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17 May 2010

The Manager
Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

**Transfield Services Infrastructure Fund (ASX: TSI) (TSI Fund)
Accelerated Non-Renounceable Entitlement Offer (Entitlement Offer) – Letter to
ineligible retail securityholders**

Further to TSI Fund's announcements on 11 and 13 May 2010, attached is a sample letter sent today to all TSI Fund retail securityholders (in accordance with Listing Rule 3.17) who are ineligible to participate in the Retail Entitlement Offer.

The letter explains the eligibility criteria that have been applied for the TSI Fund Entitlement Offer.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Marianne Suchanek".

Marianne Suchanek
Legal Counsel and Company Secretary



17 May 2010

[Mr A B Sample]
overseas address 1
overseas address 2
overseas address 3

Dear Securityholder

TSI Fund Entitlement Offer – Notification to Ineligible Retail Securityholders

On Tuesday, 11 May 2010 Transfield Services Infrastructure Fund¹ ("**TSI Fund**") announced as part of the outcome of its detailed capital structure review that it would conduct a fully underwritten \$110 million equity raising of new fully paid TSI Fund stapled securities ("**New Securities**") comprising:

- An approximately \$80 million 5 for 12 accelerated non-renounceable pro rata entitlement offer ("**Entitlement Offer**"); and
- An approximately \$30 million placement to institutional investors (the "**Placement**").

New Securities will be issued at an offer price of \$0.70 ("**Offer Price**"). Proceeds from the Entitlement Offer and Placement will be used to facilitate the reduction of debt and ensure TSI Fund has access to cost-effective capital to fund its future growth.

The Entitlement Offer comprises an institutional component ("**Institutional Entitlement Offer**") and an offer to Eligible Retail Securityholders (as defined below) ("**Retail Entitlement Offer**"). On 13 May 2010, TSI Fund announced it had successfully raised approximately \$50 million through the Institutional Entitlement Offer and approximately \$30 million through the Placement.

The Entitlement Offer is being made by TSI Fund without a disclosure document or product disclosure statement in accordance with sections 708AA and 1012DAA of the Corporations Act 2001 (Cth) as modified by the Australian Securities and Investments Commission Class Order 08/35 ("**Corporations Act**").

¹ TSI Fund is the triple stapled structure comprised of Infrastructure Fund Management Limited (ABN 70 118 203 731) as responsible entity of Transfield Services Infrastructure Trust (ARSN 125 010 531), Transfield Services Infrastructure Limited (ABN 31 106 617 332) and TSI International Limited (ABN 68 124 582 547)



Details of the Retail Entitlement Offer

The Retail Entitlement Offer is being made to Eligible Retail Securityholders at the Offer Price, on the basis of 5 New Securities for every 12 existing TSI Fund stapled securities held at 7.00pm (Sydney time) on Friday, 14 May 2010 ("**Record Date**").

A booklet in relation to the Retail Entitlement Offer was lodged with the ASX today ("**Booklet**") and will be mailed to Eligible Retail Securityholders.

Eligibility criteria

The restrictions upon eligibility under the Retail Entitlement Offer are in place because of legal limitations of making or extending an offer of securities in some countries, the relatively small number of securityholders in those countries, the number and value of securities to which those securityholders would otherwise be entitled and the potential cost of complying with regulatory requirements in those countries.

TSI Fund has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to make or extend offers to securityholders in countries outside of Australia and New Zealand under the Retail Entitlement Offer. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Corporations Act, TSI Fund wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Securities under the Retail Entitlement Offer.

Securityholders who are eligible to participate in the Retail Entitlement Offer ("**Eligible Retail Securityholders**") are securityholders who:

- a) were registered as a holder of existing TSI Fund stapled securities as at 7.00pm (Sydney time) on the Record Date (Friday, 14 May 2010);
- b) have a registered address in Australia or New Zealand;
- c) are not in the United States and are not "U.S. Persons" (as defined under Regulation S under the United States Securities Act of 1933 ("**U.S. Persons**")) or acting for the account or benefit of any U.S. Person);
- d) are not an institutional securityholder (whether or not eligible to participate under the Institutional Entitlement Offer); and
- e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or other formal offer document to be lodged or registered.

Unfortunately, as you do not satisfy the eligibility criteria above, you will not be sent the Booklet nor will you be able to subscribe for New Securities under the Retail Entitlement Offer.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS OR TO PERSONS ACTING FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON



You are not required to do anything in response to this letter. This notice is to inform you of the Retail Entitlement Offer. This notice is not an offer to issue New Securities to you, nor an invitation for you to apply for New Securities.

What will happen to my entitlement?

As the Entitlement Offer is non-renounceable (that is, entitlements cannot be assigned or transferred to any other person), you will not receive any payment or value for any entitlement in respect of New Securities that would have been offered to you if you were eligible to participate in the Entitlement Offer.

Further Information

If you have any questions in relation to any of the above matters, please contact the TSI Fund Entitlement Offer Information Line on 1300 086 035 (local call cost from within Australia) of +61 3 9415 4018 (from outside Australia) from 8.30am to 5.00pm (Sydney time) Monday to Friday during the Retail Entitlement Offer period. For other questions, you should consult your broker, accountant, financial adviser, taxation adviser or other independent professional adviser.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Marianne Suchanek".

Marianne Suchanek
Legal Counsel and Company Secretary

This notice does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to, or for the account or benefit of, any U.S. Person (as defined in Regulation S under the U.S. Securities Act of 1933 (the "U.S. Securities Act") ("U.S. Person")). The securities to be offered and sold in the offer have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold in the United States or to or for the account or benefit of U.S. Persons unless the securities are registered under the U.S. Securities Act or in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Neither this announcement nor any of its accompanying documents may be distributed to, or relied upon by, a U.S. Person or a person acting for the account or benefit of a U.S. Person.

The provision of this notice is not, and should not be considered as, a securities recommendation or financial product advice. The information in this notice is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your broker, accountant, financial adviser, taxation adviser or other independent professional adviser.