



Alinta Energy Limited | ABN 67 116 665 608
Alinta Energy Services Limited | ABN 37 118 165 156
As responsible entity for
Alinta Energy Trust | ARSN 122 375 562
Level 7, 50 Pitt Street, Sydney NSW 2000 Australia
T +61 2 9372 2600 | F +61 2 9372 2610
www.alintaenergy.com

ASX Release

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AGM Presentations

Attached are the presentations (including the results of the proxy voting) to be delivered at today's Annual General Meetings of Alinta Energy (ASX:AEJ) securityholders, to be held at 11am at Customs House, Level 1, 31 Alfred Street, Circular Quay, Sydney.

The AGM will be webcast and can be viewed at www.alintaenergy.com.

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Further Information:

Fiona Osler
Investor Relations & Media
Alinta Energy Group
T +61 2 9372 2617
M +61 421 051 589

About Alinta Energy Group

Alinta Energy Group (ASX: AEJ) is an integrated energy company, operating power generation businesses as well as providing gas and electricity to commercial, industrial and retail customers across Australia.

ALINTA ENERGY AGM 23 NOVEMBER 2010

LEN GILL, INDEPENDENT CHAIRMAN

SLIDE 1- WELCOME

GOOD MORNING LADIES AND GENTLEMEN, WELCOME TO THE MEETING. THANKS FOR YOUR TIME AND INTEREST TODAY. MY NAME IS LEN GILL; I AM THE INDEPENDENT CHAIRMAN OF THE ALINTA ENERGY GROUP. BEFORE I PROCEED ANY FURTHER, COULD YOU PLEASE CHECK THAT YOUR MOBILE PHONES HAVE BEEN SWITCHED OFF.

TODAY WE ARE HOLDING TWO MEETINGS IN ONE FOR THE STAPLED ENTITIES WHICH FORM THE ALINTA ENERGY GROUP, WITH THIS BEING THE ANNUAL GENERAL MEETING FOR:

- ALINTA ENERGY LIMITED; AND
- THE ALINTA ENERGY TRUST.

WE HAVE A QUORUM OF SECURITYHOLDERS PRESENT, SO I DECLARE THE MEETING OPEN.

THE NOTICE OF MEETING WAS DISTRIBUTED TO ALL OF YOU, SO WITH YOUR CONSENT I'LL TAKE THE NOTICE AS READ.

SLIDE 2 – BOARD OF DIRECTORS

I'D LIKE TO NOW INTRODUCE THE OTHER DIRECTORS OF ALINTA ENERGY:

- PETER KINSEY WHO IS AN INDEPENDENT DIRECTOR; PETER IS ALSO CHAIRMAN OF THE NOMINATION & REMUNERATION COMMITTEE AND ALSO CHAIRMAN OF THE AUDIT, RISK & COMPLIANCE COMMITTEE;
- ROD KELLER WHO WAS APPOINTED AS AN INDEPENDENT DIRECTOR IN APRIL THIS YEAR; AND
- ROSS ROLFE, THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER.

ALSO SITTING UP ON STAGE WITH US TODAY ARE:

- PETER BROOK, THE CHIEF FINANCIAL OFFICER; AND
- JOHN REMEDIOS, THE COMPANY SECRETARY.

AND ATTENDING THE MEETING TODAY FROM MANAGEMENT ARE:

- LEN CHERSKY, EXECUTIVE GENERAL MANAGER BUSINESS STRATEGY & PERFORMANCE;
- BRIAN GREEN, THE CHIEF OPERATING OFFICER; AND

- SCOTT TURNER, THE EXECUTIVE GENERAL MANAGER ENERGY MARKETS.

AND I'D ALSO LIKE TO INTRODUCE MARC UPCROFT, OUR EXTERNAL AUDIT PARTNER FROM PRICEWATERHOUSECOOPERS WHO IS ALSO IN ATTENDANCE.

SLIDE 3- AGENDA CHAIRMAN'S ADDRESS

THE AGENDA FOR TODAY'S MEETING IS AS FOLLOWS:

THE CEO AND I WILL PROVIDE A BRIEF REVIEW OF THE LAST YEAR AS WELL AS PROVIDING AN UPDATE ON MORE RECENT ACTIVITIES IN RELATION TO THE DELEVERAGING PLAN FOR THE GROUP.

WE WILL THEN MOVE TO THE FORMAL ITEMS OF BUSINESS OUTLINED IN THE NOTICE OF MEETING.

SECURITYHOLDERS WILL BE GIVEN AMPLE OPPORTUNITY TO ASK QUESTIONS OR MAKE COMMENTS AT TODAY'S MEETING. I'LL REQUEST THAT YOU DIRECT ALL QUESTIONS THROUGH ME AND AS THIS IS A SECURITYHOLDERS MEETING I'LL REQUEST THAT QUESTIONS FROM VISITORS BE TAKEN AFTER QUESTIONS FROM SECURITYHOLDERS.

SLIDE 4 – RESTRUCTURED DEBT FACILITIES

WHEN WE LAST MET AT THE EGM IN FEBRUARY OF THIS YEAR, I UPDATED YOU ON THE SUBSTANTIAL PROGRESS MADE IN RESOLVING A NUMBER OF COMMERCIAL ISSUES WHICH THE BUSINESS FACED. THESE INCLUDED A SUCCESSFUL SETTLEMENT OF AN ADVERSE ARBITRATION OUTCOME WITH THE NORTH WEST SHELF JOINT VENTURE, SETTLEMENT OF DEBT AND FEES OWING TO THE BABCOCK & BROWN GROUP OF LENDERS AND AN INTERIM RESTRUCTURING OF ALINTA'S DEBT FACILITIES. THE INTERIM RESTRUCTURING ELIMINATED SHORT TERM REFINANCING RISKS AND PROVIDED TIME TO CONSIDER VARIOUS CAPITAL MANAGEMENT OPTIONS.

AS WAS EXPLAINED AT THAT MEETING, DESPITE THE RESTRUCTURED DEBT FACILITIES, THE LEVEL OF DEBT CARRIED BY THE BUSINESS REMAINED TOO HIGH AND WAS NOT SUSTAINABLE. IT HAS PREVENTED THE BUSINESS FROM OPTIMISING CAPITAL MANAGEMENT AND HAS NEGATIVELY IMPACTED TRADING PERFORMANCE AND PURSUIT OF OPPORTUNITIES. THE GROUP HAS BEEN UNABLE TO PROPERLY RESERVE FOR TRADING VOLATILITY, MAKE CORRECTIVE CHANGES REQUIRING INVESTMENT OR TO PLAN FOR THE SCHEDULED

RETIREMENT OF DEBT. VIRTUALLY ALL CASH GENERATED HAS BEEN DIRECTED TO SERVICING CORPORATE DEBT.

SLIDE 5 – DELEVERAGING PROCESS

AS WAS ALSO EXPLAINED AT THAT MEETING, THE RESTRUCTURE OF DEBT FACILITIES DID ALLOW THE BUSINESS TO UNDERTAKE A COMPREHENSIVE DELEVERAGING PROCESS IN A TIMELY AND CONSIDERED MANNER. THIS PROCESS NEEDED TO ADDRESS THE CONCERNS OF OUR LENDING GROUP ON SECURITY, RECOVERABILITY AND REPAYMENT, AS WELL AS THE INTERESTS OF SECURITYHOLDERS. THIS PROCESS COMMENCED IN FEBRUARY AND YOU MAY RECALL WE APPOINTED ADVISERS AT THAT TIME.

