

Statement of Compliance

Statement of Compliance for Alinta DEQP Pty Ltd, (DEQP) for the financial year 2007/08

DEQP - Queensland Gas Pipeline ("QGP")

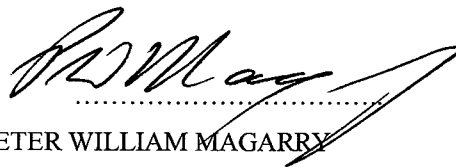
1. Attached is the annual Ring Fencing Compliance Report for the year ending 30 June 2008. DEQP has not varied the Ring Fencing Compliance Report or Statement of Compliance from the original forms sent by the ACCC, other than to provide the information required.
2. DEQP is not aware of any breach of any of the obligations listed in section 4.1 of the Code other than as detailed in this report.
3. DEQP has maintained a compliance program during the relevant period that ensures that:
 - (a) appropriate internal procedures have been established and maintained to ensure compliance with the obligations in section 4.1 of the *National Third Party Access Code for Natural Gas Pipeline Systems* (the Code);
 - (b) an accurate assessment of these procedures has been made;
 - (c) the Chief Executive Officer of DEQP is made aware of any breaches of the ring fencing obligations;
 - (d) remedial action is taken as soon as possible to rectify breaches of the minimum ring fencing obligations and that completion of this action is reported to the Board of Directors;
 - (e) the compliance program is reviewed regularly and as necessary.
4. The Board of Directors of DEQP has approved this report on

Signed by:



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LIM HOWE RUN
DIRECTOR

DATE: 29/07/08



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PETER WILLIAM MAGARRY
DIRECTOR

DATE: 29/07/08

Ring Fencing Compliance Report

Ring Fencing Compliance Report for Alinta DEQP Pty Ltd (DEQP) (ACN 083 050 104) for the financial year 2007/08

Definitions

Unless otherwise defined, all capitalised terms used in this document have the meaning given to them in section 10.8 of the Code.

Compliance with minimum ring fencing obligations

DEQP submits this report under section 4.13 of the Code. The report describes the measures taken to ensure compliance with its obligations under section 4 and provides an accurate assessment of the effect of those measures.

DEQP will, pursuant to section 4.14 of the Code, notify the Commission immediately on becoming aware of a breach (or potential breach) of its obligations under section 4 of the Code. Notification should be directed to the General Manager, Network Regulation North Branch, ACCC.

1. Service Provider is a legal entity

Section 4.1(a) of the Code requires a Service Provider to be a legal entity.

DEQP is the legal and beneficial owner of 25% of the Queensland Gas Pipeline (QGP) through the Alinta Queensland Gas Pipeline Partnership (QGP Partnership) with DQP Pty Ltd (DQP) (ACN 083 050 284) which holds the remaining 75%. DEQP is a legal entity registered under the Corporations Act 2001.

Until 31 August 2007, DEQP and DQP were wholly owned subsidiaries of Alinta Limited (ACN 119 985 590) (Alinta). DEQP and DQP and some other assets of Alinta were acquired by Singapore Power International Pte Ltd (SPI) (a Singapore Company) on 31 August 2007. The assets, including DEQP and DQP, were subsequently transferred into SPI (Australia) Assets Pty Ltd (SPIAA) (ACN 126 327 624).

The Alinta Pipelines Section within the Energy Investments Division of SPIAA has stewardship of the QGP.

It is noteworthy that there has been continuity of management and management policies throughout the transaction process. There have been no significant changes to key personnel responsible for the day-to-day management and operation of the QGP as a result of the transactions described above.

2. Not carry on a Related Business

Section 4.1(b) of the Code requires that a Service Provider not carry on a Related Business (essentially a business of producing, purchasing or selling natural gas).

Prior to 21 September 2007 when Alinta EA Pty Ltd became a subsidiary of DEQP, DEQP's only and entire business was its ownership interest in and operation of the QGP through the QGP Partnership. Since that date, the QGP has remained DEQP's principal business. DEQP does not carry on a Related Business.

The table below lists Associates of DEQP with any involvement in natural gas as at 30 June 2008. Entities that became Associates for the first time after 31 August 2007 (when DEQP and other former Alinta group assets were acquired by SPI as described in section 1 above) are identified by footnotes.

