

m e d i a r e l e a s e

Date: 19 November 2009

Subject: Snowy Hydro submits Expression of Interest (EOI)

SNOWY HYDRO SUBMITS EXPRESSION OF INTEREST (EOI)

Snowy Hydro has submitted an *Expression of Interest* (“**EOI**”) to bid on NSW electricity assets in accordance with the NSW Government’s sale process requirements.

Snowy Hydro’s EOI was lodged prior to the deadline and the NSW Government has acknowledged its receipt.

Snowy Hydro’s EOI clearly and convincingly demonstrates that the company easily satisfies all of the NSW Government’s evaluation criteria and is capable of being a successful bidder and adding to competition in New South Wales. The company has already successfully done this in Victoria where, in the most highly competitive market in the world, it has invested in new gas fired electricity generation plant and grown its energy retailer, Red Energy.

The NSW Government has said that it intended to exclude Snowy Hydro so as not to “intimidate” private sector bidders.

Snowy Hydro’s Managing Director, Terry Charlton, said “To suggest that our inclusion will intimidate our competitors is unfathomable.”

Mr Charlton also said that Snowy Hydro already competes with private sector companies on a completely level playing field. “Everyone knows that we are not Government run and that, being fully privately funded, we operate to the very same investment criteria, commercial objectives and financial disciplines as they do. Any suggestion that we get any benefit from our shareholder structure is demonstrably without foundation. Further, any suggestion that the NSW Government is in any way effectively or practically involved in the electricity industry through Snowy Hydro suggests a misunderstanding of how the relationship works with our three shareholders.”

Mr Charlton added “Excluding Snowy Hydro from the bid process will result in significant loss to NSW taxpayers, not only through the value hit the company would suffer but due to reduced bid tension for the NSW assets, which will translate directly into reduced sale prices. Further, it will also reduce competition across the electricity market at both wholesale and retail levels, impacting on all consumers of electricity.”