THE PROCESS ENTAILED PROGRESSION OF MULTIPLE ALTERNATIVES OVER A FIVE MONTH PERIOD INCLUDING A TRADE AND ASSET SALE PROCESS WITH THE HELP OF OUR ADVISERS UBS AS WELL AS CONSIDERATION OF AN EQUITY CAPITAL MARKETS TRANSACTION UNDER ADVICE FROM UBS AND MACQUARIE. FURTHERMORE LAZARD WERE APPOINTED BY THE ALINTA ENERGY DIRECTORS TO ASSESS THE DELEVERAGING PROPOSALS.

FOLLOWING THIS PROCESS OF DETAILED DUE DILIGENCE, IT WAS DETERMINED THAT NO TRADE BID WOULD REPAY THE SYNDICATE LENDERS IN FULL AND ACCORDINGLY THE AGREEMENT OF THE SYNDICATE LENDERS WOULD BE REQUIRED TO PROGRESS ANY TRANSACTION. AFTER CONSIDERING THE VARIOUS OPTIONS TO REDUCE DEBT LEVELS, THE SYNDICATE LENDERS PROPOSED A “LENDER LED” DELEVERAGING SOLUTION THAT SEES THE ALINTA BANKING GROUP TAKE EQUITY OWNERSHIP OF SUBSTANTIALLY ALL THE ASSETS IN SATISFACTION OF THE OUTSTANDING DEBT.

THE LENDER-LED PROPOSAL PROVIDES ALINTA WITH SUFFICIENT FUNDS TO PAY A TOTAL OF 10 CENTS PER AET UNIT TO SECURITYHOLDERS WITH THE MAJORITY PROVIDED BY THE SYNDICATE LENDERS AND THE BALANCE FROM AVAILABLE CASH OUTSIDE THE AFA GROUP. ROSS ROLFE, THE CEO WILL TALK THROUGH SOME OF THE KEY ELEMENTS OF THE PROPOSED TRANSACTION LATER ON.

SLIDE 6 – IMPLICATIONS FOR SECURITYHOLDERS

THE ALINTA RESTRUCTURE HAS BEEN DESCRIBED BY BUSINESS MEDIA AS “ONE OF THE MOST COMPLICATED RESTRUCTURES IN AUSTRALIAN CORPORATE HISTORY”. DURING THE COURSE OF THE DELEVERAGING PROCESS, MANY OF THE ORIGINAL LENDERS SOLD DOWN OR OUT OF THEIR DEBT HOLDING. THE RESULT OF THIS WAS



AN INCREASE IN THE NUMBER AND DIVERSITY OF INTERESTS OF SYNDICATE MEMBERS, AND THE COMPLEXITY OF THE TASK TO REACH AGREEMENT.

IN THE ABSENCE OF THIS AGREEMENT, THE SYNDICATE LENDERS WERE LIKELY TO TAKE RECOVERY ACTION WHICH WOULD HAVE SEEN A SUBSTANTIAL DESTRUCTION OF VALUE. THE PROPOSED PAYMENT OF 10 CENTS PER UNIT IS SUBSTANTIALLY IN EXCESS OF THE CASH THAT WOULD OTHERWISE HAVE BEEN AVAILABLE TO SECURITYHOLDERS – EITHER THROUGH THE CASH OUTSIDE THE SYNDICATE LENDERS SECURITY OR AMOUNTS THAT MIGHT BE REALISED UNDER INSOLVENCY.

WE ARE ALSO PLEASED THAT THE PROPOSED TRANSACTION HAS RECEIVED SUPPORT OF OUR MAJOR SECURITYHOLDER, GPG, HOLDERS OF 19.9% OF ALINTA ENERGY SECURITIES AS WELL AS A NUMBER OF OTHER SIGNIFICANT MEMBERS OF THE REGISTER.

WE ARE CURRENTLY PREPARING DOCUMENTATION THAT WILL EXPLAIN THE TRANSACTION TO YOU IN DETAIL AND THESE WILL BE SENT TO YOU IN THE NEXT FEW MONTHS AND ALL SECURITYHOLDERS WILL HAVE AMPLE TIME TO PROPERLY CONSIDER THE DOCUMENTS FOLLOWED BY THE OPPORTUNITY TO FORMALLY VOTE ON THE TRANSACTION AT AN EXTRAORDINARY GENERAL MEETING LIKELY TO BE HELD BY THE END OF MARCH NEXT YEAR. THIS TRANSACTION REQUIRES THE SUPPORT OF SECURITYHOLDERS TO PROCEED.

THE TIMETABLE OF THE TRANSACTION IS CONTINGENT ON PROGRESSION OF A NUMBER OF INTERMEDIATE STEPS WHICH ROSS WILL TALK THROUGH LATER ON.

WE ARE CURRENTLY EXPLORING VARIOUS OPTIONS TO DEAL WITH THE BUSINESS THAT REMAINS WHEN THE TRANSACTION IS COMPLETE. THE COMPANY WILL HAVE SOME LIMITED FUNCTIONALITY THROUGH ITS CONTINUED OWNERSHIP OF REDBANK POWER STATION. HOWEVER, WE NEED TO REDUCE COSTS AND SO WE EXPECT THE LISTED COMPANY STRUCTURE TO HAVE A LIMITED LIFE. OTHER MEASURES TO REDUCE OVERHEADS ARE ALSO BEING CONSIDERED. WE EXPECT TO BE IN A POSITION TO PROVIDE MORE DETAIL ON THIS AT THE EGM NEXT YEAR. SECURITYHOLDERS WILL VOTE ON KEY ASPECTS OF ANY PROPOSAL.

I WOULD LIKE TO THANK YOU, THE SECURITYHOLDERS, THE OWNERS OF THE BUSINESS FOR YOUR CONTINUING PATIENCE AND SUPPORT OVER WHAT HAS BEEN A VERY CHALLENGING FEW YEARS. DURING

THIS TIME, THE BOARD AND MANAGEMENT HAVE ADDRESSED A NUMBER OF MAJOR ISSUES, WHICH HAVE TO VARYING EXTENTS PUT THE COMPANY'S SOLVENCY UNDER DURESS. THE TRANSACTION YOU WILL BE ASKED TO SUPPORT AT OUR EGM IS THE RESULT OF A COMPREHENSIVE MULTI- TRACK PROCESS.

TAKING INTO ACCOUNT THE VERY DIFFICULT CIRCUMSTANCES CONFRONTING THE COMPANY, THE BOARD AND MANAGEMENT BELIEVE THIS PROPOSED TRANSACTION IS A VERY GOOD OUTCOME FOR SECURITYHOLDERS.

SEPARATE TO THE TRANSACTION, SECURITYHOLDERS RETAIN OWNERSHIP OF THE RESIDUAL AEL COMPANY WHICH INCLUDES REDBANK POWER STATION AND AGAIN ROSS ROLFE WILL ADDRESS OUR PLANS FOR REDBANK SHORTLY.

