

Press Release

15 August 2006

GasNet Australia Group (ASX: GAS) agrees to recommend \$418 million offer from Colonial First State Global Asset Management

Colonial First State Global Asset Management, the asset management division of the Commonwealth Bank of Australia (the "Bank"), today announced its intention to make a recommended offer to acquire all of the stapled securities in GasNet Australia Group (GasNet) for \$2.88 cash per stapled security. The price actually paid will be reduced by the amount of any distributions received by stapled securityholders after this announcement, including the proposed 11.0 cent distribution for the 6 months to 30 June 2006. The offer values GasNet's equity at approximately \$418 million.

The Board of GasNet has unanimously recommended that GasNet stapled securityholders accept the offer in the absence of a superior proposal and has indicated that the directors will be accepting this offer for their own holdings of GasNet stapled securities on that basis.

The Bank has entered into a Bidding Agreement with GasNet to facilitate the offer by Colonial First State Global Asset Management. This agreement includes provision for a break fee of \$4.2 million to be payable to Colonial First State Global Asset Management in certain circumstances.

The offer will be made through a newly established special purpose vehicle by way of an off-market takeover bid and will be funded with the balance sheet support of the Bank.

The offer will be subject to a limited number of conditions including a minimum acceptance condition of 70% of the number of GasNet stapled securities on issue. The conditions are outlined in full in Appendix 1 to this release.

Colonial First State Global Asset Management considers GasNet a highly attractive asset given its unique business mix comprising:

- Victoria's high pressure gas transmission network, which represents an attractive, low-risk annuity style business operating in a transparent regulatory environment;
- an attractive portfolio of unregulated businesses, including the Telfer pipeline, a Liquefied Natural Gas (LNG) storage facility as well as metering and connection services; and

- a highly experienced and well regarded management team and operating platform capable of delivering future growth and performance.

Colonial First State Global Asset Management's current intention is to maintain GasNet's existing management team, which has an excellent track record of managing GasNet's regulated assets, the regulatory process and creating additional value through unregulated growth opportunities.

Colonial First State Global Asset Management takes a long-term, value-based approach to infrastructure investment. When GasNet is considered in its constituent parts: regulated; unregulated; and operating platform, Colonial First State Global Asset Management considers its offer compares favourably with historical transactions in the sector domestically, particularly in the context of GasNet's attractive capital expenditure profile and unregulated businesses.

Colonial First State Global Asset Management's Head of Property and Alternative Investments, James O'Leary, said, "We are attracted to GasNet's high quality assets, stable cash flows and the transparent regulatory environment. In addition, the transaction is important as opportunities to acquire quality domestic infrastructure assets are becoming increasingly limited."

Colonial First State Global Asset Management, under its Head of Infrastructure Investment, Stephen Vineburg, has more than 10 years' experience in infrastructure investment and infrastructure management and is committed to long-term, value-based investment. Colonial First State Global Asset Management provides a range of infrastructure offerings to investors, including sector specific funds, diversified funds and mandates.

Among its extensive portfolio of infrastructure assets, Colonial First State Global Asset Management manages a number of utility investments including interests in:

- Central Ranges Gas Pipeline;
- Somerton Jet Fuel Pipeline;
- Inexus (a gas connection business) in the United Kingdom; and
- Hazelwood Power Station.

In addition, Colonial First State Global Asset Management has considerable experience in dealing with regulated businesses.

The acquisition of GasNet by utilising the Bank's balance sheet is consistent with the strategy put in place for Colonial First State Global Asset Management in late 2005. As part of this strategy, Colonial First State Global Asset Management, headed by Warwick Negus, made a number of senior appointments to enhance its transactional expertise and operating capabilities. These appointments included James O'Leary as Head of Property and Alternative Investments (which includes Infrastructure) and Damian Rigney as Head of the Transactions and Capital Projects Group. This team has been created with a view to providing investors with access to attractive investment opportunities.

The acquisition of GasNet is a direct result of that strategy, as was Colonial First State Global Asset Management's participation in a consortium bid for BAA plc in June. With the support of the Bank, Colonial First State Global Asset Management will continue to identify

attractive investment opportunities for its investors across the property, infrastructure and alternative investments sectors.

Warwick Negus, CEO of Colonial First State Global Asset Management, said “The potential acquisition of GasNet further demonstrates Colonial First State Global Asset Management ability to source attractive infrastructure opportunities for our investors. In addition, the offer highlights the Bank’s commitment to the growth of Colonial First State Global Asset Management’s infrastructure business.”

Colonial First State Global Asset Management’s Bidder’s Statement is expected to be lodged shortly.

Colonial First State Global Asset Management is being advised by JPMorgan and Clayton Utz.

For further information

Bryan Fitzgerald
General Manager, Media
Commonwealth Bank of Australia
(02) 9378 2663 or 0414 789 649

Mathew Chandler
Investor Communications Manager
Colonial First State Global Asset
Management
(02) 9303 3484 or 0407 009 687

Martin Debelle
Cannings Corporate Communications
(02) 8284 9901 or 0409 911 189

APPENDIX 1

1. **Minimum Acceptance Condition**

By the end of the Offer Period, Bidder and its associates have a relevant interest in at least 70% of all GasNet Securities on issue at that time.