Please fill out the table below for *all* DEQP's Associates with any involvement in natural gas:

Entity	Business carried on	Assets owned
Alinta DQP Pty Ltd – sibling company ¹	Gas Transmission	75% of QGP
Alinta DEGP Pty Ltd – sibling company	Gas Transmission	50% interest in the Eastern Gas Pipeline (EGP)
Alinta DEEGP Pty Ltd – sibling company	Gas Transmission	50% interest in the EGP
Alinta DVH Pty Ltd – sibling company	VicHub – an interconnect facility situated at Longford, that enables gas to flow between the EGP, TGP and Australia Pipeline Trust's Victorian gas transmission system.	VicHub
Alinta EA Pty Ltd – sibling company	Administration	N/A
Alinta DENSWGH Pty Ltd – sibling company	Holding company	Holding company of Alinta DEGP Pty Ltd and Alinta DEEGP Pty Ltd
Alinta Gas Transmission Pty Ltd – sibling company	Trustee company	Trustee of the Alinta Gas Trust. Alinta Gas Trust holds a 50% interest in each of Alinta DENSWGH Pty Ltd and Alinta DVH Pty Ltd.
Alinta Group Holdings Pty Ltd – sibling company	Holds 9.46% of Alinta LGA Ltd	Holds 9.46% of Alinta LGA Ltd
Alinta Asset Management Pty Ltd – sibling company (49% only)	Management and services provider to owners of electricity, gas and water infrastructure assets.	Contracts, plant, equipment and other property used in the company's business
Alinta Asset Management (2) Pty Ltd – sibling company	Management and services provider to owners of electricity, gas and water infrastructure assets.	Contracts, plant, equipment and other property used in the company's business
Alinta Asset Management (3) Pty Ltd – sibling company	Management and services provider to owners of electricity, gas and water infrastructure assets.	Contracts, plant, equipment and other property used in the company's business

¹ A sibling company is a company which is a subsidiary of the ultimate holding company of Alinta DQP Pty Ltd.

Entity	Business carried on	Assets owned
Alinta ASB Pty Ltd – sibling company	Holding company	Holding company of Alinta Asset Management (2) Pty Ltd, Alinta Asset Management (4) Pty Ltd and Alinta Asset Management (5) Pty Ltd and 49% of Alinta Asset Management Pty Ltd.
Alinta Asset Management (4) Pty Ltd – sibling company	Management and services provider to owners of electricity, gas and water infrastructure assets.	Contracts, plant, equipment and other property used in the company's business
Alinta Asset Management (5) Pty Ltd – sibling company	Management and services provider to owners of electricity, gas and water infrastructure assets.	Contracts, plant, equipment and other property used in the company's business
Alinta LGA Ltd – sibling company	Holding company	Holding company for the asset management business, NSW gas network, Victorian electricity network and Actew investment, Alinta Asset Management (3) Pty Ltd, Alinta ASB Pty Ltd and Alinta GCA Pty Ltd.
Alinta AGN Ltd – sibling company	Gas Distribution	NSW Gas Distribution Network
Alinta GCA Pty Ltd – sibling company	Holds 50% interest in ActewAGL Distribution Partnership (owner of ActewAGL Gas Distribution Network)	Interests include 50% interest in ActewAGL Distribution Partnership (owner of ActewAGL Gas Distribution Network)
Alinta IO Pty Ltd – sibling company	Dormant company. Only carries on business in relation to the potential decommissioning of the Cosmo-Howley Pipeline	Cosmo Howley Pipeline – Northern Territory
SPI Networks (Gas) Pty Ltd ²	Gas Distribution in the Western part of Victoria	Gas Distribution network in the Western part of Victoria

The following table lists entities that ceased to be Associates of DEQP on 31 August 2007 as a result of the transactions described in section 1 above:

Entity	Business carried on	Assets owned
Alinta DTH Pty Ltd	Transmission	Tasmanian Gas Pipeline
Alinta DEWAP Pty Ltd	Transmission	11.843% interest in the Goldfields Gas Transmission Pipeline and 99% interest in the Port Hedland and Newman Power Stations.
Alinta DEWAH Pty Ltd	Holding company	Holding company of Alinta DEWAP Pty Ltd and 1% interest in Port Hedland and Newman Power Stations

² Became an Associate as a result of 31 August 2007 transactions.

