

This document is the first supplementary bidder's statement ("**First Supplement**") to the Bidder's Statement dated 27 September 2010 ("**Bidder's Statement**") issued by Brookfield Infrastructure Partners L.P. ("**BIP**") and lodged with the Australian Securities and Investments Commission ("**ASIC**") on 27 September 2010, in relation to the offer by BIP ("**Offer**") for all your stapled securities in the Prime Infrastructure Group.

This First Supplement supplements, and is to be read together with, the Bidder's Statement.

## **FIRST SUPPLEMENTARY BIDDER'S STATEMENT**

**19 October 2010**

**in respect of the offer by**

**Brookfield Infrastructure Partners L.P**

**for all the stapled securities in the Prime Infrastructure Group comprised of:**

- **Prime Holdings Limited (ABN 61 1000 364 234);**
- **Prime Infrastructure Trust (ARSN 100 375 479); and**
- **Prime Infrastructure Trust 2 (ARSN 108 288 204).**

Unless the context requires otherwise, defined terms in the Bidder's Statement have the same meaning in this First Supplement. This First Supplement prevails to the extent of any inconsistency with the Bidder's Statement.

A copy of this First Supplement was lodged with ASIC on 19 October 2010. Neither ASIC nor any of its officers takes any responsibility for the contents of this First Supplement.

### **1 Background**

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This document is a Supplementary Bidder's Statement under section 643 of the Corporations Act. It is provided as a result of a decision by BIP to increase the consideration offered to Prime Securityholders under the Offer.

### **2 Increase in Offer consideration**

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BIP has varied the consideration it is offering under the Offer by increasing the consideration payable so that Prime Securityholders who accept the Offer will receive **twenty Australian cents (A\$0.20) cash per Prime Security** in addition to the consideration initially offered ("**Additional Consideration**").

The Offer consideration for Prime Securityholders other than Ineligible Foreign Securityholders, will now be 0.24 BIP Interests plus twenty Australian cents (A\$0.20) for each Prime Security for which acceptance is received.

Ineligible Foreign Securityholders accepting the Offer, will receive a cash payment in lieu of the New BIP Interests which they would otherwise be entitled to receive under the Ineligible Foreign Securityholder Facility plus an additional twenty Australian cents (A\$0.20) cash for each Prime Security for which acceptance is received.

### **3 Offer premium**

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The offer Consideration now represents a premium of 33% to the closing price of Prime Securities on the last trading day prior to the announcement of the Offer<sup>1</sup>.

### **4 Previous Acceptances**

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Prime Securityholders who have already accepted the Offer will, following close of the Offer and all conditions in it having been satisfied or waived, receive the Additional Consideration that BIP is now offering. Prime Securityholders who have already accepted do not need to send in an additional acceptance form to benefit from the increase set out in this First Supplement.

### **5 Timing of payment**

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Payment of the Additional Consideration to all Prime Securityholders who accept the Offer (including Ineligible Foreign Securityholders) will, if all conditions to the Offer are satisfied by the Closing Date, occur on or about the Issue Date (expected to be on or about Wednesday, 8 December 2010).

In addition to payment of the Additional Consideration, Prime Securityholders who accept the Offer, that are not Ineligible Foreign Securityholders, will also receive the New BIP Interests to which they are entitled on the Issue Date.

In addition to the payment of the Additional Consideration, Ineligible Foreign Securityholders who accept the Offer will continue to receive the separate cash payment to be made under the Ineligible Foreign Securityholder Facility on the Payment Date (expected to be on or about 20 December 2010).

### **6 Sources of funding**

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Assuming that all Prime Securityholders other than BIP IV accept the Offer, the value of the total Additional Consideration payable will be approximately A\$42.3 million.

BIP intends to fund the amount of this Additional Consideration, in its sole discretion, by: using cash on hand; using any of the Cash Contribution provided by Brookfield which is not required for the Ineligible Foreign Securityholder Facility; or procuring that BILP draws down on the Credit Agreement available to BILP that is described in Section 6.5(b) of the Scheme Booklet. Available commitments under the Credit Agreement currently amount to US\$500 million.

BILP has confirmed to BIP that the Credit Agreement is available for the purpose of funding the Additional Consideration under the Offer. Draw down under the Credit Agreement can only occur once customary closing conditions are satisfied.

