



Acquisition of Basslink

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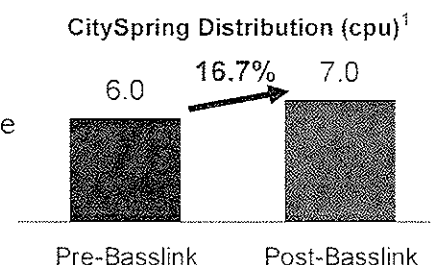
6 Conclusion

CitySpring has completed the acquisition of 100% of Basslink for A\$1,175m (S\$1,504m)



DPU Accretion

- Based on the strengths of the Basslink acquisition, CitySpring expects to increase its annual distribution to 7.0cpu for the period from completion of the equity fund raising to the end of FY09²



Long-Term Stable Cash Flows

- Basslink is a newly commissioned, long-life asset supported by a 25-year contract with a government-owned counterparty
- Revenue is largely based on availability of the interconnector and other guaranteed payments and is independent of utilisation
 - Basslink has achieved 99.5% availability since it was commissioned



Growth

- Basslink's revenues are structured to escalate with inflation
- Potential upside in telecoms revenue associated with commercialisation of the fibre optic cable incorporated in the interconnector
- Improvement of asset life through additional capex
- Potential to increase capacity

¹ In Singapore cents per unit

² Based on a range of assumptions, including exchange rate, to be outlined in more detail in Unitholder Circular provided prior to Unitholder EGM

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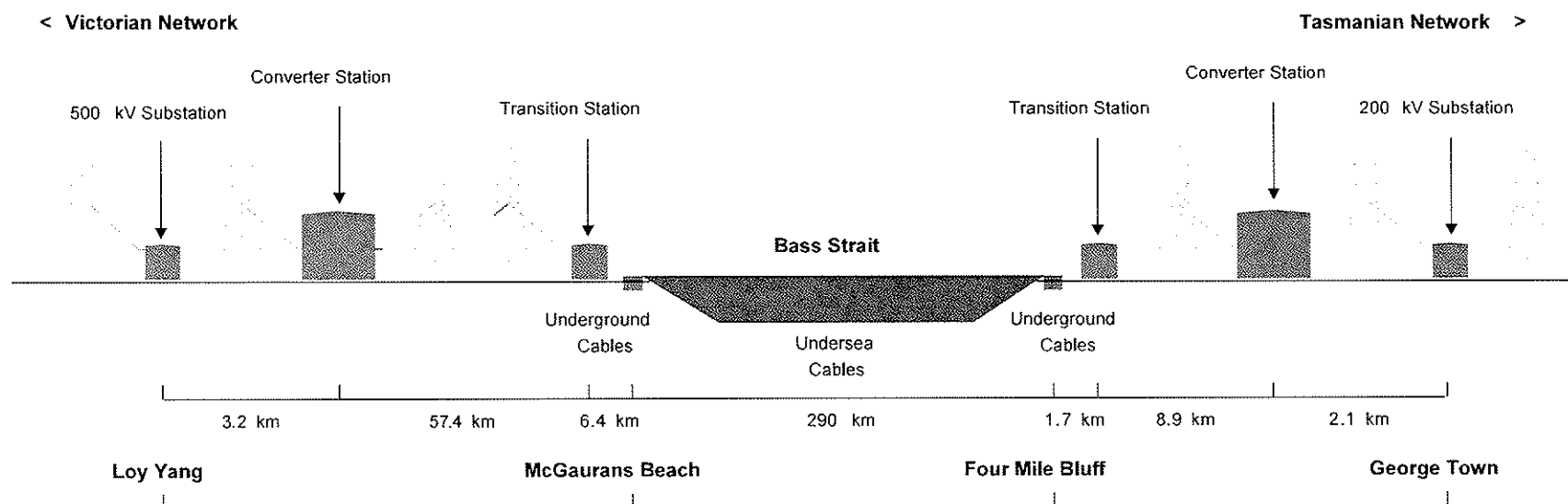
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Basslink Overview

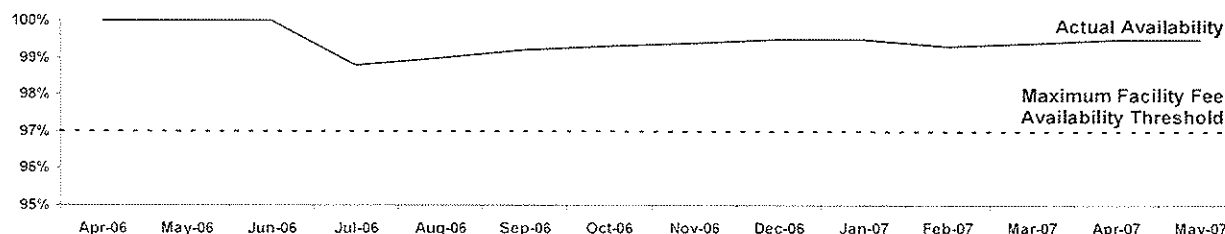
- **Unique:** Basslink is a 370km high voltage direct current (“HVDC”) electricity interconnector between the states of Victoria and Tasmania in Australia
 - Basslink is currently the world’s longest sub sea electricity transmission cable
- **New:** Basslink began commercial operations in April 2006
- **Strategic:** Basslink was constructed to allow Tasmania to participate in the National Electricity Market (“NEM”) and to provide power stability. Basslink helps to protect Tasmania’s hydro-generation from periods of drought, such as those recently experienced