Entity	Business carried on	Assets owned
Alinta ED Pty Ltd	Holding company	50% interest in each of Alinta DTH Pty Ltd, Alinta DEWAH Pty Ltd and Alinta DVP Pty Ltd. 100% interest in each of Alinta DAPH Pty Ltd, Alinta EH Pty Ltd and Alinta DIC Pty Ltd
Alinta Energy Holdings Pty Ltd	Holding company	Holding company of Alinta ED Ltd, 100% entitlement to the Alinta Gas Trust and the Alinta Power Trust
Alinta Energy 3 Pty Ltd	Trustee company	Trustee of the Alinta Energy Trust 3 which holds on trust a 100% interest in Alinta Energy Holdings Pty Ltd
Alinta Energy 2 Pty Ltd	Trustee company	Trustee of the Alinta Energy Trust 2 which holds on trust a 100% interest in Alinta Energy Trust 3
Alinta Energy 1 Ltd	Trustee company	Trustee of the Alinta Energy Trust 1 which holds on trust a 100% interest in the Alinta Energy Trust 2
Alinta Infrastructure Ltd	Holding company	Holds 100% interest in each of Alinta Energy 1 Ltd, Alinta Energy 2 Pty Ltd, Alinta Energy 3 Pty Ltd and Alinta Power Pty Ltd.
Alinta Limited - holding Company	Ultimate holding company	Ultimate holding company of Alinta group
Alinta MC Pty Ltd - sibling company	Holding company trust vehicle entity	Holding company trust vehicle entity
Alinta NR Pty Ltd - sibling company	Holding company	Holding company of Alinta AA Pty Ltd, Alinta 2000 Limited, holds 82.7% interest in Alinta LGA Ltd
Alinta 2000 Limited - sibling company	Holding company and provider of corporate support services to other companies in the Alinta group	Contracts, plant, equipment and other property used in the company's business. Holds interest in companies involved in the gas and electricity industries, including 67% interest in AlintaAGL Pty Ltd, 20.1% in Multinet Group Holdings Pty Ltd (owner of the Multinet Gas Distribution Network), and other shareholdings in the Alinta group.
ANetworks Pty Ltd - sibling company	Holds 24% interest in Alinta Network Holdings Pty Ltd	Holds 24% interest in Alinta Network Holdings Pty Ltd
Alinta Network Holdings Pty Ltd - sibling company	Holding company Distribution Ltd - sibling company	Holding company of AlintaGas Networks Pty Ltd
AlintaGas Networks Pty Ltd	Distribution	Mid-West/South-West Gas Distribution System (WA); Vines LPG distribution system; Albany LPG distribution system
Dampier to Bunbury Pipeline Employment Pty Ltd - sibling company	Employment company for Alinta Asset Management Pty Ltd	Employment company only
AlintaAGL Pty Ltd - sibling company	Holding company	Holding company of Alinta Sales Pty Ltd, Alinta Cogeneration (Pinjarra) Pty Ltd, Alinta Cogeneration (Wagerup) Pty Ltd, Alinta Cogeneration Finance Pty Ltd

Entity	Business carried on	Assets owned
Alinta Sales Pty Ltd - sibling company	Retail	Contracts, plant, equipment and other property used in the company's business
Alinta Cogeneration (Pinjarra) Pty Ltd - sibling company	Electricity generation (purchases natural gas for use in its operations)	Pinjarra 1 cogeneration plant, Pinjarra 2 cogeneration plant
Alinta Cogeneration (Wagerup) Pty Ltd - sibling company	Electricity generation (purchases natural gas for use in its operations)	Wagerup cogeneration plant
Alinta Energy (LPG) Pty Ltd - sibling company	Provider of liquefied petroleum gas (purchases natural gas for use in its operations)	Contracts, plant, equipment and other property used in the company's business
Alinta AA Pty Ltd - holding company	Holding company	Holding company of Alinta IH Pty Ltd
Alinta IH Pty Ltd - holding company	Holding company	Holds 79.8% interest in Alinta Infrastructure Limited
WA Gas Holdings Pty Ltd - sibling company	The entity was used as part of the privatisation of Alinta from the West Australian Government. It is dormant and does not actively trade.	Intercompany balances only. No physical assets.
Alinta DBNGP Pty Ltd - sibling company	Holds 20% interest in DBNGP Holdings Pty Ltd and the DBNGP Trust	Holds 20% interest in DBNGP Holdings Pty Ltd and the DBNGP Trust
Alinta DAO Pty Ltd - sibling company	Dormant - former operator of the QGP	Dormant
Alinta EATM Pty Ltd - sibling company	Energy trading company and participant in the wholesale gas market	Contracts with others in relation to the sale and purchase of gas
Alinta AG Pty Ltd - sibling company	Dormant	Dormant
Alinta APG Pty Ltd - sibling company	Holding company	Holding company of companies including Alinta ACP Pty Ltd
Alinta ACP Pty Ltd - sibling company	Cogeneration (purchases natural gas for use in its operations)	Cawse gas fired cogeneration plant
Alinta Energy Power Generation Pty Ltd	Holding company	Holding company of Alinta Energy (Tamar Valley) Pty Ltd
Alinta Energy (Tamar Valley) Pty Ltd	Proposed Gas-fired Electricity generation	Tamar power project assets (under development - early construction stage)
Nahor Pty Ltd - sibling company	Holding company	Holding company of Trewas Pty Ltd
Trewas Pty Ltd - sibling company	Holds 9.77% interest in the Australian Pipeline Trust	Holds 9.77% interest in the Australian Pipeline Trust

