



Wednesday, 4 May 2011

The Manager
Company Announcements
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

ETSA UTILITIES APPEAL UPDATE IN RELATION TO "GAMMA"

In 2010, ETSA Utilities was granted a review by the Australian Competition Tribunal ("ACT") of the Australian Energy Regulator's ("AER") Final Decision regarding the value of imputation credits ("gamma").

At a public hearing held on Friday, 29 April 2011, the ACT indicated that the tribunal has decided that gamma will be 0.25 and will make a determination at the appropriate time.

Gamma determines the utilisation of franking credits in estimating the taxation allowance for regulated utilities and therefore has an impact on revenue. The AER's Final Decision for ETSA Utilities issued in May 2010 stated gamma at 0.65. A lower gamma will have a positive impact on revenue.

No formal determination has been received by ETSA Utilities in relation to this matter and therefore no further information in relation to the impact on revenue and pricing, and timing, is available. We expect the ACT to hand down its formal determination within the next two weeks.

This expected determination applies to ETSA Utilities. CitiPower and Powercor have also been granted a review of the AER's decision in relation to gamma as it pertains to their businesses, however, those appeals are subject to separate circumstances and timelines.

Spark Infrastructure will continue to update the market in relation to these matters as more information becomes available.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Alexandra Finley", is written over a large, stylized circular scribble.

Alexandra Finley
Company Secretary