Basslink Services Agreement Summary

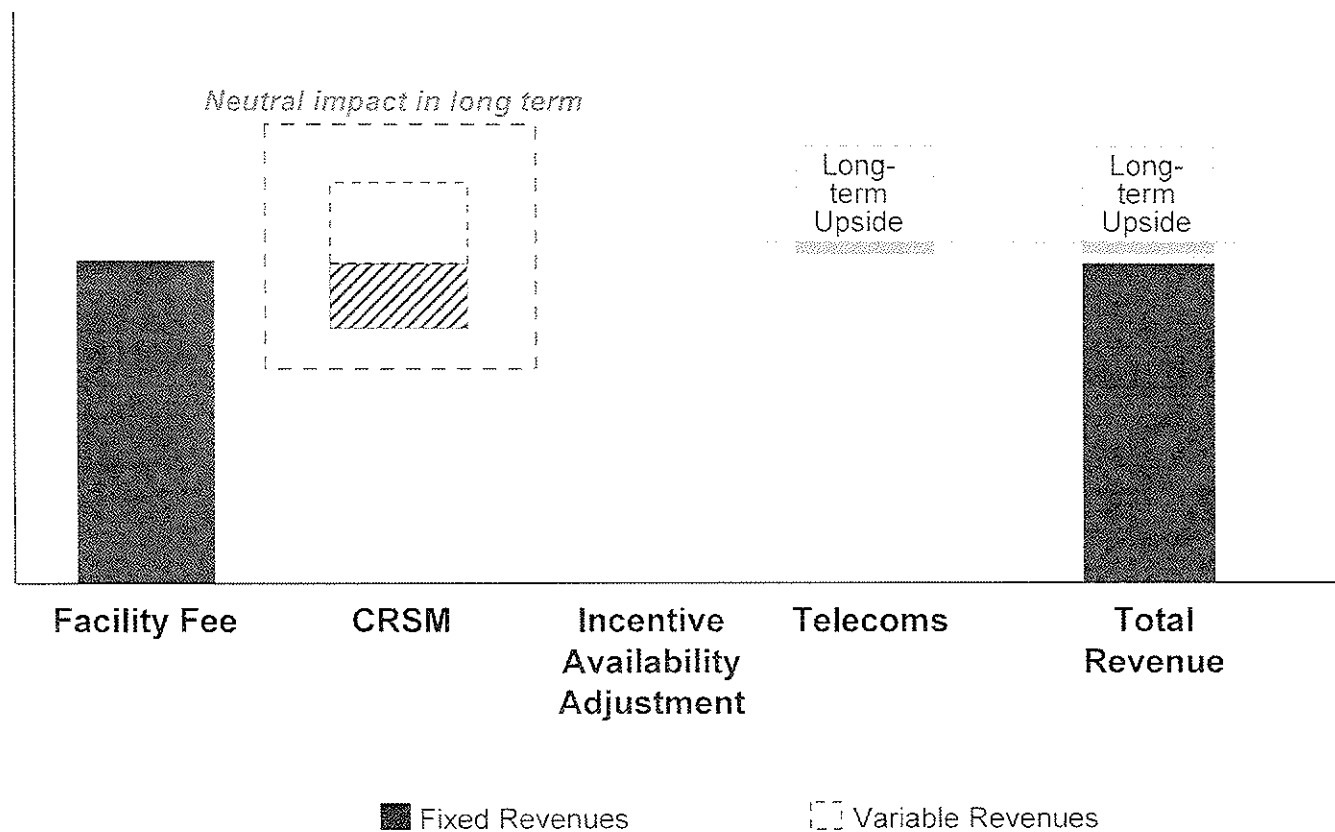
- The Basslink Services Agreement ("BSA") is a long-term contract with Hydro Tasmania, a Tasmanian Government (AA+/Aaa) owned utility, and is the primary revenue agreement in relation to Basslink
 - The BSA commenced upon successful commissioning of Basslink on 28 April 2006 and operates for a term of 25 years, with the prospect of future extension
- The various payments under the BSA include:

