ELECTRICITY GENERATION LICENCE

LYP Partner 1 Pty Ltd
ABN 36 078 121 187

LYP Partner 2 Ltd
ABN 078 377 572

LYP Partner 3 Pty Ltd
ACN 078 377 527

LYP Partner 4 BV
ARBN 073 074 530

Loy Yang Power Management Pty Ltd
ABN 62 077 985 758

Loy Yang Marketing Management Company Pty Limited
ABN 19 105 758 316

As varied on
14 January 2005
ELECTRICITY GENERATION LICENCE

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1. DEFINITIONS AND INTERPRETATION

1.1 In this licence, words and phrases appearing like this have the meaning given to them in part 1 of schedule 1.

1.2 This licence must be interpreted in accordance with the rules set out in part 2 of schedule 1.

2. GRANT OF LICENCE

2.1 Subject to the conditions set out in this licence, the Licensee is authorised to generate electricity for supply or sale, to supply electricity and to sell electricity.

2.2 Under this licence, the Licensee may only generate electricity for supply or sale at, and may only supply electricity and may only sell electricity generated at, the licensed power station.

3. TERM

3.1 This licence first had effect on 8 April 2004 and has been varied on the dates set out in schedule 2.

3.2 The Commission may revoke this licence in accordance with clauses 3.3 or 3.4.

3.3 The Commission may at any time agree with the Licensee that this licence should be revoked, in which case the term of this licence ends on the day agreed.

3.4 The Commission may at any time give notice of revocation in accordance with clause 3.5 to the Licensee if:

(a) the Licensee does not comply with an enforcement order or an undertaking; and

(b) the Commission is satisfied that revocation of this licence is necessary having regard to the objectives,

in which case, subject to clause 3.6, the term of this licence ends on the expiration of the period of the notice.

3.5 The Commission must give at least 20 business days notice of revocation to the Licensee under clause 3.4.

3.6 The term of this licence does not end at the expiration of the period of a notice of revocation given under clause 3.4 if, before the expiration, the Licensee complies with the enforcement order or the undertaking (as the case may be).
4. COMPLIANCE WITH ORDERS, CODES AND GUIDELINES

4.1 As well as complying with this licence, the Licensee must comply with all applicable provisions of:

(a) any order;

(b) the following codes:

(1) the Electricity Distribution Code; and

(2) the Electricity System Code;

(c) any guideline, if the guideline itself requires the Licensee to comply or the Commission has informed the Licensee that compliance is required by way of a communication given to the Licensee by the Commission.

4.2 The Licensee must monitor its compliance with this licence and any order, code or guideline it is required to comply with under clause 4.1.

4.3 If the Licensee becomes aware of a material breach of this licence or any order, code or guideline by the Licensee, the Licensee must notify the Commission of the material breach as soon as practicable.

5. CO-OPERATION WITH VENCORP

5.1 As soon as practicable after any request made by VENCORP, the Licensee must supply such information to VENCORP as VENCORP may reasonably require to perform its functions and exercise its powers under the Act.

5.2 Any question as to the reasonableness of a requirement by VENCORP for information as contemplated by clause 5.1 is to be decided by the Commission on the basis of the Commission’s opinion of the reasonableness of the requirement.

6. PROVISION OF INFORMATION TO THE COMMISSION

The Licensee must provide to the Commission, in the manner and form decided by the Commission, such information as the Commission may from time to time require.

7. PAYMENT OF LICENCE FEES

7.1 The Licensee must pay as directed by the Commission a licence fee determined in accordance with section 22 of the Act.

7.2 Insofar as a fee or charge determined by the Minister under section 22 of the Act in respect of this licence is an annual fee or charge, it must be paid in either four equal instalments on the last days of September, December, March and June in each year or paid in one payment on or before the last day of September in each year and in the manner notified to the Licensee by the Commission.
7.3 The Licensee must pay as directed by the Commission such other fees and charges in respect of this licence as are determined by the Minister in accordance with section 22 of the Act.

8. ADMINISTRATOR

8.1 If an administrator is appointed to the Licensee's business under section 34 of the Act, the administrator must exercise its functions and powers in such a manner as may be specified by the Commission in the instrument of appointment.

8.2 The Licensee is responsible for the acts and defaults of the administrator.

9. COMPLIANCE WITH LAWS

The Licensee must comply with all applicable laws.

10. VARIATION

This licence may be varied in accordance with section 29 of the Act.

