

## ASX Release

16 August 2010

### ASSET IMPAIRMENT

Alinta Energy (ASX:AEJ) today announced that as part of its annual financial reporting preparations, the Alinta Board of Directors expects a non-cash impairment charge of approximately \$465 million for the second half of the financial year to June 2010. The impairment charges will be presented as “individually significant items” in the FY10 accounts and despite a resultant increase in gearing, Alinta remains in compliance with all financial covenants.

The impairment charge has been determined by comparing written down value against the “Value in Use” (VIU) for each Cash Generating Unit (CGU) in accordance with Australian Accounting Standards. Revised gas costs in Western Australia and lower than previously forecast electricity prices in Queensland and the South West Interconnected System (SWIS) have prompted a re-assessment of Alinta’s carrying values for its CGU’s. The largest item of impairment of approximately \$350 million relates to the Alinta Retail CGU in Western Australia. Alinta will provide further detail around assumptions used in calculating the impairment charges in the FY2010 accounts.

Alinta’s Deleveraging Process is continuing with bids from parties interested in acquiring all or part of Alinta or recapitalisation in one form or another expected on 31 August 2010. It is expected that a transaction will be selected and announced to the market by the end of September 2010. The outcomes from the Deleveraging Process will be market based and are not expected to be the same as the accounting outcomes derived above.

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#### Further Information:

Fiona Osler  
Investor Relations & Media  
Alinta Energy Group  
T + 61 2 9372 2617  
M 0421 051 589

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#### 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.