



CommonwealthBank



JOINT STATEMENT FROM GEAC CONSORTIUM PARTNERS

8 April, 2004

GEAC completes Loy Yang A acquisition

The Great Energy Alliance Corporation (GEAC) shareholders The Australian Gas Light Company (AGL), the Tokyo Electric Power Company (TEPCO) and a group of Commonwealth Bank led investors, have today completed the \$3.48 billion acquisition of the Loy Yang A Power Station and mine.

“This is an important milestone for GEAC and AGL in what has been a complex transaction over the last eighteen months,” AGL Managing Director Greg Martin said.

“AGL’s investment in Loy Yang A, along with our consortium partners TEPCO and Commonwealth Bank led investors, reflects the continued successful execution of AGL’s power generation strategy,” Mr Martin added.

Successful completion of the sale has resulted in a total debt restructure that places Loy Yang A in a much stronger financial position. Debt facilities of the business have been restructured to reduce the debt exposure to around \$3.0 billion, which is non recourse to GEAC shareholders. The bullet repayment of \$500 million, previously due on 8 April 2004 has been included in the restructured debt facilities. GEAC will make the next bullet repayment in 2008.

GEAC has raised A\$621 million in fresh equity capital from its shareholders resulting in an ownership stake of 32.5 per cent for both AGL and TEPCO with the 35 per cent balance held by investors led by the Commonwealth Bank, which include MTAA, Westscheme and Mitsui & Co.

“The net result of this is that Loy Yang A has been placed on a firmer footing and the uncertainty about the ownership of this significant Victorian asset has been resolved,” Commonwealth Bank Group Executive, Institutional & Business Services, Michael Ullmer said.

“The Bank’s vision on Loy Yang A allowed us to work with AGL, and subsequently TEPCO, to create GEAC which has now stabilised Loy Yang’s long term future as a viable investment proposition. Our experience in the infrastructure sector in the domestic market enabled a debt, mezzanine and equity deal that optimised the outcome for the various stakeholders”, Mr Ullmer added.

TEPCO Managing Director, Susumu Shirakawa welcomed the finalisation of the acquisition.

“This is the largest investment TEPCO has made in an overseas power generation plant and our first venture in Victoria. TEPCO looks forward to developing these stronger ties in the Victorian and Australian marketplace as we contemplate further energy investments,” Mr Shirakawa said.

The GEAC shareholders, excluding AGL, have formed a separate entity called Loy Yang Marketing Holdings Pty Ltd whose wholly owned subsidiary, Loy Yang Marketing Management Pty Ltd, will act as an agent of Loy Yang Power to perform energy dispatch and trading functions. Consistent with Federal Court undertakings, AGL will not have representation or economic interest in the Loy Yang Marketing Management or the Marketing Holding companies.

Under the new structure, Ian Nethercote will be CEO of Loy Yang Power Management and will also be CEO of GEAC. Ken Thompson has been appointed as the General Manager of Loy Yang Marketing Management Pty Ltd.

Commonwealth Bank and JP Morgan acted as joint financial advisors.

Further Enquiries:

AGL

Contact: Jane Counsel, Media Relations Manager
Direct: (02) 9921 2352
Mobile: 0416 275 273

Commonwealth Bank

Contact: Dawn Willis, Adviser Media & Public Relations
Group Corporate Relations
Direct: (02) 9378 2662

GEAC

Contact: Vinay Kolhatkar, Chairman/ Michelle Dorman
Direct: (02) 9312 3382/ (02) 9312 0048
Mobile 0414 998 641/ 0411 879 904