11. TRANSFER OF LICENCE

This licence may be transferred in accordance with section 31 of the Act.

12. COMMUNICATIONS

12.1 A communication must be in writing.

12.2 A communication is to be regarded as having been given by the sender and received by the addressee:

(a) when delivered in person to the addressee;

(b) 3 business days after the date of posting, if the communication is posted within Australia;

(c) 7 business days after the date of posting, if the communication is posted outside Australia;

(d) when, according to the sender's transmission report, received by facsimile transmission by the addressee; or

(e) when it is an electronic communication, in accordance with the Electronic Transactions (Victoria) Act 2000.
13. COMPLIANCE WITH LICENCE BY ALL LICENSEES

Each *Licensee* must ensure each other *Licensee* complies with the conditions of this licence.

THE COMMON SEAL of
THE ESSENTIAL SERVICES
COMMISSION
was affixed pursuant to the
authority of the Commission
on 14 January 2005

John C. Tamblyn
Chairperson
SCHEDULE 1
DEFINITIONS AND INTERPRETATION

1. DEFINITIONS

In this licence:


administrator means an administrator appointed by the Commission under section 34 of the Act in respect of the business carried on by the Licensee under this licence.

business day means a day other than a Saturday or Sunday or a public holiday appointed under the Public Holidays Act 1993.


communication means a notice, agreement, consent, direction, representation, advice, statement or other communication required or given pursuant to or in connection with this licence.

Electricity Distribution Code means the code of that name certified by the Commission.

Electricity System Code means the code of that name certified by the Commission.

enforcement order means a provisional or final order made and served by the Commission under section 53 of the Essential Services Commission Act 2001.

guideline means a guideline published by the Commission.

licensed power station means Loy Yang A Power Station.

Licensee means LYP Partner 1 Pty Ltd ABN 36 078 121 187, LYP Partner 2 Pty Ltd ARBN 078 377 572, LYP Partner 3 Pty Ltd ACN 078 377 527, LYP Partner 4 BV ABN 55 073 074 530, Loy Yang Power Management Pty Ltd ABN 62 077 985 758 and Loy Yang Marketing Management Company Pty Limited ABN 19 105 758 316, or each of them, as the context requires.

Minister means the person who is the Minister for the purposes of the relevant section of the Act.

order means an Order in Council made or in force under the Act.

objectives means the objectives specified in section 10 of the Act and section 8 of the Essential Services Commission Act 2001.
undertaking means an undertaking given by the Licensee under section 53(5)(a) of the Essential Services Commission Act 2001.


writing includes any mode of representing or reproducing words, figures, drawings or symbols in a visible form.

2. INTERPRETATION

In this licence, unless the context otherwise requires:

(a) headings, footnotes and schedule 2 are each for convenience only and do not affect the interpretation of this licence;

(b) words importing the singular include the plural and vice versa;

(c) words importing a gender include any gender;

(d) an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body corporate and any governmental agency;

(e) a reference to a condition, clause, schedule or part is to a condition, clause, schedule or part of this licence;

(f) a reference to terms of an offer or agreement is to all terms, conditions and provisions of the offer or agreement;

(g) a reference to any statute including the Act and regulation, proclamation, order in council, ordinance or by-law includes all statutes, regulations, proclamations, orders in council, ordinances or by-laws varying, consolidating, re-enacting, extending or replacing them and a reference to a statute includes all regulations, proclamations, orders in council, ordinances, by-laws and determinations issued under that statute;

(h) a reference to a document or a provision of a document includes an amendment or supplement to, or replacement or novation of, that document or that provision of that document;

(i) a reference to a person includes that person’s executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;

(j) other parts of speech and grammatical forms of a word or phrase defined in this licence have a corresponding meaning;

(k) a period of time:
(1) which dates from a given day or the day of an act or event is to be calculated exclusive of that day; or

(2) which commences on a given day or the day of an act or event is to be calculated inclusive of that day;

(l) an event which is required under this licence to occur on or by a stipulated day which is not a business day may occur on or by the next business day; and

(m) the obligations of the Licensees under the conditions of this licence are joint and several obligations of each Licensee.
### SCHEDULE 2

**VARIATIONS TO THE LICENCE**

<table>
<thead>
<tr>
<th>Date</th>
<th>Reason for variation</th>
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<tbody>
<tr>
<td>14 January 2005</td>
<td>To make various administrative and substantive amendments following a review by the Commission of electricity generation, distribution and retail licences.</td>
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