SLIDE 7 - REMUNERATION

I WANTED TO TAKE A MOMENT TO TALK ABOUT REMUNERATION AS I KNOW THIS IS AN ISSUE OF INTENSE INTEREST AND POTENTIAL CONCERN TO SECURITYHOLDERS.

AT THE AGM LAST YEAR I TALKED TO YOU ABOUT THE NEED TO PUT IN PLACE APPROPRIATE REMUNERATION AND RETENTION TO ENSURE ALINTA WAS APPROPRIATELY RESOURCED. THE BUSINESS HAS EFFECTIVELY BEEN "FOR SALE" AND/OR FACING THE RISK OF ADMINISTRATION FOR A NUMBER OF YEARS. IN ADDITION TO THE CAPITAL MANAGEMENT ISSUES ADDRESSED THROUGH ASSET SALES AND DEBT RESTRUCTURING THE BUSINESS HAS BEEN FACED WITH A NUMBER OF MAJOR OPERATIONAL CHALLENGES INCLUDING THE NORTH WEST SHELF JOINT VENTURE ARBITRATION, THE VARANUS ISLAND GAS EXPLOSION, PLANT PERFORMANCE AND CHALLENGING ENERGY MARKET CONDITIONS.

IT IS IMPORTANT TO REMEMBER THAT KEY MANAGEMENT PERSONNEL WERE NOT RESPONSIBLE FOR THE PROBLEMS OF ALINTA, RATHER THEY WERE BROUGHT IN TO WORK THROUGH THE CHALLENGES, RESOLVE MAJOR ISSUES AND FIND SOLUTIONS. AMONGST ALL THIS THERE HAS BEEN SIGNIFICANT UNCERTAINTY OF OUTCOME AND DURATION FOR ALL KEY MANAGEMENT PERSONNEL AND STAFF IN KEY AREAS. ACCORDINGLY, THE BOARD, THROUGH ITS NOMINATION AND REMUNERATION COMMITTEE HAS DETERMINED THAT ALINTA NEEDED TO PUT IN PLACE A REMUNERATION STRUCTURE WHICH OVERCAME THESE UNCERTAINTIES AND ALLOWED ALINTA TO ATTRACT AND RETAIN KEY STAFF AND, IN PARTICULAR, INCENTIVISE THEM TO FOREGO OTHER MORE STABLE OPPORTUNITIES. THE REMUNERATION

STRUCTURE WAS APPROVED BY THE INDEPENDENT DIRECTORS WITH A MIX OF TIME BASED RETENTION PAYMENTS AND INCENTIVES LINKED TO SPECIFIC ACHIEVEMENTS.

FURTHERMORE, THE REMUNERATION PACKAGE NEEDED TO RECOGNISE THAT THERE WERE SIGNIFICANT PERSONAL RISKS AND LIABILITIES, AS WELL AS UNCERTAINTY OF OUTCOME AND TENURE FOR THE DIRECTORS OF COMPANIES WITHIN THE GROUP – NAMELY OUR MANAGING DIRECTOR, ROSS ROLFE AND OUR CHIEF FINANCIAL OFFICER, PETER BROOK.

IN DEVELOPING THIS STRATEGY, THE BOARD DID CONSIDER ALTERNATIVES WITH STRONGER LINKS TO EQUITY. HOWEVER, THE BOARD CONSIDERED THERE WAS A HIGH RISK THAT THESE WOULD BE INEFFECTIVE GIVEN THE COMPANY'S UNSUSTAINABLE CAPITAL STRUCTURE.

THE REMUNERATION STRATEGIES PUT IN PLACE HAVE NOT BEEN EFFECTIVE IN THEIR ENTIRETY – FIVE KEY MANAGEMENT PERSONNEL HAVE LEFT AND AT THE CORPORATE LEVEL WE'VE EXPERIENCED OVER 45% STAFF TURNOVER. HOWEVER, THE REMUNERATION STRATEGY HAS DELIVERED MUCH NEEDED CONTINUITY IN MOST KEY ROLES, WHICH HAS BEEN CRITICAL TO ADDRESSING OUR MAJOR CHALLENGES AS WELL AS ENABLING ONGOING BUSINESS OPERATIONS.

YOU WILL SEE THE IMPACT OF THESE STRATEGIES IN THE INCREASED REMUNERATION FOR KEY MANAGEMENT PERSONNEL IN THE ANNUAL REPORT.

IT IS THE DIRECTORS' VIEW AND ONE THAT WE HOPE YOU WILL SHARE WHEN YOU HAVE THE OPPORTUNITY TO REFLECT ON AND ADOPT THE REMUNERATION REPORT LATER THIS MORNING THAT SECURITYHOLDERS, LENDERS AND INDEED THE 750 STAFF ACROSS THE BUSINESS HAVE BEEN WELL SERVED BY MANAGEMENT WHO HAVE MANAGED THE BUSINESS DURING EXCEPTIONALLY CHALLENGING CIRCUMSTANCES. CRUCIALLY, THEIR DEDICATION AND SERVICE HAVE DELIVERED A DELEVERAGING OUTCOME THAT PROVIDES VALUE TO SECURITYHOLDERS, AN ACCEPTABLE OUTCOME FOR OUR LENDERS AND ENSURES THE ONGOING VIABILITY OF THE ALINTA BUSINESS FOR OUR STAFF.

IN PARTICULAR, I WOULD LIKE TO ACKNOWLEDGE THE OUTSTANDING LEADERSHIP AND PERSONAL CONTRIBUTION OF ROSS ROLFE OUR CEO AND MANAGING DIRECTOR. HIS PERSISTENCE, TENACITY AND

SKILLS HAVE BEEN CRITICAL FACTORS IN RESOLVING THE DIFFICULTIES FACING THE BUSINESS.

I WOULD ALSO LIKE TO RECOGNISE THE SIGNIFICANT CONTRIBUTION OF MY FELLOW DIRECTORS PETER KINSEY AND ROD KELLER. PETER HAS BEEN HERE FOR THE LONG HAUL, WITH HIS EFFORTS REFLECTED ONLY IN PART BY HIS CONTRIBUTION TO 90 PLUS BOARD AND COMMITTEE MEETINGS HELD IN FY2010. ROD JOINED US IN APRIL THIS YEAR. HIS EXPERIENCES AND INSIGHTS HAVE ENABLED HIM TO HIT THE GROUND RUNNING.

I WOULD ALSO LIKE TO ACKNOWLEDGE THE SIGNIFICANT CONTRIBUTION OF JOHN FLETCHER AS A BOARD MEMBER AND CHAIRMAN OF THE AUDIT AND RISK COMMITTEE UNTIL HIS RESIGNATION IN APRIL 2010.

ON THAT NOTE I WILL NOW HAND OVER TO ROSS ROLFE THE CEO.

ROSS ROLFE, CEO

SLIDE 8 - AGENDA
THANKS LEN.

GOOD MORNING LADIES AND GENTLEMEN.

OVER THE COURSE OF THE LAST 12 MONTHS, SINCE THE PREVIOUS AGM, MANAGEMENT AT ALINTA ENERGY HAS FOCUSSED ON 2 KEY OBJECTIVES.