3. Establish and maintain separate and consolidated sets of accounts

Section 4.1(c) of the Code requires Service Providers to establish and maintain separate accounts for the activity that is the subject of each Access Arrangement.

Section 4.1(d) of the Code requires Service Providers to establish and maintain a consolidated set of accounts for all the activities undertaken by the Service Provider.

The Ring Fencing Policies and Procedures established by Alinta (the Policies and Procedures) continue to apply to the operations and businesses that were acquired by SPI and now form part of SPIAA. Those operations and businesses include DEQP and DQP as the Service Providers for the QGP as well as those other functions within the former Alinta group that provide asset management and operational services and enterprise support services to the QGP.

The Policies and Procedures detail the ring fencing requirements of the Gas Pipelines Access Law and the Code. The scope of the Policies and Procedures includes:

- Provision of training and support to all staff;
- Regular monitoring of compliance;
- Identification and management of instances on non-compliance;
- The adoption of measures to prevent non-compliance; and
- Reviews of the effectiveness of the ringfencing policies and procedures system

Compliance with the Policies and Procedures is a condition of employment.

Training is given on induction for new employees and periodic retraining through an on-line training system maintains awareness and knowledge.

The Policies and Procedures are presently undergoing extensive review and revision to reflect:

- organisational changes that have taken place since the transactions described in section 1 above were completed; and
- the new National Gas Law and Rules.

3.1 Maintenance of a separate set of accounts for each Service Provider

The Service Providers, DEQP and DQP, hold 25% and 75% interests respectively in the QGP Partnership and only provide services on one Covered Pipeline, namely the QGP.

Separate accounts are kept for each of the Service Providers for various reasons including:

1. Requirement for each Service Provider to comply with section 4.1(c) of the Code;
2. Requirement of section 45A(2) of the Corporations Act for Alinta DEQP Pty Ltd to prepare annual audited special purpose financial statements as at 31 March 2008; and
3. Internal reporting requirements.

Section 5 of the Policies and Procedures applies to the Service Providers and sets out the general requirements that must be followed to ensure that the Service Providers are able to "establish and maintain separate accounts in respect of the services provided by each Alinta pipeline", including the QGP.

Functions within the former Alinta group, including Alinta Asset Management Pty Ltd (AAM), provided and continue to provide asset management and operational services and enterprise support services to the Service Providers under an Operating Services Agreement (OSA). Those functions have established procedures that require their staff to assign all expenses and revenue to a correct general ledger account, cost centre, work order, internal order or asset, to ensure that the businesses they service can satisfy their internal and external reporting requirements and comply with ring fencing obligations.

The principal features of those procedures are that:

- QGP Revenue is recorded in DQP based on volumes and contract terms on a monthly basis. QGP Partnership distributions are performed at year end.
- Expenses are recorded in the QGP Partnership based on costs directly charged to the QGP Partnership via invoices and indirect costs allocated to the QGP on a reasonable basis (refer to section 4 below for further information).
- On a monthly basis, the financial accountant and financial controller of Alinta Pipelines review these revenues and expenses and a monthly report is prepared and distributed to the Alinta Pipelines management and Chief Financial Officer explaining any variance from approved budgets and forecasts.
- The profit or loss of the QGP Partnership is then allocated and recognised in the accounts of each of the Service Providers in proportion to their respective interests in the QGP Partnership.
- A monthly reconciliation folder is maintained, which includes supporting documentation. This folder is reviewed by the pipeline financial accountant and the financial controller of Alinta Pipelines.
- For the first time in this reporting period, a set of statutory financial statements for DEQP, being a large proprietary company, were prepared and signed off by the directors and external auditors. Statutory financials are not prepared for DQP, as there is no requirement under section 45A(2) of the Corporations Act to do so.