| | |
|---|---|
| Facility Fee | <ul style="list-style-type: none"> ▪ The Facility Fee, which represents the principal source of revenue under the BSA, is a monthly payment from Hydro Tasmania for making the interconnector available. The Base Facility Fee is escalated to reflect inflation ▪ The Facility Fee is <u>based entirely on availability</u>, with 100% payable if Basslink's availability is greater than 97%. If availability is less than 97%, the Facility Fee is effectively reduced based on a sliding scale <ul style="list-style-type: none"> – Basslink has achieved average availability of 99.5% since commissioning |
| Incentive Availability Adjustment | <ul style="list-style-type: none"> ▪ Additional payments are made by Hydro Tasmania to Basslink if the interconnector is fully available during periods when Victorian electricity prices are at their highest |
| Floating Interest Rate Delta ("FIRD") | <ul style="list-style-type: none"> ▪ The FIRD is effectively a 25-year interest rate hedge provided by Hydro Tasmania ▪ The notional principal under the FIRD is A\$624.5m, amortising to A\$318.8m over the initial term of the BSA |
| Commercial Risk Sharing Mechanism ("CRSM") | <ul style="list-style-type: none"> ▪ The CRSM shares the market risk associated with operating in the NEM between Hydro Tasmania and Basslink. Payments under the CRSM are based on differences between high and low Victorian electricity pool prices ▪ Maximum payments under the CRSM are limited to +25% of the Facility Fee (i.e. a payment to Basslink) to -20% of the Facility Fee (i.e. a payment from Basslink) <ul style="list-style-type: none"> – The stated intention of the CRSM is to have a neutral impact on both parties |



Basslink Revenue Summary

- The diagram below illustrates contribution of various revenue streams to Basslink's total revenue:



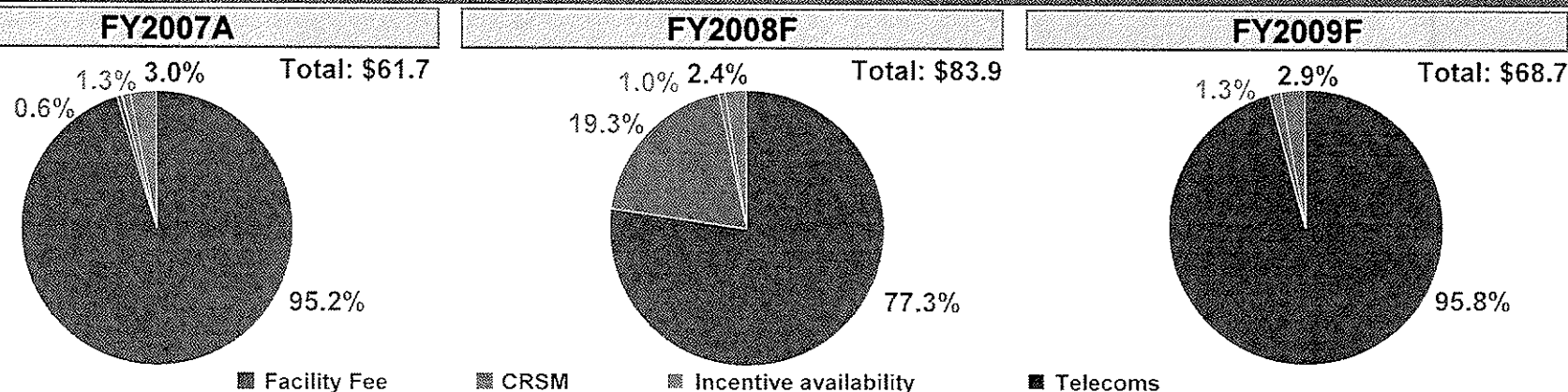
Financials for the Year Ending 31 March¹

| A\$m | | FY2007A | FY2008F | FY2009F |
|---|------------------------|-------------|-------------|-------------|
| Revenue | Facility Fee | 58.8 | 64.8 | 65.8 |
| | CRSM ² | 0.3 | 16.2 | 0.0 |
| | Incentive availability | 0.8 | 0.9 | 0.9 |
| | Telecoms | 1.8 | 2.0 | 2.0 |
| | | 61.7 | 83.9 | 68.7 |
| Expenses | Labour | (3.0) | (2.1) | (2.3) |
| | Network | (1.3) | (1.7) | (1.7) |
| | Administration | (1.6) | (1.7) | (1.7) |
| | Insurance | (1.4) | (2.0) | (2.0) |
| | Connection | (0.7) | (1.1) | (1.1) |
| | | (7.9) | (8.6) | (8.8) |
| Floating Interest Rate Delta³ | | 7.3 | 10.0 | 10.0 |
| Adj. EBITDA | | 61.0 | 85.4 | 69.9 |

TRENDS:

