GAS DISTRIBUTION LICENCE

Jemena Asset Management (6) Pty Ltd
ACN 104 352 650

Varied on 15 July 2009
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1. **GRANT OF LICENCE**

The Commission, in exercise of the powers conferred by section 26 of the Gas Industry Act, hereby issues this licence to the Distributor authorising the Distributor to provide those services by means of the Distribution System that it is necessary or desirable for the Distributor to provide in order to perform the Functions, and subject to the conditions set out in this licence.

2. **TERM**

   (a) This licence was issued on 10 June 2009 and has been varied on the dates set out in schedule 2.
   
   (b) This licence terminates if, and on the date, either of the following events occur:
   
   I. the Operating Services Agreement terminates; or
   
   II. the Distributor otherwise ceases to perform the Functions pursuant to the Operating Services Agreement.

3. **VARIATION AND REVOCATION**

   (a) The Commission may vary or revoke this licence in accordance with clause 3(b), 3(c) or 3(d).
   
   (b) The Commission may at any time agree with the Distributor that this licence should be varied or revoked.
   
   (c) The Commission may vary this licence or licence conditions after:
   
   I. advising the Distributor of the proposed variation;
   
   II. giving the Distributor an opportunity to make submissions in relation to the proposed variation; and
   
   III. considering any such submissions.
   
   (d) The Commission may at any time give at least 20 business days notice of revocation to the Distributor if:
   
   I. the Distributor does not comply with an enforcement order or an undertaking; and
   
   II. the Commission is satisfied that the revocation of this licence is necessary having regard to the policy objectives, in which case the term of this licence ends, subject to clause 3(e), on the expiration of the period of the notice.
   
   (e) The term of this licence does not end at the expiration of the period of a notice of revocation given under clause 4(d) if, before the expiration, the Distributor complies with the enforcement order or the undertaking (as the case may be).
4. COMPLIANCE WITH CODES, RULES AND OTHER REQUIREMENTS

(a) The Distributor must comply with:

I. the Gas Distribution System Code;

II. the Energy Retail Code;

III. all codes, standards, rules and guidelines that are specified by the Commission to apply to the Distributor, and

IV. customer-related standards and procedures,

subject to any derogations from those codes, standards, rules or guidelines or customer related standards and procedures set out in schedule 1 to this licence.

(b) At the written request of the Commission, the Distributor must participate to the extent specified by the Commission in the development, issue and review of any customer-related standards and procedures specified by the Commission.

(c) If the Commission considers that:

I. the Distributor has failed to comply with clause 4(b); or

II. customer-related standards or procedures developed by the Distributor are insufficient for the purpose for which they were developed,

the Commission may issue customer-related standards and procedures applicable to the Distributor and with which the Distributor must comply.

(d) If the Distributor becomes aware of a material breach of a licence condition, code, standard, rule, guideline or customer-related standard or procedure by the Distributor, the Distributor must notify the Commission of the material breach in accordance with any guidelines issued by the Commission or, in the absence of such guidelines, as soon as practicable.

(e) The Distributor must:

I. at the request in writing of the Commission; or

II. as required by guidelines issued by the Commission,

report to the Commission in connection with its compliance with:

I. licence conditions;

II. applicable codes, standards, rules and guidelines; and

III. customer-related standards and procedures.
5. DEEMED DISTRIBUTION CONTRACTS

(a) The Distributor:
   I. must by a date nominated by the Commission in a written notice given to the Distributor, which is not less than 20 business days after the notice is given to the Distributor; and
   II. may at any other time,
   III. prepare and submit to the Commission proposed terms and conditions of a deemed distribution contract for approval by the Commission.

(b) As soon as practicable after approval of proposed terms and conditions of a deemed distribution contract by the Commission, the Distributor must give notice of those terms and conditions and publish them in the Government Gazette in accordance with the Gas Industry Act.

6. PROVISION OF INFORMATION AND MAINTENANCE OF SEPARATE ACCOUNTS

(a) The Distributor must provide to the Commission, in a manner and form and at a time decided by the Commission and notified to the Distributor, such information as the Commission may from time to time require.

