



(Business Trust Registration Number 2007001)
(Constituted in the Republic of Singapore as a business trust
pursuant to a trust deed dated 5 January 2007 (as amended))

ANNOUNCEMENT

Keppel Infrastructure Fund Management Pte. Ltd. ("**KIFM**" or "**KIT Trustee-Manager**"), in its capacity as trustee-manager of Keppel Infrastructure Trust ("**KIT**") wishes to inform that Basslink Pty Ltd ("**Basslink**") has today advised KIT of the outcomes of the 3 arbitrations referred to below.

As disclosed in the announcements issued by KIFM on 26 April 2018, 8 October 2018, 22 October 2018 and 29 November 2018:

- (i) on 26 April 2018, Basslink had received a letter from the State of Tasmania that its dispute with the State of Tasmania in relation to a Notice of Dispute issued by the State of Tasmania under the Basslink Operations Agreement ("**BOA**") had been referred to arbitration (the "**State's Dispute**");
- (ii) on 8 October 2018, Basslink's dispute with Hydro Tasmania in relation to a Notice of Dispute issued by Basslink under the Basslink Services Agreement ("**BSA**") had been referred to arbitration ("**Basslink's Dispute**");
- (iii) on 22 October 2018, Hydro Tasmania had issued a Notice of Dispute under the BSA to Basslink ("**Hydro Tasmania's Dispute**"); and
- (iv) on 29 November 2018, the Hydro Tasmania's Dispute had been referred to arbitration before the same arbitrator hearing the matters with respect to the State's Dispute and the Basslink's Dispute.

Basslink has today advised KIT that the arbitrator has issued the following awards in relation to the above arbitrations:

- (i) in relation to the State's Dispute, the Arbitrator awarded the State an amount of AUD\$38.5m (approximately S\$38.1m based on the exchange rate of S\$1:AUD1.01 as of the date of this announcement). The arbitrator has determined that Basslink was liable to indemnify the State of Tasmania. Further the arbitrator declared that the cable failure on 20 December 2015 was not a force majeure event within the meaning of the BOA and that under the BOA Basslink has 2 months to repair a cable failure;
- (ii) in relation to Basslink's Dispute, the arbitrator has determined that a force majeure event within the meaning of the BSA had not occurred, and declared that Basslink's claim for unpaid fees of AUD\$31 million against Hydro Tasmania relating to the period of the outage under the BSA is not recoverable; and
- (iii) in relation to Hydro Tasmania's Dispute, the arbitrator has declared that Basslink was in breach of the BSA. Further, the arbitrator declared that such breaches were performance defaults under the BSA and need to be dealt with by Basslink undertaking certain mitigating actions in accordance with good electricity industry practice and by Basslink calculating Availability in the manner set out in the award until BPL implements the mitigating actions,

(collectively, the "**Awards**").

With regard to Hydro Tasmania's Dispute in relation to the Asset Management Plan and the Marine Disaster Recovery Plan (collectively, the "**Plans**"), parties have previously entered into a settlement agreement and have agreed on the actions to be taken in relation to these Plans.

Basslink is presently in discussions with its legal advisers to understand the implications of the Awards and the further submissions required.

As there is no contractual recourse to KIT under the BOA, BSA or Basslink's financing arrangements and KIT does not rely on Basslink's cash flows for its distributions, the above mentioned update is not expected to have any financial impact on the distribution per unit of KIT for the financial year ending 31 December 2020. The KIT Trustee-Manager is evaluating the financial and operational impact of the award including the impact on the net tangible assets. There remain aspects of the award that require further clarification from the arbitration tribunal.

The KIT Trustee-Manager will update unitholders as and when there are further developments on this matter.

BY ORDER OF THE BOARD
KEPPEL INFRASTRUCTURE FUND MANAGEMENT PTE. LTD.
(Company Registration Number: 200803959H)
As Trustee-Manager of Keppel Infrastructure Trust

3 December 2020