- **CRSM:** Determined in accordance with the BSA. Actual CRSM in FY07 was +0.6%. CRSM is forecast to be +25% in FY08, consistent with year-to-date performance which is largely a result of the impact of the drought on Victorian electricity pool prices
- **Labour:** Actual labour expense in FY07 exceeded recurring labour expense due to increased headcount associated with the commissioning of Basslink
- **FIRD:** Effective interest rate hedge. Reduces cost and volatility of debt financing while offering additional upside

Revenue Breakdown (A\$m)



- ¹ FY2007A represents actual financial performance for the period ended 31 March 2007 (Note: reflects only 11 months of commercial activity, since Basslink was commissioned in April 2006). FY2008F and FY2009F represents forecast financial performance for the years ended 31 March 2008 and 2009, respectively.
- ² FY2008F CRSM forecast based on guidance provided by industry consultant and actual year-to-date CRSM. FY2009F CRSM is forecasted to return to 0% based on the intention of the CRSM to have a neutral impact on both parties
- ³ FY2007A FIRD based on actual payments received. FY2008F and FY2009F FIRD payments based on principal amount of floating rate bonds, i.e. A\$486m not FIRD notional principal (A\$624.5m)

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- CitySpring's final offer for Basslink was made on the basis of a fully-underwritten and committed financing plan arranged with leading financial institutions
 - Long-term, non-recourse bond financing based on detailed terms sheet agreed and documented prior to final bid (30 July 2007)
 - Certain funds basis with pricing guaranteed through completion
 - Interest costs fixed through long-term hedging arrangement (i.e. FIRD) and fixed rate financing
 - Indicative investment grade ratings from both S&P and Moody's
- Despite difficult market conditions, all major financing terms were maintained through completion (31 August 2007)
 - Bonds are AAA/Aaa rated by S&P and Moody's based on financial guarantee provided by MBIA
- Remainder of funding has been financed through an equity bridge facility which has an all-in rate of less than 3.0%¹ based on the support of Temasek
 - Equity bridge will be repaid with funds raised from an equity issue
 - Temasek intends to subscribe for new units in the equity issue in order to maintain its proportionate 27.8% unitholding

| Sources of Funds | A\$m | S\$m | Uses of Funds | A\$m | S\$m |
|-----------------------|--------------|--------------|---------------------------------|--------------|--------------|
| Medium Term Bonds | 486 | 622 | Purchase Price | 1,175 | 1,504 |
| Capital Indexed Bonds | 380 | 486 | Funding of Debt Service Reserve | 20 | 25 |
| Bridge Facility | 289 | 370 | Transaction Costs & Expenses | 40 | 51 |
| Cash on Balance Sheet | 80 | 102 | Total Uses | 1,235 | 1,580 |
| Total Sources | 1,235 | 1,580 | | | |

1. Based on prevailing Singapore swap offer rate

Medium Term Bonds

| | |
|-----------------------------|---|
| Issue: | A\$486m floating-rate medium term bonds expiring August 2015 |
| Issuer: | Nexus Australia Management Pty Ltd. in its capacity as trustee of the Premier Finance Trust Australia |
| Lead Manager & Underwriter: | Société Générale |
| Financial Guarantor: | MBIA |
| Issue Rating: | AAA/Aaa (Stable) |
| Underlying Rating: | BBB-/Baa2 |

- 8 year floating rate bonds based on Australian bank bill rate
 - Floating rate swapped into fixed rate via interest rate hedge with Hydro Tasmania
 - Effective fixed rate of ~5% and wrap costs

Capital Indexed Bonds

| | |
|-----------------------------|--|
| Issue: | <ul style="list-style-type: none"> ▪ A\$190m fixed rate capital indexed bonds expiring August 2017 ▪ A\$190m fixed rate capital indexed bonds expiring August 2019 |
| Issuer: | Nexus Australia Management Pty Ltd. in its capacity as trustee of the Premier Finance Trust Australia |
| Lead Manager & Underwriter: | Goldman Sachs JBWere |
| Financial Guarantor: | MBIA |
| Issue Rating: | AAA/Aaa (Stable) |
| Underlying Rating: | BBB-/Baa2 |

- 10 and 12 year capital indexed bonds issued at an effective fixed rate of ~3.5% plus wrap costs
 - Provides a better match between Basslink's inflation-linked revenue and financing costs
- Inflation-linked bonds are commonly used to finance PPP, utility and infrastructure assets in Australia, the UK and elsewhere (e.g. Envestra, Sydney Airports and Thames Water)
 - Demand for these long-dated instruments comes from both traditional inflation-linked asset managers plus large bank investors who have significant appetite for long dated AAA/Aaa rated bonds