(b) The Distributor must ensure that separate accounts are prepared for the Distribution System in accordance with any applicable Commission guidelines published for this purpose.

7. DISPUTE RESOLUTION

Until such time the Commission directs the Distributor to submit to the Commission for its approval, and if approved implement, a scheme for the fair, reasonable and effective investigation and resolution of disputes between it and:

(a) a customer about the Distributor's services, billing and charging; and
(b) aggrieved persons about the manner in which the Distributor conducts its business under its distribution licence and applicable codes, standards, rules or guidelines;

the Distributor will rely on the approved ombudsman scheme implemented by Multinet for Dispute Resolution.

8. PAYMENT OF LICENCE FEES

(a) The Distributor must pay as directed by the Commission a licence fee determined in accordance with section 30 of the Gas Industry Act.

(b) If the fee is an annual fee, it must be paid:
   I. in four equal instalments due on the last days of September, December, March and June of each year; or
   II. in full on or before the last day of September of each year.
(c) The Distributor 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 30 of the Gas Industry Act.

9. COMPLIANCE WITH LAWS

The Distributor must comply with all applicable laws.

10. OPERATIONAL AND COMPLIANCE AUDITS

(a) As requested by the Commission, the Distributor must undertake operational and compliance audits of:

   I. its compliance with obligations under this licence, the Gas Distribution System Code and the Energy Retail Code; and

   II. its compliance with policies, practices, procedures and systems for collection, analysis and reporting of data on the performance and the capacity of the gas Distribution System.

(b) The operational and compliance audits must be conducted by an independent expert or audit team nominated by the Distributor and approved by the Commission.

(c) The scope of the operational and compliance audits are to be approved by the Commission and must meet any minimum audit scope required by the Commission, but need not cover obligations, policies, practices, procedures or systems of the Distributor where compliance is audited under a separate regulatory requirement.

(d) The Distributor must provide the results of the audit to the Commission in accordance with any guidelines published by the Commission.

(e) The terms and conditions of the operational and compliance audit contract which relate to the scope of the audits must be approved by the Commission.

11. DEFINITIONS AND INTERPRETATION

11.1 Definitions

In this licence, unless the contrary intentions appear:

"business day" means a day on which banks are open for general banking business in Melbourne, excluding a Saturday or Sunday;

"Commission" means the Essential Services Commission established under the Essential Services Commission Act 2001

"customer" means a person to whom gas is conveyed through a distribution pipeline;

"customer-related standards and procedures" includes:

   (a) overall performance standards;
   (b) complaint handling, escalation and resolution policies, practices and procedures;
   (c) security deposit, disconnection and credit policies, practices and procedures;
   (d) and rules and procedures for compensating customers for the Distributor's failure to comply with any such standards, policies,
practices and procedures, which are issued by the Distributor under clause 4(b) or by the Commission under clause 4(c);

"deemed distribution contract" means a contract deemed to be entered into between the Distributor and a retail customer pursuant to section 48 (6) of the Gas Industry Act;

"distribute", has the meaning ascribed to that term in the Gas Industry Act;

"distribution area" means the area described in schedule 2 of the Multinet Licence;

"distribution pipeline" has the meaning ascribed to that term in the Gas Industry Act;

"Distribution System" means the Multinet Gas Distribution System, which is a system of distribution pipelines owned by Multinet and used to distribute gas for supply to customers in the distribution area;

"Gas Distribution System Code" means the Gas Distribution System Code issued by the Commission as amended from time to time;

"Energy Retail Code" means the Energy Retail Code issued by the Commission as amended from time to time;

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

"Functions" means the services listed in Schedule 1 to the Operating Services Agreement which the Distributor is obliged to provide to Multinet;

"Gas Industry Act" means the Gas Industry Act 2001 (Vic);

"Distributor" means Jemena Asset Management (6) Pty Ltd ACN 104 352 650;