2. **No Regulatory Action Adversely Affecting the Offer**

Between the Announcement Date and the end of the Offer Period:

- (a) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority; and
- (b) no application is made to any Public Authority (other than by any member of the CBA Group), or action or investigation is announced, threatened or commenced by a Public Authority in consequence of or in connection with the Offer,

(other than an application to or a determination by ASIC or the Takeovers Panel in the exercise of the powers and discretions conferred by the Corporations Act), which restrains, impedes or prohibits (or if granted could restrain, impede or prohibit), or otherwise materially adversely impacts upon, the making of the Offer or any transaction contemplated by the Bidder's Statement (including, without limitation, full, lawful and effectual implementation of the intentions set out in the Bidder's Statement), the Offer (whether subject to conditions or not) or the rights of Bidder (or its nominee) or the CBA Group in respect of the GasNet Group and the GasNet Securities to be acquired under the Offer, or requires the divestiture by Bidder or the CBA Group (or its nominee) of any GasNet Securities, or the divestiture of any assets of the GasNet Group, Bidder or the CBA Group or otherwise.

3. **Material adverse change to GasNet**

Between the Announcement Date and the end of the Offer Period (each inclusive) there not having occurred, been announced or becoming known to Bidder (whether or not becoming public) any event, change, matter, thing or condition which has had, or is reasonably likely to have, or which evidences that there has been a material adverse effect on the operations, assets or liabilities, material contracts (taken as a whole), business or condition (financial or otherwise), profitability or prospects of GasNet Group (taken as a whole) since 31 December 2005 (except for any event, change or condition disclosed in public filings by GasNet Group before the Announcement Date), including where it becomes known to Bidder that information publicly filed by GasNet Group is or is likely to be incomplete, incorrect or untrue or misleading. As at the Announcement Date, Bidder is not aware of any event, change or condition that has had or is reasonably likely to have such a material adverse effect.

4. **No material transactions or other changes**

Between the Announcement Date and the end of the Offer Period, no entity comprising the GasNet Group shall, except with the prior written consent of the

Bidder (not to be unreasonably withheld or delayed), or except to the extent clearly and fairly disclosed to the Bidder prior to the Announcement Date:

- (a) acquire, offer to acquire or agree to acquire one or more securities, companies or assets (or an interest in one or more securities, companies or assets) for an amount, or having a market value, in aggregate greater than \$10 million;
- (b) dispose (including by grant of an Encumbrance), offer to dispose or agree to dispose of one or more entities or assets (or an interest in one or more entities or assets) for an amount, or having a market value, in aggregate greater than \$5 million;
- (c) enter into any corporate transaction which would or would be likely to involve a material change in the manner in which GasNet Group conducts its business, the nature (including balance sheet classification), extent or value of GasNet Group's assets, or the nature (including balance sheet classification), extent or value of the liabilities of GasNet Group of an amount having a market value in aggregate greater than \$5 million;
- (d) enter into or offer to enter into any joint venture, asset or profit sharing, partnership, merger of businesses or of corporate entities (including through a dual listed company or stapled structure), involving a commitment of or securities, assets or liabilities in aggregate greater than \$5 million;
- (e) incur, commit to, or bring forward the time for incurring or committing, or grant to another person a right the exercise of which would involve a member of the GasNet Group incurring or committing to any capital expenditure or liability, or foregoing any revenue, for one or more related items or amounts of in aggregate greater than \$5 million, except for the incurrence of any capital expenditure announced by GasNet prior to the Announcement Date or the incurrence of any capital expenditure in accordance with the day-to-day operating activities of GasNet Group as conducted prior to the Announcement Date;
- (f) make any changes to its constitution or pass any special resolution;
- (g) enter, agree to enter into or renew any contract of service or vary or agree to vary any existing contract of service with any current or proposed responsible entity, director or manager or make or agree to make any substantial change in the basis or amount of remuneration;
- (h) pay or agree to pay any retirement benefit or allowance to any responsible entity, current or proposed director, executive officer, manager or other employee, or make or agree to make any substantial change in the basis or amount of remuneration or the terms of redundancy or other employee entitlements of any current or proposed director, executive officer, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on the Announcement Date);

- (i) announce, make, declare, distribute or resolve to pay or provide any dividend, distribution, bonus or other share of its profits or assets (and whether in cash or in specie), other than the proposed distribution of \$0.11 per GasNet Security for the half year to 30 June 2006 announced by GasNet on 9 August 2006;
- (j) be or become the subject of any litigation which is commenced, is threatened to be commenced, is announced, or is made known to Bidder (whether or not becoming public) or GasNet Group which claims or may reasonably result in a judgment of \$5 million or more, other than that which has been announced to the ASX prior to the Announcement Date; or
- (k) disclose (without having disclosed to ASX prior to the Announcement Date) the existence of any matter described in sub-paragraphs (a) to (j) above, or announces an intention or proposal to do anything described in sub-paragraphs (a) to (j) above.

5. Prescribed Occurrences

No Prescribed Occurrence occurs between the Announcement Date and the end of the Offer Period.