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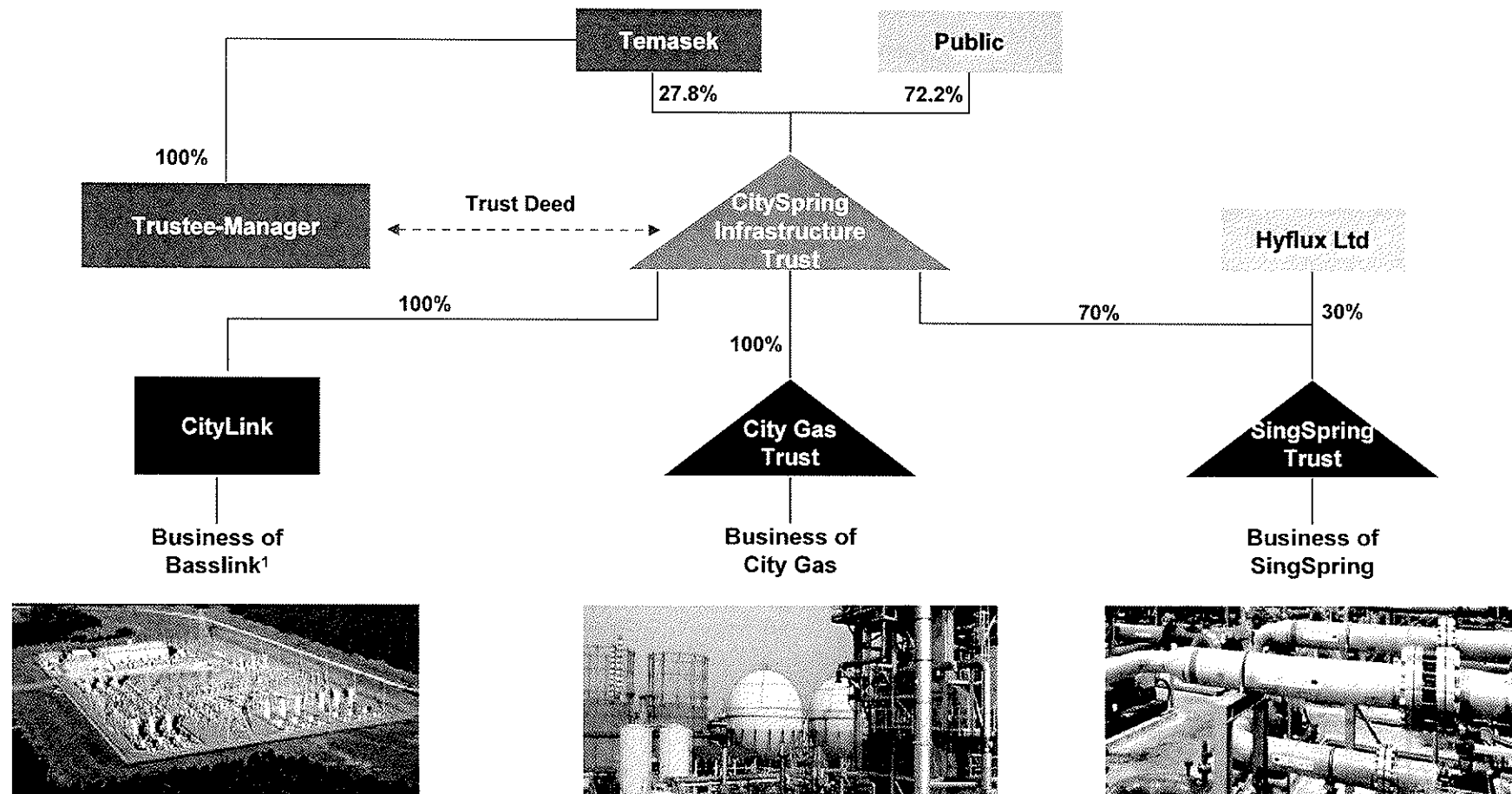