"Multinet" means Multinet Gas (DB No. 1) Pty Limited ACN 086 026 988 and Multinet Gas (DB No. 2) Pty Limited ACN 086 230 122, trading as the Multinet Gas Distribution Partnership;

"Multinet Licence" means the licence issued by the Commission to Multinet pursuant to the Gas Industry Act in relation to the Distribution System (as varied from time to time);

"Operating Services Agreement" means the Operating Services Agreement between the Distributor, Multinet and Multinet Group Holdings Pty Ltd dated 23 July 2003, as amended from time to time;

"policy objectives" means the objectives specified in section 18 of the Gas Industry Act and section 8 of the Essential Services Commission Act 2001;

"supply", in relation to gas, means the delivery of gas; and


11.2 Interpretation

In this licence, unless the context otherwise requires:

(a) words and phrases in italics have the meaning ascribed to them in clause 11.1;

(b) headings are for convenience only and do not affect the interpretation of this licence;

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

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

(f) a reference to any thing includes a part of that thing;

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

(h) a reference to any statute, 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;

(i) 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;

(j) a reference to writing includes any mode of representing or reproducing words, figures, drawings or symbols in a visible form;

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

(l) a reference to the Commission includes a reference to the Office of the Regulator-General established under the Office of the Regulator-General Act 1994;

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

(n) a period of time:
   I. which dates from a given day or the day of an act or event is to be calculated exclusive of that day; or
   II. which commences on a given day or the day of an act or event is to be calculated inclusive of that day; and

(o) 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.

THE COMMON SEAL of THE ESSENTIAL SERVICES COMMISSION was affixed pursuant to the authority of the Commission on 27 July 2009

Dr Ron Ben-David
Chairperson
SCHEDULE 1: COMPLIANCE OBLIGATIONS

This licence is granted to the Distributor, in respect of the Distribution System. Multinet has a licence to provide services by means of the Distribution System.

In this schedule, Licensee means each of the Distributor and Multinet individually and Licensees means both of them.

The Distributor is required to comply with the conditions contained in this licence on the following basis.

Common obligations

1 Subject to the obligations set out in clause 4 of this Schedule, where each Licensee is required to comply with a licence condition of substantially similar effect ("a common condition"), compliance by one of the Licensees with the common condition in its licence will be taken to be compliance by each Licensee with the common condition under each of their licences.

2 The common conditions relate to Functions that the Distributor is required to perform in relation to the Distribution System pursuant to the Operating Services Agreement.

3 The Distributor must give the Essential Services Commission written notice and particulars, within 30 days of any change in the Functions required to be performed by the Distributor pursuant to the Operating Services Agreement.

Several obligations

4 The Distributor is required to comply with the following conditions of its licence, whether or not Multinet has complied with the equivalent conditions of its licence and compliance by Multinet with the equivalent conditions of its licence does not constitute compliance by the Distributor:

   (a) clause 4 in so far as it requires compliance by the Distributor with the Gas Industry Regulatory Accounting Guideline No 17 ("Guideline 17") and the ombudsman scheme for dispute resolution;

   (b) clause 6; and

   (c) clause 8.

The Distributor

5 The Distributor is not required to comply with the following codes, guidelines or rules as part of its distribution licence:

   (a) Energy Retail Code

   (b) Retail Gas Market Rules

6. The Distributor is required to comply with the following codes, guidelines or rules, as amended from time to time, as part of its distribution licence:

(a) Gas Distribution System Code;
(b) Market and System Operation Rules,

but only insofar as compliance relates to a Function that the Distributor is required to perform in relation to the Distribution System pursuant to the Operating Services Agreement unless the Distributor can demonstrate to the Commission that they were unable to perform the Function because of the decisions and/or actions of Multinet.
SCHEDULE 2: VARIATIONS TO THE LICENCE

This licence was originally issued on 10 June 2009.

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<th>Date</th>
<th>Reason for Variation</th>
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<td>15 July 2009</td>
<td>To change the name of the licensee from Alinta Asset Management Pty Ltd (ACN 104 352 650) to Jemena Asset Management (6) Pty Ltd (ACN 104 352 650).</td>
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