

Open partnerships
Open possibilities

EECA Biofuels Conference

24 March 2009

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Introduction: ANZ Infrastructure Services Ltd

- > Specialist integrated funds manager in infrastructure & utilities**
- > ANZIS serves wholesale investors, principally Australian institutions**
- > Over A\$1 billion equity FUM in two trusts: Energy Infrastructure Trust and Diversified Infrastructure Trust**
- > ANZIS seeks “superior risk adjusted rates of return” by**
 - Detailed focus on strategic fundamentals**
 - Both greenfield & brownfield projects**
 - Seeks proprietary deal flow**
 - No excessive gearing**
 - No financial engineering**
- > Since Feb 2003, delivered >25% IRR’s for investors**
- > Current I & U market offering many attractive investment opportunities**
- > ANZIS has surplus equity to take advantage of many of these**

Energy Infrastructure Trust

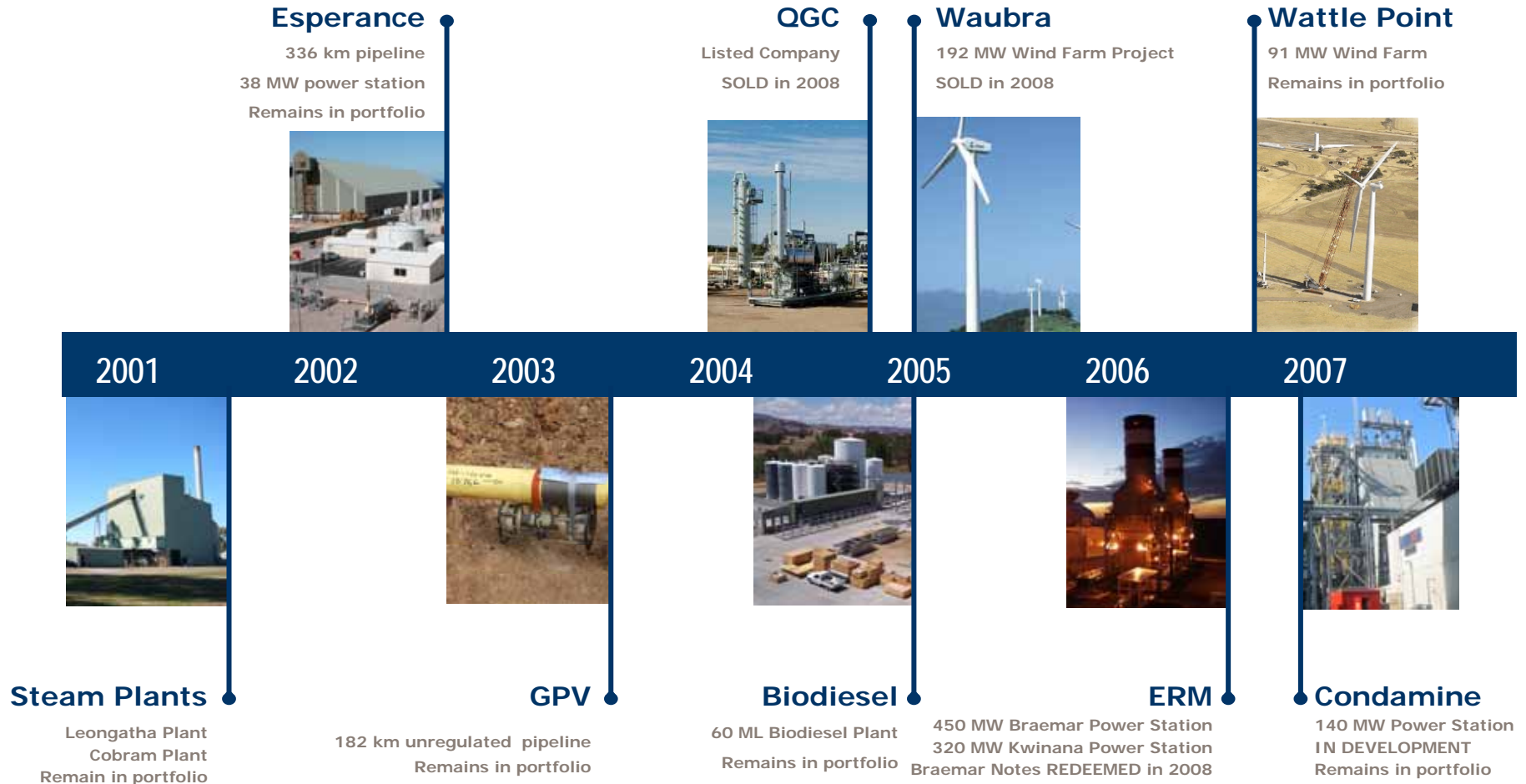
> Australian and New Zealand

- Electricity and steam generation
- Wind farms and other renewable energy projects
- Electricity and gas distribution
- Oil, water and gas pipelines
