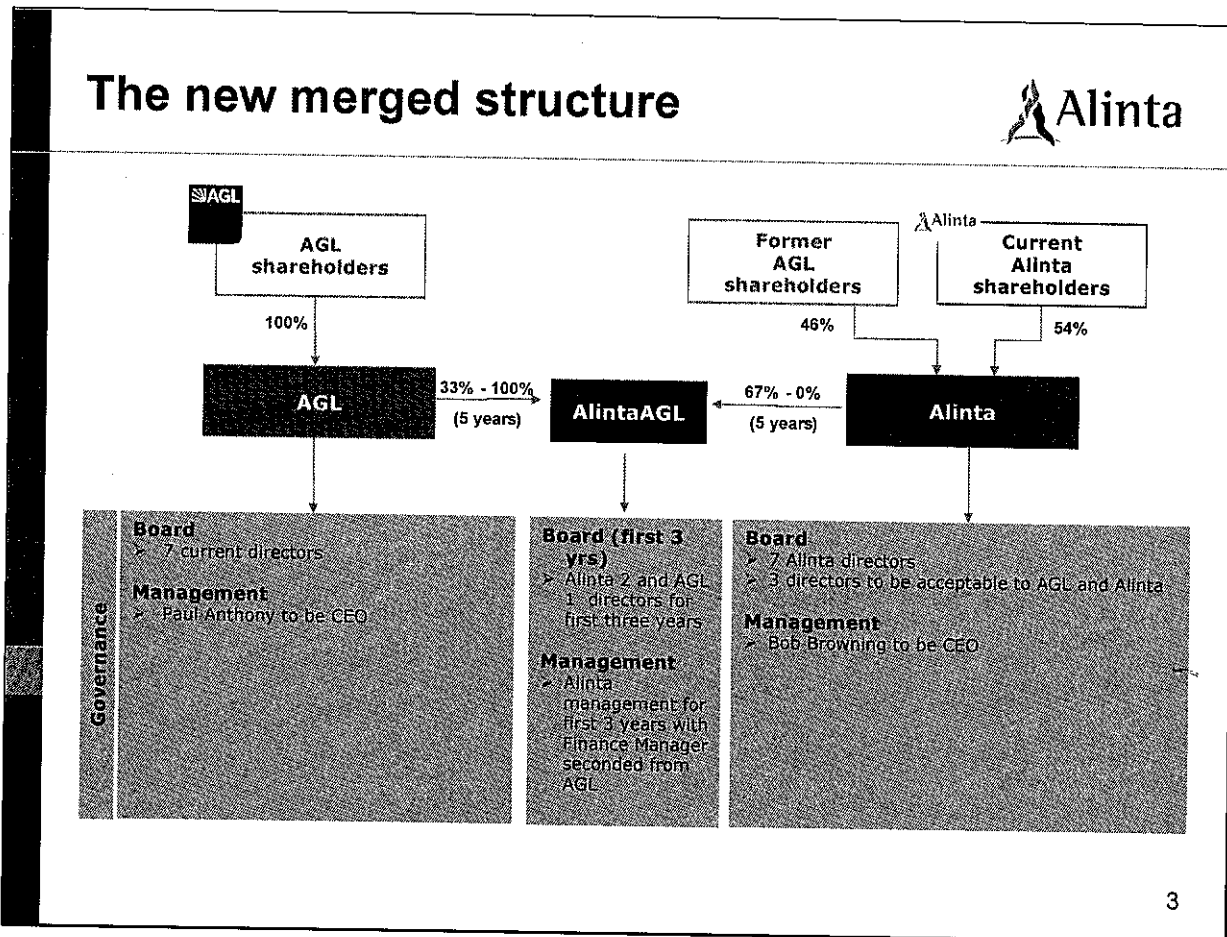
1. Within 50 Business Days of Alinta acquiring a controlling interest in Agility, Alinta will take all steps open to it to procure the result that (for so long as Agility remains a service provider pursuant to the Agility-APT (MSP and Parmelia) Contracts):
 - a. the Agility-APT (MSP and Parmelia) Contracts Assets are retained by Agility (unless divested in accordance with this Undertaking) and made available for the provision of services by Agility pursuant to the Agility-APT (MSP and Parmelia) Contracts;
 - b. the Agility-APT (MSP and Parmelia) Contracts Assets are preserved as viable and available for the provision of services pursuant to the Agility-APT (MSP and Parmelia) Contracts;
 - c. the management and operation of the Agility-APT (MSP and Parmelia) Contracts and the Agility-APT (MSP and Parmelia) Contracts Assets are conducted separately from the remainder of Agility's business.

