

31 March 2011

Transfield Services Infrastructure Fund receives indicative, conditional and non-binding approach from Ratchaburi Electricity Generating Holding PCL

Transfield Services Infrastructure Fund (“TSI Fund”) announces that it has received a non-binding, indicative approach (“the Proposal”) from Ratchaburi Electricity Generating Holding PCL (“Ratch”), Thailand’s largest private power producer. The Proposal has the in principle support of the Board of Transfield Services (“TSE”) which has a 43.8% interest in TSI Fund.

The Independent Chairman of TSI Fund, Mr Peter Young AM, advised TSI Fund securityholders that the Proposal is non-binding and is subject to a number of conditions and stressed that **the Independent Directors of TSI Fund have yet to form a view on the Proposal.**

The Independent Directors recommend that TSI Fund securityholders TAKE NO ACTION in relation to their securities at this time.

Under the Proposal:

- Ratch would acquire the 56.2% of TSI Fund that TSE does not own, under Schemes of Arrangement and an associated ‘trust scheme’ with TSI Fund securityholders (other than TSE) (“Schemes”);
- Subject to the approval of TSI Fund securityholders (other than TSE) at Scheme meetings and all necessary regulatory approvals, TSI Fund securityholders would receive \$0.85¹ cash per security. The Proposal relates to TSI Fund’s portfolio of essential infrastructure assets as well as its right of first refusal over TSE’s portfolio of wind farm development assets;
- Under a separate proposal to TSE, Ratch proposes to acquire a further 23.8% interest in TSI Fund, so that Ratch’s interest will increase to 80%. The price paid to TSE would be \$0.85² per security. TSE would continue to own its remaining 20% of TSI Fund in accordance with its long term stated strategy; and
- Ratch and TSE would enter into a series of ancillary but inter-conditional transactions which would be conditional on the Schemes proceeding, including the internalisation of the management of TSI Fund, acquisition of TSE’s development business and portfolio of

¹ The price paid would be reduced by any TSI Fund distributions declared or paid prior to implementation of the Schemes.

² The price paid to TSE will be adjusted for notional distributions during a deferred payment period and subject to downward adjustment if certain operational performance criteria are not met.

opportunities (including the wind farm development portfolio) and certain amendments to the Operations & Maintenance Alliance agreement.

The Proposal is subject to a number of conditions, including but not limited to the completion of Ratch's due diligence on TSI Fund, unanimous recommendation by the TSI Fund Independent Directors, the negotiation and execution of binding documentation, approval by TSI Fund securityholders (other than TSE) of the Schemes and certain regulatory and other approvals.

A sub-committee comprising TSI Fund's Independent Directors has been formed to evaluate the Proposal and to conduct negotiations with Ratch and TSE as necessary. The Independent Directors have engaged Merrill Lynch as financial adviser and Freehills as legal adviser.

If agreement is reached between the parties, an Independent Expert will opine on whether all aspects of the Proposal, including the proposed ancillary agreements between TSE and Ratch, are in the best interests of TSI Fund securityholders.

TSI Fund securityholders are reminded that the Proposal is non-binding and subject to a number of conditions. Accordingly, there is no guarantee that a transaction will be entered into by TSI Fund (or that any transaction would be at the price referred to above).

TSI Fund will keep TSI Fund securityholders informed of any material developments.

MEDIA ENQUIRIES

Ian Brown FIRST Advisers

T: +61 2 8011 0352

M: +61 418 466 129

INVESTOR RELATIONS ENQUIRIES

Steve Loxton

Chief Executive Officer

T: +61 2 9464 1613

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.

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