FIRST, OPERATING THE BUSINESS TO:

- PROTECT THE SAFETY OF OUR STAFF;
- TO ACHIEVE OUR FORECAST EARNINGS;
- TO SERVICE OUR OBLIGATIONS TO OUR LENDERS; AND
- TO MANAGE OUR CASH TO MEET THE COMPANY'S DEBTS AS AND WHEN THEY FALL DUE.

SECOND: TO ADVANCE THE STRATEGY TO REDUCE THE DEBT LEVELS IN THE BUSINESS AS A WHOLE AS WE FORESHADOWED AT THE LAST AGM AND IN ACCORDANCE WITH OUR OBLIGATIONS UNDER OUR FINANCE AGREEMENTS WITH OUR LENDERS.

SLIDE 9 – BUSINESS SUSTAINABILITY

LET ME BEGIN BY TALKING ABOUT OUR OPERATIONAL PERFORMANCE.

THE FIRST AND FOREMOST RESPONSIBILITY OF ANY ENERGY COMPANY IS TO ENSURE THAT OUR PEOPLE ARE WORKING IN A SAFE MANNER IN A SAFE ENVIRONMENT. THIS IS NOT EASY IN THE ENERGY SECTOR. THE GENERATION OF ELECTRICITY IS HAZARDOUS AND REQUIRES A VIGILANT COMMITMENT TO SAFETY THROUGHOUT THE COMPANY. SAFETY MUST ALWAYS BE OUR TOP PRIORITY. I AM PLEASED TO BE ABLE TO REPORT TO YOU THEREFORE, THAT OVER THE COURSE OF THE LAST 12 MONTHS WE HAVE HAD IMPROVED SAFETY PERFORMANCE ACROSS THE WHOLE PORTFOLIO WITH A REDUCTION IN “LOST TIME INJURY FREQUENCY RATES”. INDEED, A NUMBER OF OUR FACILITIES ACHIEVED A “LOST TIME INJURY” FREE PERFORMANCE. THIS INCLUDED OUR STANDOUT PERFORMER GLENBROOK WHICH MAINTAINED ITS EXCELLENT SAFETY RECORD REMAINING “LOST TIME INJURY” FREE FOR THE LAST 12 YEARS.

AFTER THE SAFETY OF OUR PEOPLE OUR NEXT MOST IMPORTANT TASK IS TO FOCUS ON THE EARNINGS PERFORMANCE OF OUR ASSETS AND THE MANAGEMENT OF OUR CASH.

SLIDE 10 – FINANCIAL PERFORMANCE FY2010

I AM PLEASED TO BE ABLE TO REPORT THAT THE NORMALISED EARNINGS FROM THE BUSINESS WERE CONSISTENT WITH OUR MARKET GUIDANCE WHICH WE PROVIDED AT THE LAST AGM. THAT IS, WE PRODUCED MANAGEMENT EBITDA OF \$319 MILLION IN FY2010, WHICH WAS CONSISTENT WITH THE GUIDANCE WHEN ADJUSTING FOR FINANCE LEASE CHARGES AND ASSET SALES.

IN TERMS OF THE PERFORMANCE OF INDIVIDUAL COMPONENTS OF THE BUSINESS IT IS TRUE TO SAY THAT THE FULLY CONTRACTED GENERATION ASSETS PERFORMED IN ACCORDANCE WITH OR ABOVE THEIR EARNINGS PROJECTIONS. THESE ASSETS INCLUDE GLENBROOK IN NZ, BAIRNSDALE IN VIC AND NEWMAN AND PORT HEDLAND IN WA. REDBANK HOWEVER, PERFORMED BELOW EXPECTATIONS AS A RESULT OF TWO UNPLANNED OUTAGES RESULTING FROM TECHNICAL PROBLEMS WITH THE BOILER.

THOSE GENERATION BUSINESSES THAT ARE EXPOSED TO THE NATIONAL ELECTRICITY MARKET, NAMELY BRAEMAR AND FLINDERS PERFORMED IN A WAY THAT WAS GENERALLY CONSISTENT WITH EXPECTATIONS ALTHOUGH THEIR PERFORMANCE WAS MORE VARIABLE. THE FLINDERS PLANT FOR EXAMPLE, EXPERIENCED TWO PERIODS OF SIGNIFICANT UNPLANNED OUTAGE. THE FIRST WAS AN UNPLANNED OUTAGE DURING OCTOBER AND NOVEMBER 2009 FOLLOWING A PLANNED MAJOR OVERHAUL OF THE NORTHERN UNIT AND THE SECOND FORCED OUTAGE OCCURRED DURING MAY AND

JUNE THIS YEAR RESULTING FROM A BUILD UP AND SOLIDIFICATION OF COAL ASH IN THE BOILER INTO WHAT IS KNOWN AS A "CLINKER". UNFORTUNATELY THE DELAYED RETURN TO SERVICE OF THE NORTHERN UNIT LAST NOVEMBER COINCIDED WITH PERIODS OF HIGH PRICES DRIVEN BY UNUSUALLY HOT WEATHER IN SOUTH AUSTRALIA.

THE BRAEMAR PLANT HAS PERFORMED MORE CONSISTENTLY. AS WE ANNOUNCED TO THE MARKET IN FEBRUARY, WE WERE PLEASED TO CONCLUDE A TOLLING AGREEMENT WITH QGC AT THE BRAEMAR PLANT. THIS HAS ENABLED US TO STABILISE EARNINGS FROM THESE UNITS.

IN WESTERN AUSTRALIA, THE ALINTA GAS RETAIL AND ELECTRICITY RETAIL BUSINESS (WHICH INCLUDES THE PINJARRA AND WAGERUP GENERATION UNITS) HAS HAD ITS SERIOUS CHALLENGES THROUGHOUT FY10. IT GOES WITHOUT SAYING THAT THE MOST SIGNIFICANT OF THESE CHALLENGES WAS THE OUTCOME OF THE NORTH WEST SHELF ARBITRATION PROCESS. NOTWITHSTANDING THE FACT THAT WE WERE ABLE TO REACH AN ACCOMMODATION WITH OUR BANKS, THE NORTH WEST SHELF JOINT VENTURE, THE WA GOVERNMENT ON RETAIL TARIFF INCREASES AND SOME OF OUR KEY CUSTOMERS TO ABSORB MUCH OF THE IMPACT OF THIS DECISION THERE IS NO DOUBT THAT THE ARBITRATION OUTCOME STILL ERODED SIGNIFICANT LONG TERM VALUE FROM THE WA BUSINESS. THIS IS REFLECTED IN THE IMPAIRMENT CHARGES THAT I WILL NOW DISCUSS.

SLIDE 11 - IMPAIRMENT

AS I MENTIONED THE COMPANY HAS, IN ACCORDANCE WITH OUR OBLIGATIONS, TAKEN A CAREFUL LOOK AT THE CARRYING VALUE OF EACH OF OUR ASSETS AS PART OF THE PROCESS OF SETTling OUR HALF YEARLY AND YEARLY ACCOUNTS. THIS RESULTED IN A DECISION TO IMPAIR THE ALINTA PORTFOLIO OF ASSETS BY SOME \$670 MILLION IN FY2010. THE KEY AMOUNTS RELATED TO:

- ALINTA SALES – WHERE WE RECOGNISED AN IMPAIRMENT OF \$525 MILLION TO THE CARRYING VALUE OF THAT BUSINESS. THE VALUATIONS WERE IMPACTED BY A NUMBER OF FACTORS INCLUDING:
 - THE LIMITATIONS ON OUR ABILITY TO FULLY PASS THROUGH SIGNIFICANT GAS PRICE INCREASES IN WA UNDER A RANGE OF EXISTING CONTRACTS;
 - PROTRACTED SOFTER GAS AND ELECTRICITY DEMAND; AND
 - A GENERAL OVERSUPPLY OF GENERATION CAPACITY IN WA RESULTING IN LOWER PRICES FOR GENERATION.