2. Within 50 Business Days of Alinta acquiring a controlling interest in Agility, Alinta will conduct the management and operation of the Agility-APT (MSP and Parmelia) Contracts and the Agility-APT (MSP and Parmelia) Contracts Assets referred to in clause 1.c:
 - a. separately from the management and staff of the remainder of Agility's operations;
 - b. at a location which is separate from the remainder of Agility's operations;
 - c. so as to empower those managing the Agility-APT (MSP and Parmelia) Contracts and the Agility-APT (MSP and Parmelia) Contracts Assets to:
 - i. promote the Agility-APT (MSP and Parmelia) Contracts and the Agility-APT (MSP and Parmelia) Contracts Assets;
 - ii. acquire and pay for sufficient and timely deliveries of goods and services required by the Agility-APT (MSP and Parmelia) Contracts and the Agility-APT (MSP and Parmelia) Contracts Assets ;
 - iii. effectively maintain and discharge all of the obligations under the Agility-APT (MSP and Parmelia) Contracts,

- d. by keeping the service records and other day to day records produced or required in discharging the Agility-APT (MSP and Parmelia) Contracts separate from those of the remainder of the Agility operations and those of its related bodies corporate; and
- e. by ensuring that no information in relation to the discharge of the Agility-APT (MSP and Parmelia) Contracts is directly or indirectly disclosed by any employee (or contractor) who is part of the Agility-APT (MSP and Parmelia) Contracts Assets to any other person at Agility (including contractors) who is not part of the Agility-APT (MSP and Parmelia) Contracts Assets, except as required for the effective conduct and discharge of the Agility-APT (MSP and Parmelia) Contracts;
- f. by ensuring that the management of Agility are fully briefed on, and implement fully, the arrangements required under this clause 2;
- g. by ensuring that those responsible for the discharge of the Agility-APT (MSP and Parmelia) Contracts are provided with sufficient working capital and other requirements so as to ensure that they and the other Agility-APT (MSP and Parmelia) Contracts Assets are capable of effectively discharging the obligations under the Agility-APT (MSP and Parmelia) Contracts at a level equivalent to the level and quality of services provided under the Agility-APT (MSP and Parmelia) Contracts prior to the implementation of the Proposed Transaction.

Annexure 3

PROPOSED CORPORATE STRUCTURE FOLLOWING THE PROPOSED TRANSACTION



After the merger of Alinta and AGL



Gas Transmission Pipelines

- Dampier to Bunbury Pipeline (20%)
- Australian Pipeline Trust (30%)

Infrastructure Investments

- Alinta Infrastructure Holdings (20%)

Gas Distribution Networks

- AlintaGas Networks (74%)
- Multinet (20.1%)
- NSW Gas Distribution Network
- ActewAGL Gas Network (50%)
- GasValpo

Electricity Distribution Networks

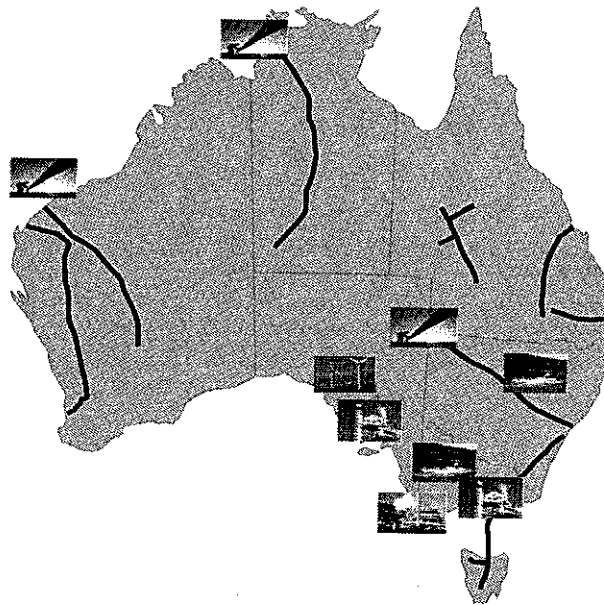
- United Energy Distribution (34%)
- Victorian Distribution Network
- ActewAGL Electricity Network (50%)

Asset Management

- Alinta Asset Management
- Agillity asset management

Contracted Generation

- Wattle Point (SA) - 91MW
- Cawse (WA) - 16MW



Upstream Gas

- PNG Upstream Gas Project
- Sydney CSM project (50%)
- Wholesale gas supply arrangements

LPG

- Elgas
- HC Extractions

AGL Retail (NSW, Vic, SA, Qld, ACT)

- 1.5m electricity customers
- 1.4m gas customers
- ActewAGL Retail (50%)

Electricity Generation

- Southern Hydro
- Loy Yang A (32.5%)
- Hallett Power Station
- Somerton Power Station
- Offtake from Bairnsdale Power Station

Growth Projects

- PNG Australian Pipeline Project
- Acquisition of up to 100% of AlintaAGL
- Hallett wind generator 95MW (SA)
- Bogong 130MW (Vic) and West
- Kiewa 12MW (Vic) hydro generators
- Hallett gas generator expansion 250MW (SA)
- Townsville gas generator 370MW (Qld)
- Wind development projects, such as Bluff 45MW (SA), Dollar 79MW (Vic) and Macarthur 330MW (Vic) wind generators
- Leaf Gully Stage 1,300MW (NSW) and Stage 2 500MW (NSW) generators

AlintaAGL

Electricity Generation (WA)

- Pinjarra Cogen - 2x140MW
- Additional developments under Alcoa generation alliance

Alinta Retail (WA)

- 532,000 gas customers
- 1,000 electricity customers

67%

33%