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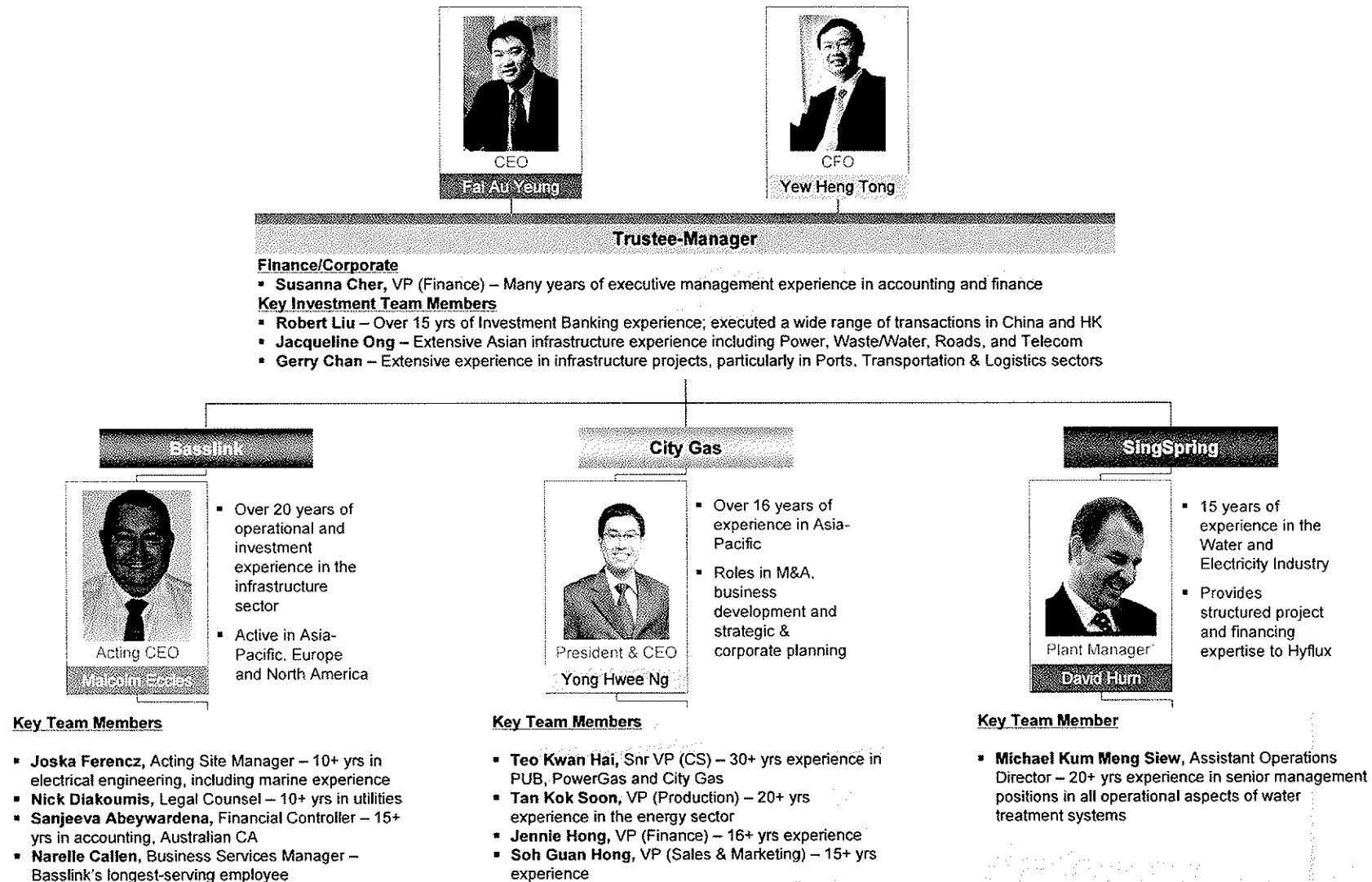
The New Corporate Structure