6. Change in control

After the Announcement Date and before the end of the Offer Period no person exercises or purports to exercise, or states an intention or claims a right to exercise, any rights under any provision of any agreement or any other instrument to which any member of the GasNet Group is a party, or by or to which any member of the GasNet Group or any of its assets may be bound or be subject, which results, or could result, to an extent which is material in the context of GasNet Group as a whole, in:

- (a) any moneys borrowed by any member of the GasNet Group becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument;
- (b) any such agreement or other instrument being terminated or modified or any action being taken or arising thereunder;
- (c) the interest of any member of the GasNet Group in any firm, joint venture, trust, corporation or other entity (or any arrangements relating to such interest) or asset being terminated or modified; or
- (d) the business, assets or liabilities of any member of the GasNet Group being adversely affected,

as a result of the acquisition of GasNet Securities by Bidder or the CBA Group.

7. Glossary of defined terms

Announcement Date	15 August 2006.
Approvals	A license, authority, consent, approval, order, exemption, waiver, ruling, determination or decision.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Stock Exchange Limited (ACN 008 624 691) or the stock market operated by Australian Stock Exchange Limited, as the context requires.
Bidder	A wholly owned subsidiary of Commonwealth Bank of Australia.
Bidder's Statement	The bidder's statement in respect of the Offer given by Bidder pursuant to Part 6.5 of the Corporations Act.
CBA Group	Commonwealth Bank of Australia and its controlled entities and where the context allows means any one or more of them.
Controlled Entity	Any entity that is controlled by GasNet.
Corporations Act	Corporations Act 2001 (Cth).
Encumbrance	Any of the following: <ul style="list-style-type: none">a) a mortgage, charge, pledge, lien, hypothecation or title retention arrangement;b) a notice under section 255 of the Income Tax Assessment Act 1936 (Cth), subdivision 260-A in Schedule 1 to the Taxation Administration Act 1953 (Cth) or any similar legislation;c) any other interest in or right over property (including a right to set off or withhold payment of a deposit or other money);d) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; ande) an agreement to create anything referred to above or allow any of them to exist, and " Encumber " has a corresponding meaning.
GasNet Australia Investments Limited	GasNet Australia Investments Limited (ACN 104 348 852).

GasNet Australia Investments Trust	GasNet Australia Investments Trust (ARSN 104 846 193).
GasNet Australia Trust	GasNet Australia Trust (ARSN 097 326 013).
GasNet	The GasNet stapled entity known as GasNet Australia Trust (ARSN 097 326 013), GasNet Australia Investments Trust (ARSN 104 846 193) and GasNet Australia Investments Limited (ABN 95 104 348 852).
GasNet Group	GasNet and its Controlled Entities and where the context allows (including without limitation references to members of the GasNet Group) means any one or more of them.
GasNet Options	The options over unissued securities in the capital of GasNet which are on issue on the Announcement Date.
GasNet Security	A stapled security issued by GasNet consisting of one unit in GasNet Australia Trust, one unit in GasNet Australia Investments Trust and one share in GasNet Australia Investments Limited all of which must be dealt with together.
Offer	The offer by Bidder to acquire GasNet Securities pursuant to the Bidder's Statement.
Offer Period	The period the Offer is open for acceptance.
Prescribed Occurrence	<p>The occurrence of any of the following events:</p> <ul style="list-style-type: none"> a) GasNet converts all or any of its securities into a larger or smaller number of securities; b) GasNet or a subsidiary or Controlled Entity resolves to reduce its capital in any way; c) GasNet or a subsidiary or Controlled Entity: <ul style="list-style-type: none"> (i) enters into a buyback agreement; or (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act; d) GasNet or a subsidiary or Controlled Entity issues securities, or grants an option over its securities or agrees to make such an issue or grant such an option; e) GasNet or a subsidiary or Controlled Entity issues, or agrees to issue, convertible notes; f) GasNet or a subsidiary or Controlled Entity disposes, or agrees to dispose, of the whole, or a substantial part of its business or property;

- g) GasNet or a subsidiary or Controlled Entity Encumbers, or agrees to Encumber, the whole, or a substantial part of its business or property;
- h) GasNet or a subsidiary or Controlled Entity resolves that it be wound up;
- i) a liquidator or provisional liquidator of GasNet or a subsidiary or Controlled Entity is appointed;
- j) a court makes an order for the winding up of GasNet or of a subsidiary or Controlled Entity;
- k) an administrator of GasNet, or of a subsidiary or Controlled Entity, is appointed under Sections 436A, 436B or 436C of the Corporations Act;
- l) GasNet or a subsidiary or Controlled Entity executes a deed of company arrangement; or
- m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of GasNet or a subsidiary or Controlled Entity.

Public Authority

Any government or any governmental, semi-governmental, administrative, statutory or judicial entity, authority, or agency, whether in Australia or elsewhere, including any self regulatory organization established under statute or any stock exchange.

Takeovers Panel

The panel established by Part 10 of the Australian Securities and Investment Commission Act 2001 (Cth) and having functions specified in Part 6.10, Division 2 of the Corporations Act.