



Prime Infrastructure Holdings Limited
ABN 61 100 364 234
Prime Infrastructure RE Limited
ABN 67 099 717 638 AFSL 219 673
as responsible entity of each of
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ARSN 100 375 479
Prime Infrastructure Trust 2
ARSN 108 288 204
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ASX Announcement

22 October 2010

AET&D In-Specie Distribution

Prime Infrastructure (ASX:PIH) announces that the in-specie distribution of non-voting shares in AET&D Holdings No 1 Limited (**Distribution**) to Prime Infrastructure Securityholders occurred today.

Securityholders have received one non-voting share in AET&D Holdings No 1 Limited for each Prime Infrastructure stapled security held on the Distribution record date of 19 October 2010.

The Distribution was subject to a number of conditions, including a regulatory consent, all of which have been satisfied.

Recipients of the Distribution will be sent a transaction confirmation statement and the attached letter providing additional details regarding the Distribution.

ENDS

Further enquiries

David Akers
Investor Relations Manager
Prime Infrastructure
Tel: + 61 2 9692 2870

About Prime Infrastructure

Prime Infrastructure (ASX: PIH) is a specialist infrastructure operator which owns and manages a portfolio of high quality infrastructure assets. We invest in businesses across two operating platforms based on their underlying economic drivers – utilities and fee for service. Our portfolio of infrastructure assets is primarily in the energy and transport sectors located in Australasia, North America and Europe. For further information please visit our website: www.primeinfrastructure.com

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Dear Securityholder

On Monday, 23 August 2010, Prime Infrastructure announced that it intended to make an in-specie distribution of shares in AET&D Holdings No 1 Limited¹ (**AET&D Holdings**) to holders of shares in Prime Infrastructure Holdings Limited (**Distribution**). Holders of stapled securities in Prime Infrastructure hold shares in Prime Infrastructure Holdings Limited as part of each stapled security.

The record date for the Distribution was Tuesday, 19 October 2010 (**Record Date**). As announced on Friday, 22 October 2010, all of the conditions to the Distribution, including regulatory and other approvals, have been satisfied. As you were a Prime Infrastructure Securityholder as at 7.00pm (Sydney time) on the Record Date you have had distributed to you one non-voting share in AET&D Holdings (**Non Voting Share**) for each Prime Infrastructure security you held at that time.

Why is Prime Infrastructure making the Distribution?

By way of background, as part of the 2009 restructure of Prime Infrastructure, an option over the shares in AET&D Holdings' wholly owned subsidiary, Prime AET&D Holdings No 2 Pty Limited, was granted to the "EPS Promisor", an independent third party, which holds the option for the benefit of the former holders of BBI Exchangeable Preference Shares. The option may be exercised on payment of \$1 to AET&D Holdings. All of the assets (and liabilities) of the AET&D Group of companies are held by Prime AET&D Holdings No 2 Pty Limited or its subsidiaries. Accordingly, the shares of AET&D Holdings have no value to whoever holds them, whether it is Prime Infrastructure or its Securityholders.

In effecting the Distribution, Prime Infrastructure expects to:

- reinforce and clearly formalise the quarantined nature of the AET&D Group from the perspective of both the AET&D Group and Prime Infrastructure's stakeholders; and
- continue the held for sale nature of the AET&D Group with a view to successfully completing a sales process.

What rights and obligations attach to the Non Voting Shares?

Each Non Voting Share is fully paid and accordingly holders of Non Voting Shares have no liability to contribute capital in respect of their Non Voting Shares.

Non Voting Shares do not entitle their holders to vote at any general meeting of AET&D Holdings, except on a resolution to vary the rights attaching to Non Voting Shares.

The holders of Non Voting Shares have the sole right to participate in the profits and property of AET&D Holdings on winding up and receive a dividend (if declared or determined to be paid) and the same rights

¹ Formerly known as Prime AET&D Holdings No 1 Pty Limited and BBI EPS Limited.

as holders of ordinary shares in AET&D Holdings in relation to receiving notices, reports and audited accounts and attending and speaking at general meetings of the company (although, as noted above, holders of Non Voting Shares have limited voting rights at general meetings).

It is not expected that a dividend will be declared by AET&D Holdings or that there will be any distribution of value on the winding up of AET&D Holdings.

Who holds the ordinary shares in AET&D Holdings?

Prime Infrastructure Holdings Limited (**PIHL**) will continue to hold all of the ordinary shares in AET&D Holdings and will continue to control AET&D Holdings for the purposes of the Corporations Act, including having the right to appoint all of the directors of AET&D Holdings.

How will AET&D Holdings be managed?

Prime Infrastructure Employment Pty Limited (**PIEPL**), a wholly owned subsidiary of PIHL, AET&D Holdings and PIHL have entered into a service agreement whereby PIEPL has agreed to provide AET&D with certain management, administrative and secretarial services in Australia which are necessary for AET&D Holdings and its subsidiaries to meet their administrative obligations to their shareholders and their compliance obligations under the Corporations Act.

What are the tax consequences of the Distribution?