BILP has informed BIP that it believes that these conditions are likely to be satisfied or will not apply at the time BILP is required to draw down funds under the Credit Agreement.

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<sup>1</sup> Based on the closing price of Prime Securities and BIP Interests on 20 August 2010 and an exchange rate of US\$0.8939 per AUD. The volume weighted average value of the consideration over the period from announcement on 23 August 2010 to 14 October 2010 (based on the sale prices of BIP Interests sold on NYSE over that period converted to A\$ at the average exchange rate over the period) was \$4.80. Based on the closing price for BIP Interests on NYSE on 14 October 2010 and the Australian dollar:US dollar exchange rate on that date of 0.9942, the value of the Offer Consideration on that date was A\$5.26.

Further, BILP has undertaken to BIP in writing:

- that it will not take any action between the date of this Bidder's Statement and the Issue Date that would mean that the Credit Agreement is not available for funding the Additional Consideration; and
- to take all steps necessary to draw down by the Issue Date any amount requested by BIP to assist BIP to pay the Additional Consideration.

## **7 Impact of Additional Consideration on Brookfield Infrastructure**

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The impact of payment of the total Additional Consideration to Prime Securityholders will be immaterial to BIP, BILP, Brookfield Infrastructure and the Brookfield Infrastructure Merged Group even assuming that all Prime Securityholders other than BIP IV accept the Offer. This includes the impact of the payment on the financial information and the post-transaction capital structure of the Brookfield Infrastructure Merged Group set out in Section 6 of the Bidder's Statement.

## **8 Notices**

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Annexed to this First Supplement is the notice of variation given under section 650D of the Corporations Act in relation to the increase in consideration explained in this First Supplement.

## **9 Authorisation**

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This First Supplement has been approved by a resolution passed by all of the directors of Brookfield Infrastructure Partners Limited as the Managing General Partner of BIP.

## **Annex - Notice of variation**

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See overleaf.

**BROOKFIELD INFRASTRUCTURE PARTNERS L.P.**  
**NOTICE OF VARIATION INCREASING OFFER**

**TO:** Prime Infrastructure Holdings Limited (ABN 61 100 364 234) and Prime Infrastructure RE Limited (ABN 67 099 717 638) as responsible entity of Prime Infrastructure Trust (ARSN 100 375 479) and Prime Infrastructure Trust 2 (ARSN 108 288 204)

**AND TO:** Each person to whom an offer was made ("Offer") pursuant to the Bidder's Statement dated 27 September 2010 ("Bidder's Statement") by Brookfield Infrastructure Partners L.P.

Brookfield Infrastructure Partners L.P. gives notice under section 650D of the Corporations Act 2001 that it varies the Offer by increasing the consideration payable so that Prime Securityholders who accept the Offer will receive twenty Australian cents A\$0.20 cash per Prime Security in addition to the consideration initially offered.

The Offer consideration for Prime Securityholders accepting the Offer, other than Ineligible Foreign Securityholders, will now be 0.24 BIP Interests and twenty Australian cents (A\$0.20) for each Prime Security for which the acceptance is received.

Ineligible Foreign Securityholders accepting the Offer will receive a cash payment in lieu of the New BIP Interests which they would otherwise be entitled to receive calculated in the manner set out in the Bidder's Statement plus an additional twenty Australian cents (A\$0.20) cash for each Prime Security for which the acceptance is received.

The increased price will apply to all Prime Securityholders who accept Brookfield Infrastructure Partners L.P.'s Offer, including those Prime Securityholders who have already accepted the Offer.

Unless the context requires otherwise, terms defined in the Bidder's Statement have the same meaning when used in this Notice of Variation.

A copy of this Notice of Variation was lodged with the Australian Securities and Investment Commission ("ASIC") on 19 October 2010. ASIC takes no responsibility for the contents of this notice.

This Notice of Variation is dated: 19 October 2010

Signed by *Derek G. Pannell* and *Arthur L. Jacobson* on behalf of Brookfield Infrastructure Partners Limited, the Managing General Partner of Brookfield Infrastructure Partners L.P., who are authorised to sign this notice pursuant to a resolution passed by the directors of Brookfield Infrastructure Partners Limited on                      October 2010.