
GLOSSARY

ABARE	Australian Bureau of Agricultural and Resource Economics.
Access Charge	The charge that Envestra charges to Retailers of natural gas for the service of transporting natural gas through the Networks.
Access Regime	Open access regime for “essential facilities” with Access Charges subject to determination by a Regulator.
Access Undertaking	An undertaking given to a Regulator by a network owner in respect of the terms on which third parties may access the network.
AGL	Australian Gas Light Company Limited.
Application Form	Form included in this Prospectus through which applicants can apply for Stapled Securities in Envestra.
ASC	Australian Securities Commission.
ASX	Australian Stock Exchange.
Available Cash	The available cash of Envestra as described in Section 2.2 and calculated as set out in Section 10.1.
Boral	Boral Limited.
Boral Energy Asset Management	Boral Energy Asset Management Pty Ltd, a wholly owned subsidiary of Boral which is the service provider under the Operating and Management Agreement.
Boral Energy	Boral Energy Limited, a wholly owned subsidiary of Boral which is a Retailer of natural gas and which enters into the Haulage Agreement with Envestra.
Bundled	Describes gas prices which aggregate the cost of gas to the consumer as well as the cost of its transport. Also describes natural gas distribution businesses which charge gas prices to consumers inclusive of the cost of the delivered gas and the cost of its transport.
By-Pass Risk	The risk that competitors or significant consumers replicate portions of the Networks, thereby by-passing the Networks.
Capital Asset Pricing Model	Also known as CAPM. A model used to calculate the cost of capital for an asset with non risk free cash flows.
CHESS	Clearing House Electronic Sub-Register System for Security transfers.
Code	The National Third Party Access Code for Natural Gas Pipeline Systems, currently in draft form.
Company	Envestra.
Conditions of Issue	The terms and conditions applicable to the issue of the Loan Notes which are set out in Section 10.1.
Contestable	Describes a gas market where consumers are able to choose the Retailer with which they trade.

Cost	<ul style="list-style-type: none"> • In respect of a Loan Note, the acquisition cost of the Loan Note • In respect of a Share: <ul style="list-style-type: none"> (a) in the case of an Investor subject to capital gains tax in respect of the disposal of a Share, the cost base, indexed cost base or reduced cost base (as the case may require) of the Share; and (b) in the case of an Investor subject to income tax in respect of the disposal of a Share, the acquisition cost of the Share.
CPI	Consumer Price Index.
Directors	Members of the Board of Envestra.
Domestic	Domestic consumers of natural gas, principally households.
Draft Code	The May 1997 draft National Third Party Access Code for Natural Gas Pipeline Systems.
Envestra	Envestra Limited and, where the context requires, its subsidiaries.
Equity Betas	A measure of the expected volatility of an investment usually estimated by reference to the historical correlation between returns on the investment and returns on the market.
Finance Debt	Is as described in Section 10.1.
Gate Stations	The point where gas enters the distribution network from the transmission pipelines.
Global Note	The global note issued by Envestra representing all of Envestra's debt obligations to holders of Loan Notes.
Haulage Agreement	The agreement dated 30 June 1997 between Envestra and Boral Energy described in Section 9.
IPART	Independent Pricing and Regulatory Tribunal of New South Wales.
IRR	The internal rate of return. The discount rate which, when applied to the initial investment and projected cash distributions in future years (including a Terminal Value) equates to a Net Present Value of zero. See also description in Section 5.1.3.
Interest Period	Is as described in Section 10.1.
Industrial & Commercial	Consumers of gas who use gas for industrial and commercial purposes.
Investor	Holder of Stapled Securities.
Listing Rules	Rules of ASX which determine obligations of companies whose securities are listed on ASX.
Loan Notes	The debt obligations of Envestra owing under the Global Bond which are unsecured and subordinated in accordance with the Conditions of Issue.
Net Present Value	The value of an asset in current dollars based on future cash flows to be generated by that asset, adjusted for the relevant risk and time value of money.
Networks	The natural gas distribution networks currently owned by Boral and located in South Australia, Queensland and the Northern Territory.
ODRC	Optimised Depreciated Replacement Cost.

Operating and Management Agreement	The agreement dated 30 June 1997 between Envestra and Boral Energy Asset Management described in Section 9.
p.a.	per annum.
PJ	Petajoule (1 petajoule is equal to 1,000 terajoules).
Primary Energy	Energy, including where one form of energy (eg., oil) is used to generate another form of energy (eg., electricity) which is produced for energy users.
Priority Form	Form through which Investors who qualify as Boral shareholders for participation in the priority allocation are to apply for Stapled Securities under this Offer.
Offer	The invitation to acquire Stapled Securities made pursuant to this Prospectus.
Rate Case	A submission to the Regulator in relation to setting the price for the Access Charge.
Regulator	The State based Regulator referred to in the Draft Code.
Regulatory Reset Period	The period between the times at which the Regulator determines or reviews an Access Charge.
Retailer	A buyer and seller of natural gas who pays Envestra an Access Charge to deliver gas to end consumers.
SAGASCO	South Australian Gas Company Limited.
Security Holders	Holders of Stapled Securities in Envestra.
Service Fee	The fee payable by Boral Energy to Envestra under the Haulage Agreement.
Shares	Fully paid ordinary shares in Envestra with a par value of 1 cent.
Stapled Security	One Share and one Loan Note.
Systems Gas	The difference between gas measured entering the Networks at the city gate and the gas recorded as leaving the Networks through consumer consumption.
Take-or-Pay	Contracts under which one party agrees to pay for a certain volume of product regardless of what volume the party eventually does take.
Term Debt Facility	The debt facility underwritten by Commonwealth Bank of Australia described in Section 5.2.
Terminal Value	<p>The value of cash flows to be generated beyond the period during which projections have been prepared. In the case of Envestra, the estimated value of the Networks in 2022.</p> <p>Envestra's Terminal Value has been calculated based on an assessment of maintainable ungeared cash flows after 2022, discounted at Envestra's assumed after-tax Weighted Average Cost of Capital. The component attributable to holders of Stapled Securities and incorporated in the IRR is obtainable by subtracting the discounted value of debt outstanding in 2022.</p> <p>In determining maintainable ungeared cash flows, allowance has been made for a sustainable level of growth and replacement capital expenditure and income tax. The maintainable cash flows assume a constant growth rate into perpetuity, determined by reference to the average annual growth rates in maintainable cash flows between 2019 and 2022.</p>
Trust Deed	The trust deed entered into by the Trustee, the Company and the Underwriters on 30 June 1997.
TJ	Terajoule (1 terajoule is equal to 1,000 gigajoules).

Trustee	Perpetual Trustee Company Limited.
Unbundled	The opposite of Bundled.
Underwriters	Macquarie Underwriting Limited and SBC Warburg Australia Limited.
WACC	Weighted Average Cost of Capital.
Weighted Average Cost of Capital	An average of the after-tax rates of return applicable to debt and equity capital weighted according to the respective market values of the capital components. It can be used to value ungeared cash flows.