

4 February 2010

Envestra to issue US\$150M, 17-year bonds



Envestra Limited today announced that it has reached agreement with "blue chip" US bond investors for a US\$150 million, 17-year debt facility. The US private placement ("USPP") bonds represent close to 10% of Envestra's total debt portfolio.

This is a significant commitment by these new investors and is believed to be the longest term-debt package put in place by an Australian listed company since the global financial crisis commenced in mid-2007.

The USPP recognises the strength of the Envestra business, including the long-term nature of the assets and the stable cash flows it generates.

The loan can be drawn-down at anytime through to 1 July 2010 and matures in July 2027. The funds are to be used to refinance existing shorter term bank facilities. Pricing of the facility compares favourably to that recently available for 3-year bank funding in the Australian market.

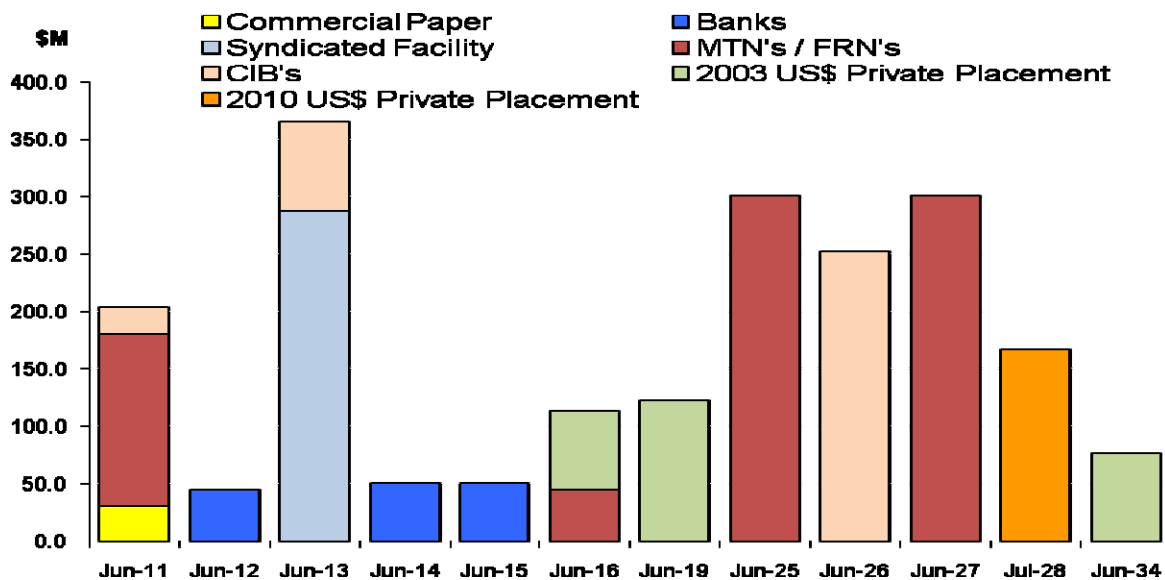
The US dollar debt will be swapped to Australian currency so that no foreign currency risk arises during the term of the bonds.

Following draw-down of the new facility, the average duration of the Company's debt will increase to 10 years, one of the longest in Australia. The expected debt maturity profile for the Envestra Group, as at 1 July 2010, is set out overleaf.

Envestra's next term debt refinancing occurs in May 2011, when \$180 million of bonds mature. Unused bank facilities, including those freed-up from the current US private placement, will be used to meet this re-financing obligation.

Envestra has no need to seek further debt facilities until November 2011.

Continued overleaf . . .



For further information:

Greg Meredith: Group Manager Treasury and Planning

Des Petherick: Company Secretary

Telephone: 08 8227 1500

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Envestra is Australia's largest distributor of natural gas, delivering the environment friendly fuel to over one million consumers. The Company has operations in Victoria, South Australia, Queensland, New South Wales and the Northern Territory.