- Deposits of fuels that are associated with infrastructure assets
- Import, export and storage terminals
- Handling, processing and refining facilities

> Focus has been on renewable & carbon neutral investments; interests in

- Wind farms: 162 MWs
- Gas fired power stations: 828 MWs
- Biodiesel production: 60 ml p.a.
- Ethanol production: 77 ml p.a.
- No interests in coal fired generation

EIT portfolio



EIT portfolio



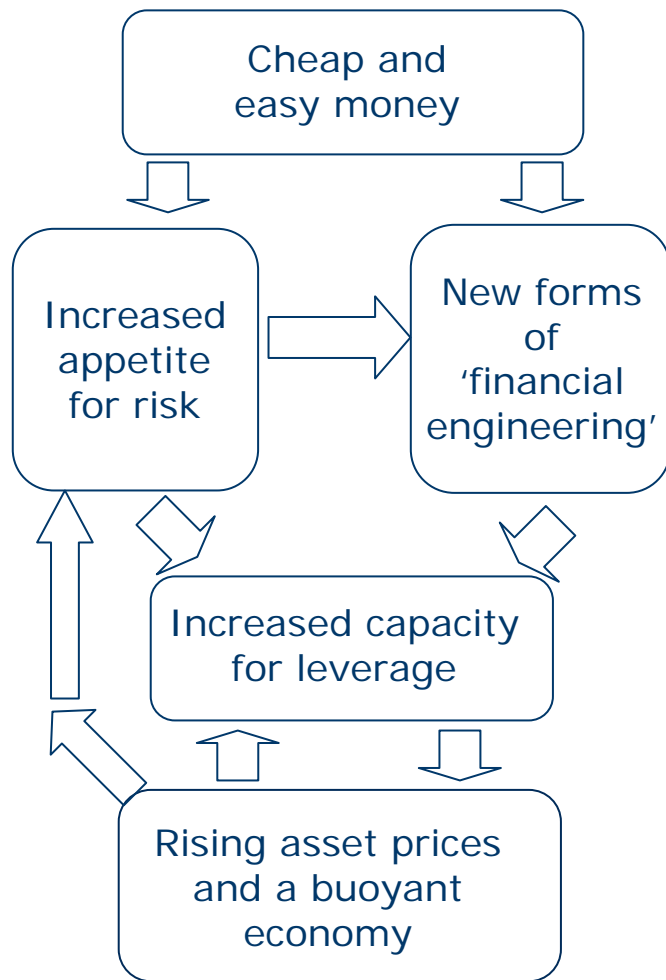
| Asset | % of Portfolio | Region | Fuel |
|---------------------------|----------------|--------|------------|
| Biodiesel Producers | 5.8% | NSW | Tallow |
| Condamine base-load | 24.3% | QLD | Gas |
| Dalby Ethanol Refinery | 6.5% | QLD | Sorghum |
| Esperance base-load | 5.0% | WA | Gas |
| Gas Pipelines of Victoria | 4.2% | VIC | Gas |
| Kwinana base-load | 3.8% | WA | Gas |
| Neerabup peaker | 4.5% | WA | Gas |
| Newcastle Coal Terminal | 11.1% | NSW | NA |
| Steam Plants | 2.9% | VIC | Briquettes |
| Wattle Point Wind Farm | 5.7% | SA | Wind |
| Hallett Hill Wind Farm | 7.2% | SA | Wind |
| Nerrabup peaker | 5.4% | WA | Gas |
| Cash* | 13.4% | NA | NA |