- THE SECOND ASSET WE IMPAIRED WAS BRAEMAR – WHERE WE RECOGNISED AN IMPAIRMENT OF \$60 MILLION. THIS WAS PRIMARILY DUE TO DOWNWARDS REVISIONS TO FORECAST ELECTRICITY PRICES IN QUEENSLAND DUE TO AN OVERSUPPLY IN THE GENERATION SECTOR.
- NEXT WE IMPAIRED REDBANK – WHERE WE RECOGNISED AN IMPAIRMENT OF \$50 MILLION. THIS WAS DUE TO INCREASES IN FORECAST UNIT FUEL COSTS AND A SHORT TERM REDUCTION IN CONTRACT REVENUE RATES. AND FINALLY
- WE IMPAIRED WA POWER (NAMELY OUR PILBARA ASSETS PORT HEDLAND AND NEWMAN) – WHERE WE RECOGNISED AN IMPAIRMENT OF \$25 MILLION. THIS WAS DUE TO A DOWNWARD REVISION IN LONG TERM RE-CONTRACTING PRICE ASSUMPTIONS TO REFLECT LIKELY FUTURE COMPETITION.

IT IS IMPORTANT TO NOTE THAT THE APPROPRIATE ACCOUNTING METHODOLOGY TO CONDUCT OUR IMPAIRMENT ANALYSIS AS AT 30 JUNE 2010 WAS “VALUE IN USE”. “VALUE IN USE” DETERMINES THE RECOVERABLE AMOUNT OF A BUSINESS BASED ON MANAGEMENT APPROVED ANNUAL FINANCIAL BUDGETS AND FORECASTS OVER THE REMAINING LIFE OF THE ASSET.

IT IS ALSO IMPORTANT TO BEAR IN MIND THAT AS PART OF THE DELEVERAGING TRANSACTION IT WILL BE NECESSARY TO AGAIN EXAMINE THE CARRYING VALUE OF THE ASSETS FROM THE GROUP’S PERSPECTIVE. AT THIS POINT THE CARRYING VALUE WILL NEED TO REFLECT THE FACT THAT THE VALUE OF THE ASSETS WILL BE REALISED NOT THROUGH LONG TERM USE BUT RATHER THROUGH THE EXTINGUISHMENT OF DEBT. IT IS LIKELY THAT THIS WILL PRODUCE A FURTHER REDUCTION IN THE CARRYING VALUE OF THE ASSETS AT THAT POINT IN TIME.

SLIDE 12 – KEY ELEMENTS OF DELEVERAGING TRANSACTION

THIS BRINGS ME TO THE DELEVERAGING PROCESS ITSELF. AS WE SAID AT THE AGM LAST YEAR AND THE EGM THIS YEAR IT WAS NECESSARY TO FURTHER REDUCE DEBT LEVELS IN THE BUSINESS. INDEED IT WAS A REQUIREMENT OF OUR LENDERS THAT WE PRODUCE A DELEVERAGING PLAN FOR THEIR CONSIDERATION BY APRIL THIS YEAR. WE PROVIDED THIS PLAN TO THE LENDERS ON 31 MARCH 2010.

THIS PLAN FORESHADOWED THAT THERE WERE THREE POTENTIAL STRATEGIES TO REDUCE THE PRESSURE ON THE CAPITAL STRUCTURE OF THE COMPANY.

- 1) TO RECAPITALISE THE COMPANY VIA THE EQUITY CAPITAL MARKETS;

- 2) TO SELL THE COMPANY AS A WHOLE – OR SOME OF ITS ASSETS;
AND
- 3) A LENDER LED SOLUTION.

IT IS WORTH MENTIONING AT THIS POINT THAT THERE WAS SOME MEASURE OF FLEXIBILITY AROUND WHEN THE PLAN WAS ABLE TO BE IMPLEMENTED. THERE WERE HOWEVER, A RANGE OF FACTORS THAT MILITATED IN FAVOUR OF TAKING ACTION SOONER RATHER THAN LATER. THESE INCLUDED:

- THE PRESSURE THAT WAS PLACED ON THE COMPANY'S CAPITAL STRUCTURE WAS MAKING IT INCREASINGLY DIFFICULT TO CONDUCT BUSINESS. TRADE COUNTERPARTIES WERE REQUIRING CREDIT SUPPORT AND WE WERE STRUGGLING TO COMPETE IN CERTAIN AREAS OF THE MARKET.
- IT WAS BECOMING INCREASINGLY DIFFICULT TO RETAIN EXISTING AND ATTRACT NEW STAFF. OVER THE COURSE OF THE LAST 18 MONTHS WE HAVE LOST 5 KEY MEMBERS OF THE MANAGEMENT TEAM AND THERE HAS BEEN A VERY HIGH DEGREE OF TURNOVER IN THE SENIOR GROUP AS GOOD STAFF ARE OFFERED SECURE EMPLOYMENT IN COMPANIES WITH A CLEAR FUTURE.
- THE EQUITY CAPITAL MARKETS APPEARED TO BE RECOVERING AND THE JOINT LEAD MANAGER'S – UBS AND MACQUARIE - CONSIDERED THAT WE SHOULD MOVE TO TAKE ADVANTAGE OF THE IMPROVED OUTLOOK.
- THE COMPOSITION OF THE BANK GROUP WAS STARTING TO CHANGE, INTRODUCING DISTRESSED DEBT AND HEDGE FUNDS INTO OUR LENDER GROUP.

FOR THESE REASONS THE ALINTA BOARD AND MANAGEMENT DECIDED TO PROCEED TO CONDUCT A THOROUGHGOING PROCESS TO IDENTIFY THE MOST EFFECTIVE OF THE THREE STRATEGIC OPTIONS OUTLINED ABOVE TO DELEVER THE COMPANY.

- OPTION1: WE ESTABLISHED A DUE DILIGENCE COMMITTEE TO PRODUCE A PROSPECTUS FOR A REFLOAT OF THE COMPANY AND CONDUCTED ALL THE NECESSARY PREPARATORY WORKS REQUIRED TO EXECUTE THIS OPTION IN CONJUNCTION WITH THE JOINT LEAD MANAGER'S AND OUR LEGAL ADVISERS.
- OPTION 2: UBS CANVASSED ALL KNOWN COMMERCIAL PARTIES WHO MAY HAVE BEEN INTERESTED IN THE COMPANY AS A WHOLE OR IN INDIVIDUAL ASSETS.
 - OUR ADVISERS APPROACHED 55 POTENTIAL PURCHASERS AND 22 OF THESE SIGNED CONFIDENTIALITY AGREEMENTS.

