

16 June, 2011

## Offer Received for TSI Fund's Interests in Macarthur and Yan Yean Water Filtration Plants

Transfield Services Infrastructure Fund ("**TSI Fund**") announces today that it has received an offer from its joint venture partners TRILITY Australia Holdings Pty Ltd and TRILITY Yan Yean (Holdings) Pty Ltd (together "**TRILITY**") to acquire TSI Fund's interests in the Macarthur and Yan Yean water filtration plants. Both filtration plants are currently owned jointly by TSI Fund and TRILITY under separate 50:50 joint venture agreements.

As disclosed in the TSI Fund Scheme Booklet, both joint venture agreements contain change of control pre-emptive rights that will be triggered by the current proposal from Ratchaburi Electricity Generating Holding PCL ("**RATCH Proposal**") if the schemes of arrangement pursuant to the RATCH Proposal (**Schemes**) are approved. TRILITY has approached TSI Fund in advance of the pre-emptive rights being triggered to seek to reach agreement on the terms of a sale.

TRILITY has made its offer on the following terms:

- A total cash purchase price of \$27 million<sup>1</sup> for TSI Fund's 50% interests in each of the Macarthur and Yan Yean filtration plants;
- A binding sale agreement, conditional upon the approval of the Schemes by TSI securityholders and the NSW Supreme Court and a number of third party consents, to be entered into by 27 June 2011;
- A deposit of \$2.7 million, payable on execution of the binding sale agreement; and
- Completion of the acquisition to occur by 11 July 2011 or 10 days after satisfaction of the conditions precedent (whichever is the later).

The TSI Fund Board is currently evaluating the TRILITY offer and has sought advice from its financial and other advisers. TSI Fund is also conferring with RATCH and Transfield Services Limited regarding this offer.

**TSI Fund Securityholders should note that this offer from TRILITY does not impact the terms of the RATCH Proposal in any way and, if the RATCH Proposal is approved, TSI Fund Securityholders will still receive \$0.85 per TSI Fund security.**<sup>2, 3</sup>

<sup>1</sup> TRILITY will also assume responsibility for the \$38.8 million shareholder loan from Macarthur to TSI Fund.

<sup>2</sup> The Scheme Consideration will be reduced by any TSI Fund distributions declared or paid. See Section 8.13 of the Scheme Booklet for further information.

A sale under the TRILITY offer would only occur if the RATCH proposal proceeds, and could avoid a potentially long and complex pre-emptive process. The cash purchase price for a sale, if it occurs, is slightly below the Independent Expert's valuation range for the assets.

Once the TSI Fund Board reaches a decision in relation to the TRILITY offer (which may be after the effective date of the Schemes), TSI Fund will make a further announcement to ASX.

**The TSI Fund's Independent Directors' unanimous recommendation that TSI Fund Securityholders vote in favour of the RATCH Proposal is not affected by TRILITY's offer.**

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**Transfield Services Infrastructure Fund (TSI Fund)** is a public listed entity owning a portfolio of interests in essential infrastructure assets including five power stations, three wind farms and two water filtration plants. TSI Fund's key differentiator is its highly beneficial relationship with global asset management company, Transfield Services which provides expertise in asset development, project management, operations and maintenance.

**Trility Australia Holdings Pty Ltd (TRILITY)**, formerly United Utilities Australia, is a leading Australian water utility services provider. TRILITY supplies a range of water and wastewater treatment solutions through 14 projects nationwide, collectively impacting 3 million Australians. TRILITY's key business activities are the design, finance and operation of water, wastewater and reuse water schemes for municipal, industrial and resource use.

**Ratchaburi Electricity Generating Holding PCL (Ratch)** is a company incorporated in Thailand and listed on the Stock Exchange of Thailand trading under the code RATCH. Ratch is a leading Thai power generation company. It was established in March 2000 as part of the privatisation of the Electricity Generating Authority of Thailand (EGAT). Ratch currently has a total capacity of 4,500 MW, which represents approximately 14 per cent of the installed electricity generation capacity in Thailand. Its operations principally consist of a number of thermal and hydro-power plants through its subsidiaries and affiliates in Thailand and Lao PDR. EGAT is a Thai state-owned enterprise that invests in and operates electricity, power and related businesses in Thailand and holds approximately a 50% market share. EGAT has a 45% interest in Ratch, and also has 3 representatives on Ratch's 13-member board of directors. Ratch is focussed on investment in and the development of high quality thermal, hydro, wind and solar generation assets, with a preference towards long-term contracted off-take arrangements.

**Transfield Services (TSE)** delivers essential services to key industries in the resources and industrial, property and infrastructure sectors. A leading global provider of operations, maintenance and asset and project management services, TSE has more than 28,000 employees in Australia, New Zealand, the United States, Canada, the United Arab Emirates, Qatar, India, Malaysia, Chile and New Caledonia. TSE is listed on the Australian Securities Exchange

<sup>3</sup> RATCH and RH International (Singapore) Corporation Pte. Ltd. have confirmed to TSI Fund that they agree to TSI Fund engaging with TRILITY on the proposed transaction with a view to entering into a transaction prior to scheme implementation.