* Excludes undrawn equity

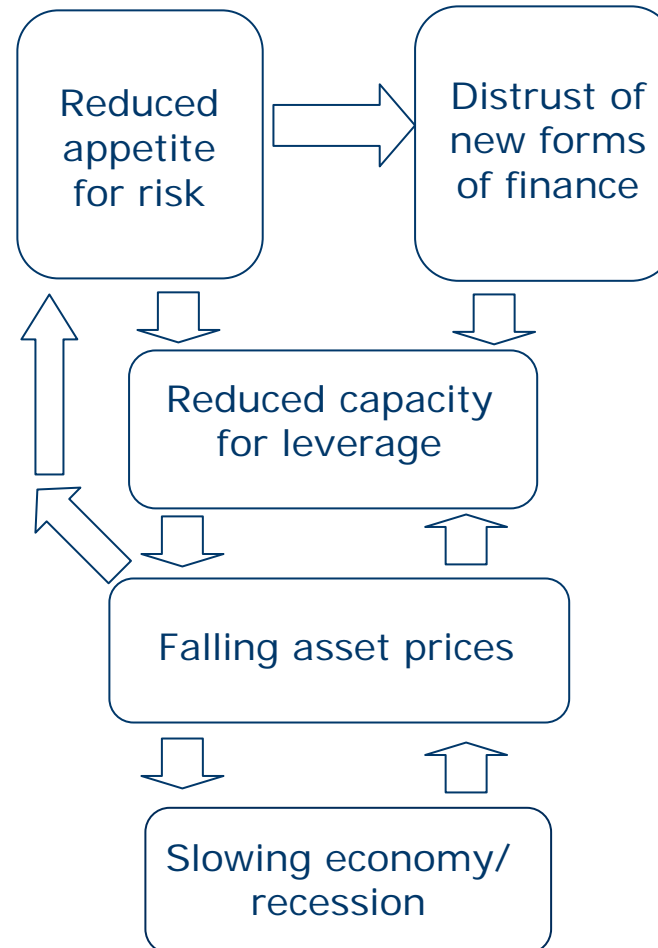
• Please note that information in this presentation was correct as at 28 Feb 2009

The current global financial crisis stems from the bursting of a 'credit market bubble'

From bubble ...



To bust



Current investment markets: Not business as usual!!

- > **Credit markets in Aust & NZ extremely difficult**
 - Scarcity of equity
 - Debt credit markets currently “locked up”
- > **Equity investors have reduced appetite for risk**
 - Reduced availability of equity
 - Require higher returns
 - More cautious investment cases
- > **Significant contraction in capacity for debt leverage**
 - Conventional debt funding
 - Shorter tenures (3-4 years)
 - Higher fees and margins
 - More adverse covenants

Essential elements for new biofuels projects

> Technology risks

- Must have a proven technology provider
- Supply contract must have guaranteed performance standards

> Construction risks

- Must have reliable D&C provider
- D&C contract must have guaranteed performance standards
- IP and D&C must be governed by “Interface Agreement”

> Commodity risks

- Must be able to hedge part of commodity risks including
 - Raw material costs
 - Selling prices
 - FX

> Sales Volume Risks

- Biofuels sales will be boutique, but possibly environmentally important
- Dependent on “oil majors” who have no incentive other than to “mainstream”
- No obvious natural price advantage
- Government policy incentives essential for biofuels production

Requirements for biofuels production in New Zealand

- > **Production only expected to be small**
 - Tallow available for biofuels production
 - Agricultural based products problematic for ethanol
- > **Government policy essential**
 - Small market, lack of economies of scale
 - Oil majors control distribution & have no incentive other than to “mainstream”
- > **Possible basis for Govt policy**
 - Carbon based outcome
 - Provides import substitution, although relatively small
 - Small security of supply
 - Provides first step in up-skilling re technology platform

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