- 17 PARTIES THEN PROCEEDED TO THE FIRST STAGE OF THE SALES PROCESS WHICH INCLUDED ACCESS TO A DETAILED DATA ROOM AND ACCESS TO MANAGEMENT.
- FROM THIS WE RECEIVED 8 INDICATIVE OFFERS AND FOLLOWING ACCESS TO ADDITIONAL DATA AND SITE VISITS, FIVE PARTIES SUBMITTED FINAL OFFERS FOR EITHER THE COMPANY AS A WHOLE OR INDIVIDUAL ASSETS. NO BID HOWEVER, WAS BINDING OR UNCONDITIONAL.
- OPTION 3: WE WORKED WITH THE LENDERS AND THEIR ADVISORS ON A FALL BACK OPTION IN THE EVENT THAT NEITHER THE RECAPITALISATION NOR THE SALE PROCESS PRODUCED AN OUTCOME THAT WOULD ENABLE THE LENDERS TO RECOVER THE FULL VALUE OF THE DEBT.

IN THE FINAL ANALYSIS ONLY OPTION 3 PROVED TO BE VIABLE. IN RELATION TO THE PROSPECT OF AN EQUITY CAPITAL MARKETS SOLUTION, THE JOINT LEAD MANAGER'S ADVISED IN LATE AUGUST THAT THEY WERE NOT ABLE TO CONFIRM THAT THEY WOULD BE ABLE TO RAISE SUFFICIENT FUNDS TO FULLY REPAY THE LENDERS. NOR DID THE TRADE SALE OPTION OFFER AN EFFECTIVE SOLUTION. THE COMPANY DID NOT RECEIVE ANY BID THAT WOULD ENABLE THE LENDERS TO BE FULLY REPAYED FROM SUCH A TRANSACTION.

AS A RESULT THE COMPANY AND OUR LENDERS WORKED TOGETHER TO PRODUCE AN OUTCOME THAT WAS ANNOUNCED TO THE MARKET ON 21 SEPTEMBER. ITS KEY FEATURES CAN BE SUMMARISED AS FOLLOWS:

- ALL THE ASSETS HELD BY ALINTA FINANCE AUSTRALIA ARE TRANSFERRED TO THE LENDERS IN FULL DISCHARGE OF THE DEBT.
- THE SECURITYHOLDERS AT AEL ARE OFFERED 10 CENTS PER UNIT IF THEY APPROVE THE TRANSACTION, OF THIS, THE LION'S SHARE OF VALUE IS PROVIDED BY THE LENDERS AND THE BALANCE FROM AVAILABLE CASH OUTSIDE THE AFA GROUP.
- THE SECURITYHOLDERS RETAIN OWNERSHIP OF AEL SHARES WHICH PROVIDES CONTINUED OWNERSHIP OF REDBANK POWER STATION.

AS THE CHAIRMAN MENTIONED, THE BOARD IS CURRENTLY CONSIDERING VARIOUS WAYS TO DEAL WITH THE REMAINDER OF THE BUSINESS ONCE THE AFA ASSETS ARE TRANSFERRED AND WE EXPECT TO PROVIDE MORE DETAIL TO ALL SECURITYHOLDERS AT THE EGM NEXT YEAR.

SLIDE 13 – IMPLEMENTATION STEPS FOR DELEVERAGING TRANSACTION

THE TRANSACTION DESCRIBED ABOVE IS CURRENTLY IN ADVANCED STAGES OF DOCUMENTATION AND IT IS EXPECTED THAT THE SCHEME IMPLEMENTATION AGREEMENT AND RELATED MATERIAL WILL BE EXECUTED LATER THIS WEEK.

WHILST SIMPLE IN ITS ESSENTIAL ELEMENTS, IMPLEMENTATION OF THE DELEVERAGING PLAN IS VERY COMPLEX FROM A NUMBER OF PERSPECTIVES IN TERMS OF THE APPROVALS REQUIRED AND THE ASSOCIATED DOCUMENTATION.

TO PROVIDE YOU WITH SOME INSIGHT INTO THIS, THE APPROVALS REQUIRED INCLUDE:

- THE LENDERS AND THE SECURITY TRUSTEE MUST AGREE THE DOCUMENTS – THERE ARE APPROXIMATELY 50 LENDERS, WHO MUST AGREE NOT ONLY THE TRANSACTION DOCUMENTS WITH ALINTA, BUT ALSO THE BUSINESS ACQUISITION OF ALINTA'S ASSETS AMONGST THEMSELVES;
- ASIC HAS TO REVIEW THE DOCUMENTS WHICH ARE SENT TO SECURITYHOLDERS AND THE LENDERS;
- THE ASX MUST REVIEW THE DOCUMENTS WHICH ARE TO BE SENT TO THE SECURITYHOLDERS;
- THE SUPREME COURT OF NSW HAS TO REVIEW AND APPROVE THE CONVENING OF MEETINGS AND THE DOCUMENTS THAT ARE TO BE SENT TO SECURITYHOLDERS AND LENDERS;
- SECURITYHOLDERS NEED TO DECIDE WHETHER TO APPROVE CERTAIN ASPECTS OF THE DELEVERAGING TRANSACTION;
- LENDERS NEED TO APPROVE THE IMPLEMENTATION OF A "CREDITORS' SCHEME OF ARRANGEMENT";
- THE SUPREME COURT OF NSW HAS TO APPROVE A NUMBER OF SCHEMES ARISING POST THE SECURITYHOLDER AND LENDER MEETINGS.; AND FINALLY
- ASIC NEEDS TO REGISTER THE CREDITOR'S SCHEME OF ARRANGEMENT AND TRUST SCHEME.

ALL PARTIES ARE WORKING VERY HARD AND AS QUICKLY AS THEY CAN IN PREPARING THE NECESSARY DOCUMENTS FOR EXECUTION OF THE TRANSACTION.

SLIDE 14 – REDBANK POWER STATION

IN CLOSING I WANT TO SAY SOMETHING ABOUT REDBANK POWER STATION. AS YOU ARE AWARE, DIRECTORS HAVE ADVISED THE MARKET THAT IN CONSIDERING THE TRANSACTION DISCUSSED ABOVE, SECURITYHOLDERS SHOULD ASSUME THAT ALL YOU WILL

RECEIVE IS 10 CENTS PER SECURITY. THIS IS BECAUSE WE HAVE NO BASIS TO ADVISE SECURITYHOLDERS THAT IN THE SHORT TERM IT WILL BE POSSIBLE TO REALISE ANY EQUITY VALUE FROM REDBANK.

THIS STATEMENT IS SUPPORTED BY THE FACT THAT AS PART OF THE SALE PROCESS CONDUCTED OVER THE COURSE OF THE LAST YEAR WE HAVE NOT RECEIVED ANY BID THAT WOULD SEE AN ENTERPRISE VALUE FOR THE ASSET GREATER THAT THE PROJECT DEBT. NOR IS IT THE CASE THAT REDBANK IS FORECAST TO PRODUCE ANY CASH FOR DISTRIBUTION UNTIL 2015.

HAVING SAID THAT, OVER THE REMAINING LIFE OF THE ASSET, IT IS POSSIBLE REDBANK WILL DEVELOP EQUITY VALUE – PROVIDED THAT THE PLANT IS NOT CONFRONTED BY EXTENDED UNPLANNED OUTAGES OR TECHNICAL FAILURES AND PROVIDED THAT WE ARE ABLE TO CONCLUDE AN AGREEMENT WITH PROJECT LENDERS THAT DELIVERS SUFFICIENT LIQUIDITY IN THE COMPANY FOR EQUITY VALUE TO EMERGE.

