

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme AusNet Services Ltd.

ACN/ARSN 603 317 559

1. Details of substantial holder (1)

Name State Grid Corporation of China (**SGCC**), which is wholly-owned by the central State Asset Supervision and Administration Commission of the People's Republic of China; State Grid International Development Limited (Hong Kong company no. 1180249) (**SGID**), which is wholly-owned by SGCC; State Grid International Australia Development Company Limited (Hong Kong Company No. 1902375) (**SGID Australia**), which is wholly-owned by SGID; and Each other controlled entity of SGCC listed in Annexure A (**Other SGCC Controlled Entities**)

ACN/ARSN (if applicable) Not applicable

The holder became a substantial holder on 18 June 2015

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	689,915,689	689,915,689	19.9%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
SGID Australia	SGID Australia is the registered holder of the relevant shares and has a relevant interest in the shares under section 608(1)(a) of the <i>Corporations Act 2001</i> (Cth) (the Act).	689,915,689 ordinary shares
SGCC, SGID and the Other SGCC Controlled Entities	The relevant entities have a relevant interest in the shares held by SGID Australia under section 608(3) (and in the case of SGCC and SGID only, s608(1)) of the Act.	689,915,689 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
SGID Australia, SGCC, SGID and the Other SGCC Controlled Entities	SGID Australia	SGID Australia	689,915,689 ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
SGID Australia	18 June 2015		Non-cash consideration comprising an equivalent number of stapled securities in the triple-stapled entity known as AusNet Services, pursuant to the restructure of AusNet Services announced to ASX on 22 April 2015.	689,915,689 ordinary shares
SGCC, SGID and the Other SGCC Controlled Entities	N/A	N/A		N/A

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Not applicable	Not applicable

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
State Grid Corporation of China	No. 86, West Chang'an Street, Xicheng District, Beijing, China
State Grid International Development Limited	Room 1304, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong
State Grid International Australia Development Company Limited	Room 1304, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong
Other SGCC Controlled Entities	See Annexure A

Signature

print name ZHU, Guangchao

capacity Authorised Signatory

sign here

date 18 June 2015



DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A

This is Annexure A of 2 pages referred to in *Form 603 Notice of initial substantial holder* dated 18 June 2015 given by State Grid Corporation of China, State Grid International Development Limited, State Grid International Australia Development Company Limited and the other controlled entities of State Grid Corporation of China.



ZHU, Guangchao

Authorised Signatory

18 June 2015

Date

Other SGCC Controlled Entity	Address
Araraquara Transmissora De Energia S.A.	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
Catxere Transmissora De Energia S.A.	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
Expansion Transmissao de Energia Eletrica S.A.	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
Expansion Transmissao Itumbiara Marimbondo S.A.	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
Guaraciaba Transmissora De Energia	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
International Grid Holdings Limited	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
Iracema Transmissora De Energia S.A.	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
Itumbiara Transmissora de Energia S.A.	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
Linhas De Transmissao Do Itatim S.A.	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
Luziania Niquelandia Transmissora S.A.	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
Matrinchã Transmissora De Energia S.A.	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
Pocos de Caldas Transmissora de Energia Eletrica S.A.	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
Porto Primavera TransmissoraDeEnergia S.A.	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
Ribeirao Preto Transmissora de Energia Eletrica S.A.	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
Serra da Mesa Transmissora de Energia Eletrica S.A.	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
Serra Paracatu Transmissora De Energia S.A.	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China

SGBH Expansao Participacoes Ltda.	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
SGBH Transmissao Participacoes Ltda.	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
State Grid Europe Limited	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
Top View Grid Investment Limited	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
SG International Services Co., Ltd.	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
State Grid Brazil Holding Co., S.A.	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
State Grid International Development Co., Ltd.	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
State Grid International Development Asia and Australia Holding Company Limited	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
North China International Power Economic & Trade Corporation	c/- No. 8, Xuanwumennei Street, Xicheng District, Beijing City 100031, People's Republic of China
Other SGCC Controlled Entities that are not controlled entities of SGID	c/- No. 86, West Chang'an Street, Xicheng District, Beijing City 100031, People's Republic of China