First infrastructure business trust in Singapore

1. Subject to Unitholder approval at the upcoming EGM

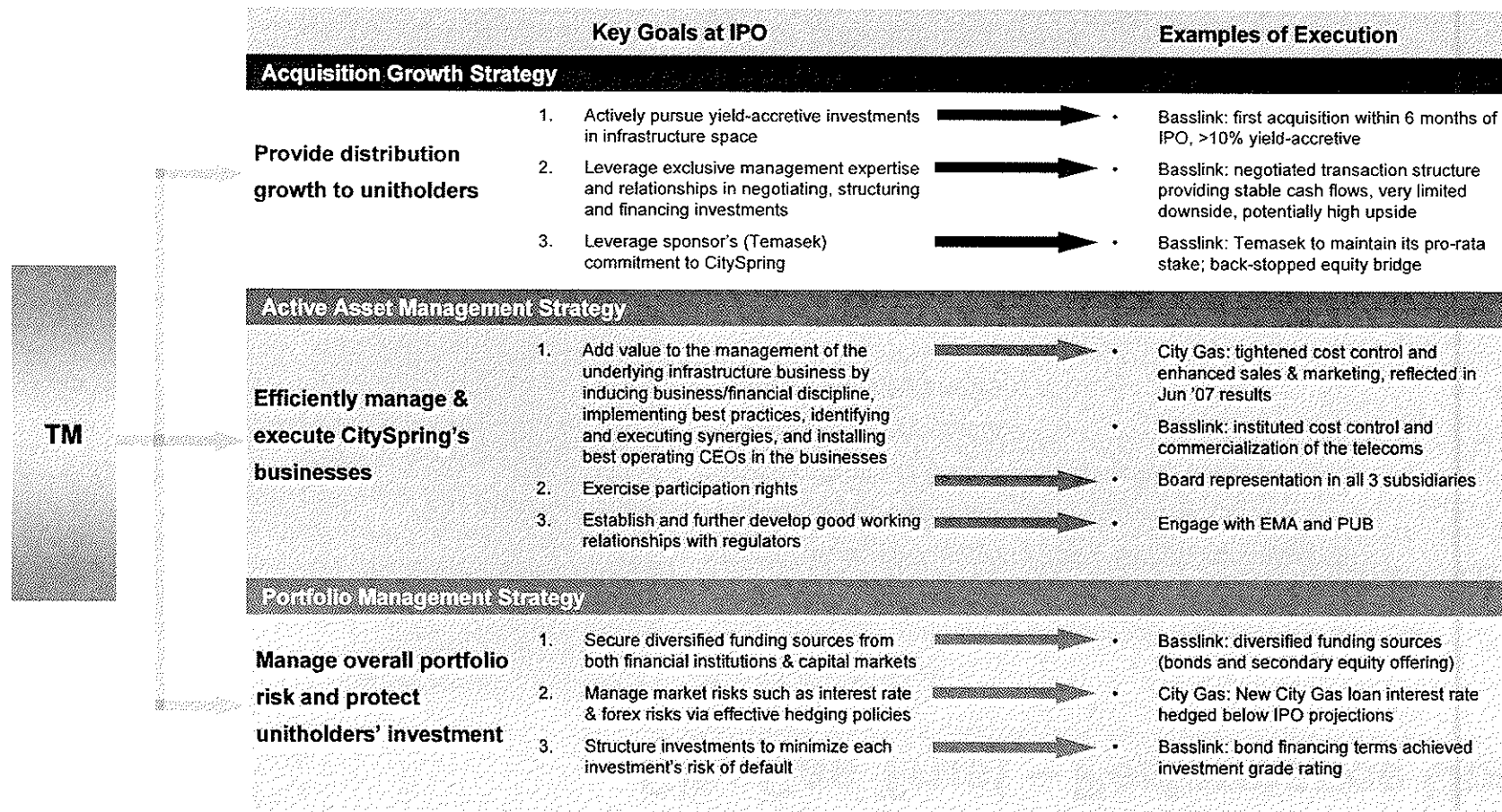
Management Structure – The Team



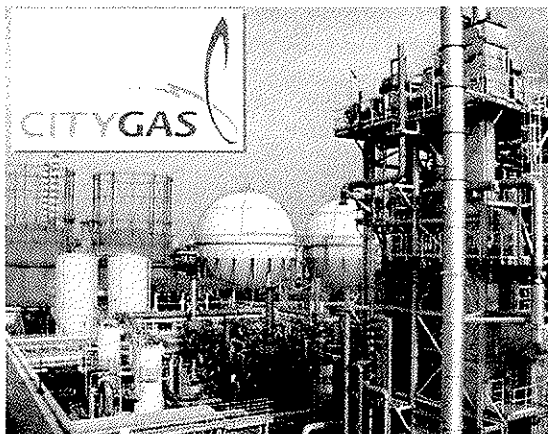
1 SingSpring's O&M is outsourced to Hyflux Engineering

Trustee–Manager’s Role

- The objectives of Trustee-Manager (TM) are to safeguard the interests of unitholders and to manage the business conducted by CitySpring
- These objectives are achieved via three strategies
 - Acquisition Growth Strategy, Active Asset Management Strategy and Portfolio Management Strategy



City Gas Trust – Performance Update



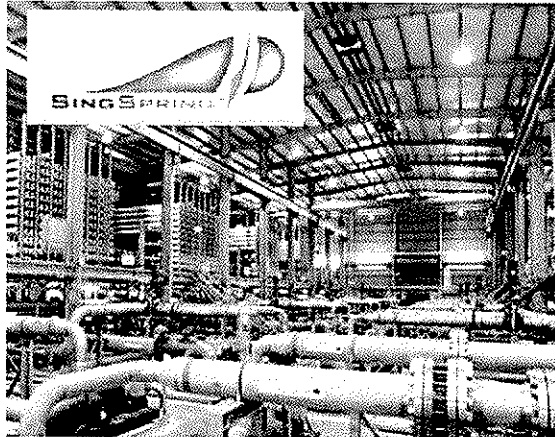
Key Characteristics

- Sole producer and retailer of town gas and currently sole user of the town gas network
- Critical essential service to many Singapore households
 - Entrenched market position
- Stable cashflows from a wide customer base
- Established track record
- Strong management team

Operational Update

- EBITDA for the quarter ended Jun 2007 is 27% above projections
 - Savings on all major types of operational expenses vs. projections
- Active strategy to increase the market's usage of gas
 - Cooking, gas-powered water heaters and clothes dryers
 - Secured new contracts to install gas-powered hot water systems in hotels
- Strong market potential in new housing developments
 - ~95% of them will have piped gas access

SingSpring Trust – Performance Update



Key Characteristics

- Long-term contract with PUB, Singapore's national water agency
- Long-term, predictable cashflows
- Strategic importance to Singapore
- Long-term contract with an experienced Operation & Maintenance ("O&M") operator
- Advanced membrane-based technology used in desalination process and expected to be able to supply desalinated water beyond the term of the WPA