IF IT IS POSSIBLE TO REALISE ANY EQUITY VALUE WITHIN THE FORESEEABLE FUTURE THEN THIS WILL OF COURSE BE RETURNED TO SECURITYHOLDERS. MANAGEMENT IS CURRENTLY EXAMINING WHETHER IT WILL BE REALISTICALLY FEASIBLE TO ACHIEVE THIS AND WILL UPDATE SECURITYHOLDERS AT THE EGM. THAT SAID, WE WISH TO REITERATE TO SECURITYHOLDERS THAT AT THIS STAGE WE DO NOT HAVE A BASIS UPON WHICH TO ADVISE YOU TO EXPECT ANY MORE VALUE FROM THE TRANSACTION THAN THE 10 CENTS PER SECURITY DISCUSSED ABOVE.

SLIDE 15 – KEY DATE FOR DELEVERAGING TRANSACTION

OVER THE COURSE OF THE NEXT FEW WEEKS WE EXPECT TO COMPLETE A SIGNIFICANT BODY OF MATERIAL TO DISTRIBUTE TO SECURITYHOLDERS. THIS WILL BE DESIGNED TO ENABLE YOU TO DECIDE, ON AN INFORMED BASIS, WHETHER OR NOT TO ACCEPT THE PROPOSAL THAT WE INTEND TO PUT TO YOU FOR CONSIDERATION IN THE FIRST QUARTER OF NEXT YEAR.

I DO APPRECIATE THAT THIS HAS BEEN A TORTUOUS JOURNEY FOR SECURITYHOLDERS, LENDERS AND ALL OTHER STAKEHOLDERS. I WANT TO PLACE ON RECORD MY THANKS TO YOU, THE SECURITYHOLDERS, MY FELLOW DIRECTORS, MY MANAGEMENT TEAM, MY ADVISERS (INCLUDING IN PARTICULAR SYLVIA WIGGINS), THE LENDERS (BOTH PAST AND PRESENT), AND ALL OTHER STAKEHOLDERS FOR YOUR SUPPORT AND FORBEARANCE DURING THIS VERY DIFFICULT AND CHALLENGING PERIOD. AS YOU CAN



IMAGINE IT WOULD NOT BE POSSIBLE TO HAVE REACHED THIS POINT WITHOUT TREMENDOUS GOODWILL AND COMMITMENT FROM ALL OF YOU. I THANK YOU ALL FOR YOUR CONTRIBUTION TO ENABLING US TO REACH THIS OUTCOME.

I WILL NOW PASS YOU BACK TO LEN FOR THE FORMAL BUSINESS OF THE MEETING.

Annual General Meeting: Alinta Energy Limited

Meeting of Unitholders: Alinta Energy Trust

23rd November 2010



- **Welcome**
- Chairman's Address
- CEO's Address
- Questions & Answers
- Business Resolutions
- Closing



Len Gill, Independent Chairman



Rod Keller, Non-Executive Director



Peter Kinsey, Non-Executive Director



Ross Rolfe, Managing Director and CEO

- Welcome
- **Chairman's Address**
- CEO's Address
- Questions & Answers
- Business Resolutions
- Closing

- Interim restructuring of debt facilities finalised in January 2010
 - Eliminated short term refinancing risk
 - Provide time to consider capital management options
- Despite restructuring, debt levels remained too high
- Unable to plan for scheduled retirement of debt
- Virtually all cash generated services corporate debt

- Commenced a deleveraging process to consider options to reduce debt
- Comprehensive dual track process
 - Trade and asset sale – adviser UBS AG
 - Equity capital markets transaction – advisers UBS AG and Macquarie Capital Advisers
- Lazard appointed by Alinta Energy Directors to assess deleveraging proposals
- Trade buyers, industry players and institutional investors conducted due diligence
- Final trade bids did not provide for repayment of debt in full, accordingly Syndicate Lenders needed to consent to ANY transaction
- Syndicate Lenders proposed a lender led deleveraging transaction that delivers to Alinta
 - Funds to pay **10 cents per AET Unit**, when combined with existing cash outside the security of the Syndicate Lenders
 - Full release of all AFA debt of approximately \$2.8 billion

- Alinta transaction: one of “*the most complicated restructures in Australian corporate history*”
- Securityholders:
 - Will receive 10 cents per AET unit
 - Substantially in excess of cash currently outside the Syndicate Lenders security
 - Substantially in excess of amount available under insolvency
 - Retain ownership of AET (through their ownership of AEL Shares)
 - Retain ownership of Redbank Power Station
- Key securityholders including GPG (19.9%) have provided support for the deleveraging transaction
- **All securityholders will have the opportunity to vote at an Extraordinary General Meeting in 2011 and it cannot proceed without this support**
- Currently considering options to deal with the business that remains when the transaction is complete
 - Listed company will have some limited functionality through ownership of Redbank
 - Need to reduce costs so we expect listed company structure to have a limited life
 - Further information will be provided at the EGM
 - Securityholders will have the opportunity to vote on any proposal

- Increase for Key Management Personnel (KMP) driven by number of factors
 - Business facing risk of administration for several years and risk of sale
 - Significant personal risks for subsidiary Company Directors
- Market based structure designed to attract, retain and incentivise KMP
 - forego other more stable opportunities
- Compensation is commensurate with risks and uncertainty of outcome
- Outstanding leadership and personal contribution of Ross Rolfe, CEO

- Secured an outcome that will ensure ongoing viability of Alinta assets
- Securityholders, lenders and over 750 staff well served by management team

- Welcome
- Chairman's Address
- **CEO's Address**
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- Vision of “Zero Harm”
- First priority - Health, Safety and Welfare
- Drive improved safety performance and a safety conscious culture
- Improved safety performance across the portfolio
 - Reduction in “Lost Time Injury Frequency Rate” during the year
 - A number of our facilities achieved a “Lost Time Injury” free performance
- Environmental performance at a high level
 - No breaches of licence conditions at any of our facilities

Financial performance FY2010



	FY2010 (\$m)	FY2009 (\$m)	Change (%)
Revenue	1,428	1,534	(7)
Management EBITDA	319	278	15

- Performance consistent with expectations and market guidance
- Management EBITDA \$319m consistent with the previous period (adjusting for finance lease charges & asset sales)
- Contracted generation assets performed in line with or above expectations
- Flinders Power Station unable to take full advantage of price spikes due to plant unavailability and contract positions
- New tolling agreement stabilised earnings outcomes at Braemar Power Station
- Alinta Retail margins adversely impacted by North West Shelf gas price dispute, weak demand and high levels of competition

- Determined by comparing carrying value against “Value in Use”
- FY2010 \$670 million non-cash impairment charge, key items being:
 - Alinta West impairment \$525 million;
 - Braemar impairment \$60 million;
 - Redbank impairment \$50 million; and
 - WA Power impairment \$25 million
- Valuations were impacted by number of factors
 - Inability to fully pass through gas price increases in WA
 - Protracted softer gas and electricity demand
 - General oversupply of generation capacity in WA and the National Electricity Market resulting in lower prices for generation
- Deleveraging transaction will result in another assessment of the carrying value of the assets
 - Likely to result in a further reduction in carrying value