As the shares in AET&D Holdings have no value, there will be no adverse tax consequences for Prime Infrastructure Securityholders receiving shares in AET&D Holdings. For Australian tax resident Prime Infrastructure Securityholders, the receipt of the Non Voting Shares will not be required to be disclosed in your Australian income tax return and will not reduce the cost base of your Prime Infrastructure securities. Further details regarding the tax implications of your receipt of the Non Voting Shares can be found under the Tax Information on Prime Infrastructure's website:

<http://www.primeinfrastructure.com/investor-relations/tax-information.aspx>

Holding Statement

Your Holding Statement detailing the number of Non Voting Shares you hold in AET&D Holdings is enclosed with this letter.

Personal Information

The Non Voting Shares are Issuer Sponsored. Therefore, any changes to your personal details should be submitted to AET&D Holdings' share registry, being Link Market Services, rather than your stockbroker. You can access your details over the internet at www.linkmarketservices.com.au. If you don't have web access please contact Link Market Services directly on (within Australia) 1800 009 918 or +61 2 8280 7165 (outside Australia).

No Longer Beneficially Holding Shares

As the Non Voting Shares are in an unlisted company, investors need to comply with the general legal requirements applying to shareholders in such companies. In particular, section 1072H of the Corporations Act requires that if you commence or cease to hold any of your Non Voting Shares non-beneficially (that is, you commence or cease to hold the shares in a capacity of sole beneficial owner, or you commence or cease to hold the shares as trustee for, as nominee for, or otherwise on behalf of or on account of another person) you must, within 14 days of that change, give written notice to the securities registry.

Please note this requirement cannot be dealt with on-line; notice can only be provided in writing to Link Market Services and must include sufficient details (including name, address and SRN) to identify your holding. The notice must also state the number of Non Voting Shares that you commence or cease to hold non-beneficially from the relevant date, and be signed by or on behalf of the registered holder.

Of course, if your Non Voting Shares are held by you beneficially, or a non-beneficial account notation is already recorded for your shares – as shown on your Holding Statement attached – then there is no need to do anything unless the situation changes (including if you cease to hold the shares non-beneficially) in which case you are required to give written notice to the securities registry in the manner described above.

Failure to comply with these obligations may be a breach of the Corporations Act and penalties may apply.

Share Transfers

AET&D Holdings is unlisted and its shares are not able to be traded on any stock exchange. Therefore, it will be difficult to sell (or purchase) the Non Voting Shares.

The Non Voting Shares are being issued without a prospectus under the Corporations Act and as such they may not be transferred or sold within 12 months of their issue without prospectus disclosure, unless you can prove that you did not acquire them, and that Prime Infrastructure did not transfer them to you, for the purpose of them being re-transferred or re-sold (in this regard, Prime Infrastructure confirms that it did not transfer them to you for this purpose).

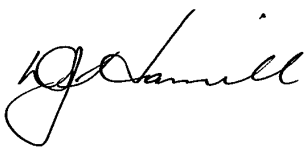
However, there may be occasions when a private share transfer is necessary. Should this be the case then a share transfer form will be able to be obtained from www.linkmarketservices.com.au.

Further Information

This letter contains a summary of the rights and obligations attaching to the Non Voting Shares. A copy of the constitution of AET&D Holdings, which sets out the full rights and obligations of the Non Voting Shares, is available upon request by contacting Link Market Services directly on (within Australia) 1800 009 918 or +61 2 8280 7165 (outside Australia).

If you require further information regarding your Non Voting Shares in AET&D Holdings please refer to the Prime Infrastructure website or contact Link Market Services on Link Market Services directly on (within Australia) 1800 009 918 or +61 2 8280 7165 (outside Australia).

Yours sincerely

A handwritten signature in black ink, appearing to read 'D Hamill', written in a cursive style.

Hon Dr David Hamill, AM
Chairman
Prime Infrastructure

Distribution Date: 22 October 2010

Record Date: 19 October 2010

Reference Number:

TFN/ABN Status:

AETU – SHARES TRANSACTION CONFIRMATION AND DIVIDEND STATEMENT

DATE	TRANSACTION DESCRIPTION	SHARES ALLOTTED	DIVIDEND DETAILS		
			UNFRANKED AMOUNT \$	FRANKED AMOUNT \$	TOTAL AMOUNT \$
22/10/2010	In-specie distribution of non-voting shares in AET&D Holdings No 1 Limited	[Allotment Total]	0.00	0.00	00.00
				Net Amount	\$00.00



Securityholders should not rely on the balance shown in this statement as being a complete record of their current holding and the Issuer will not be liable for any financial loss incurred by a securityholder who relies on the balance shown without making their own adjustments for any transfers relating to market and off market transactions which have yet to be registered.

Please note your SRN/HIN recorded above. This SRN/HIN must be used in all communications with the company or registry and with your stockbroker when buying or selling these securities. This statement is an important document and should be kept in a safe place. If lost or destroyed a charge will be levied for a replacement statement. Full terms and conditions of the above securities can be obtained from the registry.

THE AUSTRALIAN TAXATION OFFICE (ATO) ADVISES YOU TO KEEP THIS STATEMENT. DISPOSAL OF SECURITIES MAY LEAD TO CAPITAL GAINS TAX. PHONE THE ATO ON 1300 720 092 IF YOU NEED THE "GUIDE TO CAPITAL GAINS TAX".