On 21 September 2007, Alinta EA Pty Ltd became a subsidiary of DEQP. From that date, the consolidated DEQP has maintained separate accounts in respect of its 25% interest in the QGP Partnership.

3.2 Establishment and maintenance of separate consolidated accounts in respect of the entire business of the Service Provider

Section 4.1(d) of the Code requires a Service Provider to "establish and maintain a separate consolidated set of accounts in respect of the entire business of the Service Provider."

Consolidated accounts are prepared for DEQP in accordance with section 4.1(d) of the Code and for internal reporting purposes.

4. Allocation of shared costs

Section 4.1(e) of the Code requires Service Providers to allocate costs in a fair and reasonable manner that is consistent with the principles in section 8.1 of the Code.

The Policies and Procedures establish that "where costs are directly attributable to a particular pipeline, they must be assigned accordingly". Costs incurred by the QGP comprise direct and indirect costs.

All costs that are incurred directly in operating the QGP are charged directly to the QGP Partnership and recognised in the Service Providers' accounts according to their respective interests in the QGP Partnership. These costs include pipeline marketing expenses, maintenance labour costs, and maintenance capital expenditure. They are clearly identifiable as directly attributable to the operation of the QGP.

In addition to direct costs, various indirect costs are incurred by Alinta Pipelines in supporting the operation of all assets within its portfolio including the QGP. These costs comprise corporate support services such as financial services, IT services, insurance services, human resources, internal audit, legal services and property management.

These costs are allocated to all the Alinta Pipelines' assets on a fair and reasonable basis generally according to various cost drivers. Some examples include, but are not limited to:

- revenue as a proportion of total revenue for Alinta Pipelines;
- asset base as a proportion of total assets for Alinta Pipelines; and

- effort (time) as determined by key management staff.

Pursuant to the OSA, these costs are generally incurred by SPIAA or AAM and invoiced monthly to Pipelines, which includes the QGP Service Providers.

5. Treatment of Confidential Information

Under sections 4.1(f) and (g) of the Code, Service Providers must ensure that:

- *Confidential Information provided by a user or prospective user is used only for the purposes for which it was provided and is not disclosed without the user or prospective user's consent; and*
- *Confidential Information obtained by a Service Provider which might reasonably be expected to materially affect the commercial interests of a user or prospective user is not disclosed to any other person without the permission of the user or prospective user to whom the information pertains.*

Note that where functions of the Service Provider have been outsourced to a third party, the Service Provider is responsible for ensuring that any Confidential Information provided to the third party is handled in accordance with sections 4.1(f) and (g) of the Code.

The Policies and Procedures referred to in section 3 above contain detailed policies and procedures in relation to the use and protection of confidential information. As noted in section 3, the Policies and Procedures apply to QGP Service Providers as well as to those functions within SPIAA that provide services to the Service Providers.

Alinta Pipelines has maintained, separate, dedicated office accommodation for its Brisbane-based staff during the entire reporting period. Any paper-based Confidential Information received from users or prospective users has been kept secure in that office, and was not provided or disclosed to others without the user's or prospective user's consent.

With respect to Confidential Information held electronically, computer security protocols have been established to ensure that only Alinta Pipelines staff are able to access or view that information.

Any Board Papers or monthly management reports that contain Confidential Information have been noted as confidential and the confidentiality of that information has been maintained through the confidentiality mechanisms and controls that apply to those Board Papers and monthly management reports.

The confidentiality of any of the Confidential Information that has been provided to Alinta's central support functions (eg the control room, operations, engineering, legal and finance groups) has been maintained through the Policies and Procedures referred to in section 3.

6. Marketing Staff

Service Providers must ensure that:

- *their Marketing Staff (essentially those directly involved in sales, sale provision or advertising for the Service Provider) are not also working for an Associate that takes part in a Related Business (section 4.1(h) of the Code); and*
- *the Marketing Staff of an Associate involved in a Related Business are not also working for the Service Provider (section 4.1(i) of the Code).*

Note that in answering the questions below, the broadest possible meaning is to be given to 'servants, consultants, independent contractors or agents'.

Prior to 31 August 2007, DEQP had a number of Associates that took part in a Related Business. During that period, none of DEQP's Marketing Staff were also servants, consultants, independent contractors or agents of any such Associates, and none of DEQP's servants, consultants, independent contractors or agents was also Marketing Staff of such an Associate. Since 31 August 2007 none of DEQP's Associates takes part in a Related Business.