Key elements of deleveraging transaction



Overview

- All AFA assets transferred to Syndicate Lenders in exchange for debt release of ~\$2.8 billion and sufficient cash to provide 10 cents per AET Unit
- The majority of the 10 cents is being provided by the Syndicate Lenders
- Securityholders continue to own AEL shares

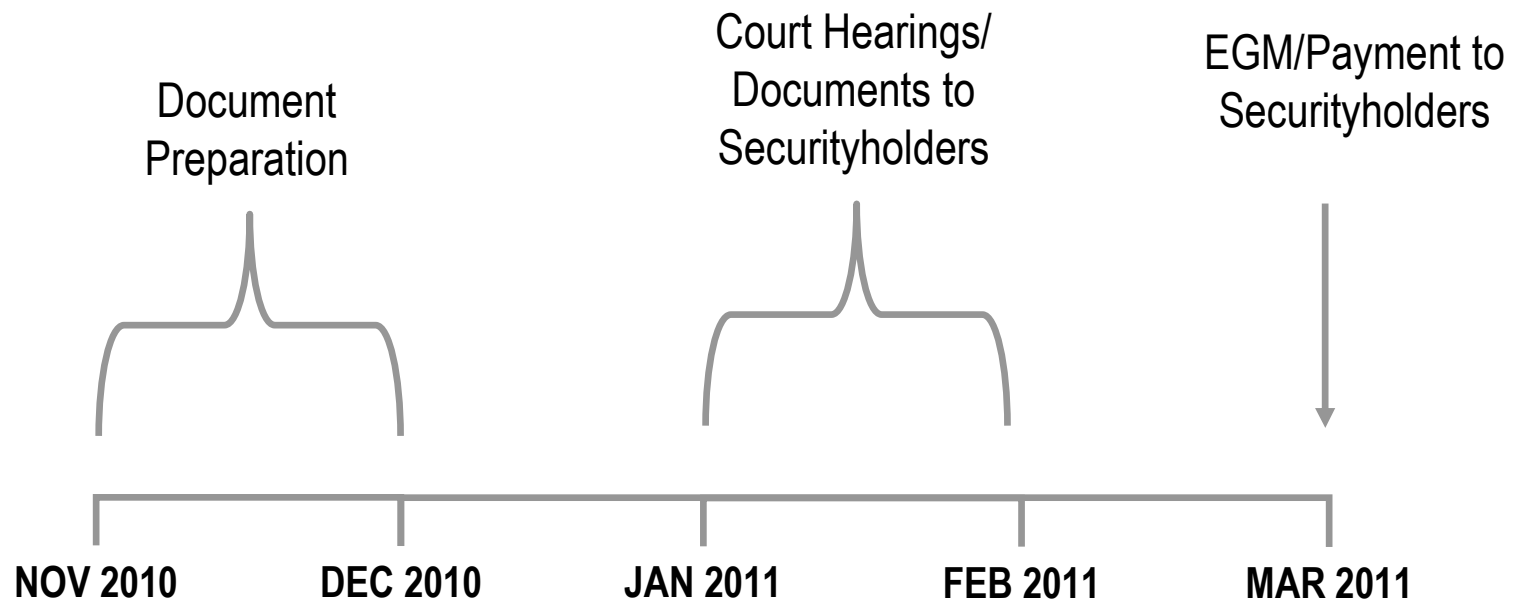
Implementation steps

- Destaple Alinta Energy Limited (AEL) shares from Alinta Energy Trust (AET) units
- Purchase AET Units for 10 cents per Unit
- Transfer AFA assets to Syndicate Lenders

- Implementation is very complex
- Large number of Approvals required
 - Lenders and Security Trustee to agree the documents
 - ASIC review
 - ASX review
 - The Supreme Court of NSW review and consent to calling meetings
 - Securityholder approval
 - Lender approval of a “Creditors’ Scheme of Arrangement”
- Large volume of new documents required
 - Documents which Alinta is concerned with: Scheme Implementation Agreements (Creditors and Trust); Scheme Documents (Creditor and Trust); Notice of Meeting and Explanatory Statements etc
 - Documents which Alinta is not party to but which must be agreed prior to implementation of the deleveraging transaction: Shareholder Agreement; Management Agreement; new debt documents etc
- All parties are working towards implementation as quickly as they can

- Directors have no basis to believe Redbank has any short term realisable equity value
 - Trade bids ascribe no market value in excess of project debt
 - No equity cash distributions forecast for at least 5 years
 - Given plant performance issues uncertainty over ability to generate sufficient cash to service and reduce debt in accordance with financial covenants
 - Challenging liquidity position
 - Uncertainty over timing, nature and impact of carbon abatement policies
- Securityholders will receive whatever value, if any, Redbank is worth
- Difference in a long term valuation and value that can be achieved in short term
 - Grant Samuel provided an Independent Expert Valuation in January 2010 and will provide another in securityholder documents for the EGM in 2011
- Currently considering options that may create equity value
 - Further detail will be provided in securityholder documents for the EGM

Key dates⁽¹⁾ for deleveraging transaction



⁽¹⁾ Dates are indicative only and may be subject to change

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To receive and consider, for the year ended 30 June 2010:

- The combined consolidated financial report of Alinta Energy Group;
- The separate financial report of the Alinta Energy Trust; and
- The reports of the Directors and Auditor.

Remuneration Report

That the Remuneration Report for the year ended 30 June 2010 be adopted.

Proxy Summary – Resolution 1



For	Against	Discretionary	Abstain	Total
262,124,889	19,107,688	11,851,631	3,487,151	296,571,359

Director Re-election – Len Gill

That Len Gill, being a Director of AEL who retires as a Director by rotation in accordance with rule 7.1(d) of the AEL Constitution and, being eligible, offers himself for re-election, is re-elected as a Director of AEL.

Proxy Summary – Resolution 2



For	Against	Discretionary	Abstain	Total
267,783,255	15,735,038	10,035,613	3,019,153	296,573,059

Director Re-election – Peter Kinsey

That Peter Kinsey, being a Director of AEL who retires as a Director by rotation in accordance with rule 7.1(d) of the AEL Constitution and, being eligible, offers himself for re-election, is re-elected as a Director of AEL.

Proxy Summary – Resolution 3



For	Against	Discretionary	Abstain	Total
266,632,086	18,093,833	10,039,876	1,807,264	296,573,059

Director Election – Rod Keller

That Rod Keller, being a Director of AEL who retires as a Director in accordance with rule 7.1(c) of the AEL Constitution and, being eligible, offers himself for election, is elected as a Director of AEL.

Proxy Summary – Resolution 4



For	Against	Discretionary	Abstain	Total
260,114,099	15,061,918	19,685,207	1,711,835	296,573,059

Director Election – Allen Gianatti

That Allen Gianatti, being eligible, offers himself for election and is elected as a Director of AEL.

Proxy Summary – Resolution 5



For	Against	Discretionary	Abstain	Total
42,134,074	243,119,733	10,023,094	1,296,158	296,573,059

- Welcome
- Chairman's Address
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- **Closing**

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