

ASX RELEASE

13 May 2014

The Manager
ASX Market Announcements
Australian Securities Exchange
4th Floor, 20 Bridge Street
Sydney NSW 2000



Electronic Lodgement

Dear Sir or Madam

Company Announcement

Attached is the following announcement for release to the market:

- Letter to Shareholders: Adjournment of Scheme Meeting and receipt of Consortium Proposal.

Yours sincerely

A handwritten signature in dark ink, appearing to read "Des Petherick", is written over a circular stamp.

Des Petherick
Company Secretary and
Manager Corporate Services

Telephone: (08) 8418 1126



Dear Shareholder

Adjournment of Scheme Meeting and receipt of Consortium Proposal

As announced to the ASX on 8 May 2014, Envestra Limited (**Envestra**) after market close on 7 May received a non-binding indicative proposal from a consortium comprising Cheung Kong (Holdings) Limited, Cheung Kong Infrastructure Holdings Limited and Power Assets Holdings Limited (together the **Consortium**), each of which is a member of the Cheung Kong Group (the **Consortium Proposal**). Cheung Kong Infrastructure Holdings (Malaysian) Limited currently holds 17.46% of Envestra's shares.

A copy of the ASX release dated 8 May 2014 accompanies this letter (**ASX Release**).

The Consortium Proposal, should it proceed, would involve an off market takeover offer for all of Envestra's shares for a cash consideration of \$1.32 per share. The Consortium Proposal is subject to a number of pre-conditions, and any takeover resulting from the Consortium Proposal would be subject to a number of conditions, in each case as summarised in the ASX Release.

The APA Group scheme proposal remains in effect. It is unknown at this time whether the Consortium Proposal will proceed.

As a result of this development arising shortly before the Scheme Meeting in relation to the proposed APA Group merger by way of scheme of arrangement, which was scheduled for 10.00 am on Tuesday 13 May 2014 (with a proxy lodgement deadline of 10.00 am on Sunday 11 May 2014), Envestra applied to the Federal Court of Australia on 9 May 2014 for orders adjourning the Scheme Meeting.

The Federal Court ordered that the Scheme Meeting be adjourned to 10:00 am on 13 June 2014 at Riverbank Rooms 1-3, Adelaide Convention Centre, North Terrace, Adelaide, South Australia.

The Federal Court also ordered that the proceedings be stood over until Friday, 30 May 2014 at 9:30 am for further directions including if then appropriate directions with respect to the holding or conduct of the meeting.

Yours faithfully

John Allpass
Chairman

12 May 2014

Envestra Limited
Level 10
81 Flinders Street
Adelaide SA 5000

ACN: 078 551 685

8 May 2014

Alternative indicative, non-binding, conditional off-market takeover proposal to acquire Envestra



Envestra today announces that, after market close on 7 May 2014, it received an indicative non-binding and conditional off-market takeover proposal to acquire all of Envestra's shares for cash consideration of \$1.32 per Envestra share, from a consortium comprising Cheung Kong (Holdings) Limited, Cheung Kong Infrastructure Holdings Limited and Power Assets Holdings Limited (together the **Consortium**), each of which is a member of the Cheung Kong Group (the **Consortium Proposal**).

Cheung Kong Infrastructure Holdings (Malaysian) Ltd currently holds 17.46% of Envestra's shares.

The Consortium Proposal is conditional on:

- The Consortium being satisfied with the results of a due diligence process.
- Confirmation of certain assumptions concerning Envestra's operations and financial position.
- The approval of the Board of Directors of each Consortium member.
- The Consortium entering into a bid implementation agreement with Envestra.

Any takeover offer made pursuant to the Consortium Proposal would be subject to the following conditions:

- Foreign Investment Review Board approval.
- Binding confirmation from the required number of Envestra's financiers that those financiers will not declare any Envestra change of control resulting from the takeover offer to be "unacceptable" for the purposes of Envestra's Intercreditor Deed Poll.
- Minimum acceptance: the Consortium and its associates having relevant interests in more than 50% (by number) of Envestra's shares.¹
- No prescribed occurrences (as specified in sections 652C(1) and (2) of the Corporations Act).

The Consortium has informed Envestra that each Consortium member has sufficient financial resources to fund its proportion of an offer. The Consortium has also informed Envestra that it does not expect Australian Competition and Consumer Commission approval to be a condition to an offer.

¹ For the avoidance of doubt, "relevant interests" will include CKI's current 17.46% interest in Envestra.

Envestra is reconstituting its Independent Board Committee, which would exclude the APA and CKI nominated directors, to consider both the Consortium Proposal and the APA Group scheme of arrangement.

Envestra will apply to the Federal Court for an adjournment of the scheme meeting previously scheduled for 13 May 2014. A further announcement on the adjournment will be made following the Court hearing, which is expected to be held on Friday, 9 May 2014.

At this time, Envestra shareholders do not need to take any action in relation to the Consortium Proposal. Envestra will continue to update shareholders as appropriate.

Goldman Sachs is acting as financial adviser and Johnson Winter & Slattery is acting as legal adviser to Envestra.

For further information, please contact:

Des Petherick
Company Secretary

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