Operational Update

- Cash flow from operations for the quarter ended Jun 2007 is 57% above projections
- 100% water production availability since commissioning in Dec 2005
- Quality of water produced to date met the requirements as stipulated in the WPA

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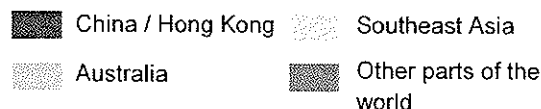
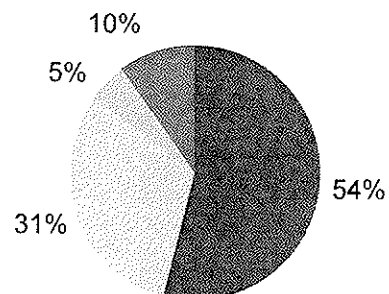
5 **Acquisition Pipeline**

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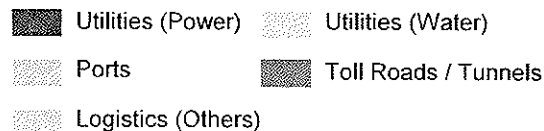
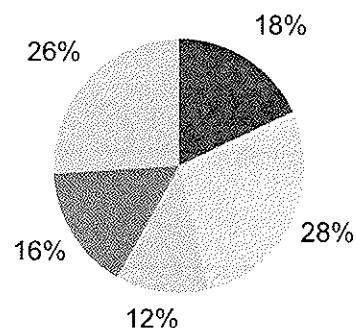
Acquisition Pipeline

- **Acquisition criteria:** Yield-accretive investments; long-term, regular and predictable cash flows; exercise of control or significant influence; potential for long-term capital growth
- **Sector focus:** Infrastructure assets broadly defined, including power generation, transmission and distribution, toll roads, bridges, ports, water treatment, communications etc.
- **Geographic focus:** Asia, Middle East and Australia

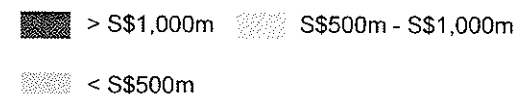
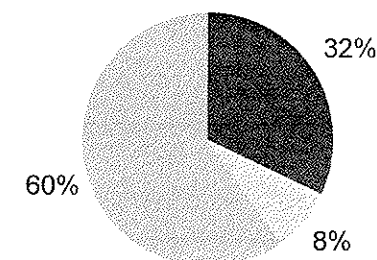
Opportunities Reviewed by Region



Opportunities Reviewed by Sector



Opportunities Reviewed by Size



CitySpring is actively reviewing investment opportunities of varying sizes, in several regions and across many sectors

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Promised

Well-positioned for growth

Long-term, regular and predictable cash flows from the Initial Businesses

Distribution growth to Unitholders

Strong Temasek sponsorship

Delivered

- CitySpring completed its first major acquisition
 - Announced Basslink acquisition within 6 months of IPO
 - Acquisition perfectly fits investment mandate and is significantly yield-accretive
 - Substantial increase in portfolio size
- Initial Businesses continue to perform above expectations
 - Cash earnings are 56% above projection for the quarter ended Jun 2007
- Basslink acquisition allows for a significant increase in distributions
 - Distribution growth of over 16%
- Temasek provided a backstop commitment to the equity bridge to support the Basslink acquisition
 - Intends to retain its 27.8% pro-rata share in the company

CitySpring has delivered on its promises at IPO...and there is more to come

Appendix

Key Management



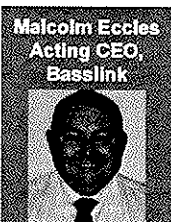
Fai Au Yeung
CEO, CitySpring

- Extensive experience in setting and executing acquisition strategies and actively managing portfolio companies in Asia, Australia, Europe and North America
- Over 17 years of investment banking experience leading many transactions in the infrastructure, power and utilities sectors
- Completed many landmark transactions, e.g. first power plant privatizations, first equity private placement of a Chinese infrastructure company etc.
- Extensive knowledge of M&A, debt and equity markets



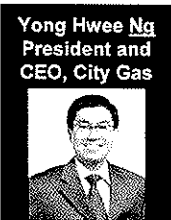
Yew Heng Tong
CFO, CitySpring

- Over 12 years of investment experience in the infrastructure sector, including energy and resources, telecom and utilities
- Successfully led several investments in the energy and resource sector across Asia
- Instrumental in establishing an energy fund in India
- A member of the Electricity Market Implementation Group which was responsible for the implementation of the new wholesale electricity market in Singapore



Malcolm Eccles
Acting CEO,
Basslink

- Over 20 years of operational and investment experience in the infrastructure sector
- Prior experience at British Nuclear Fuels ("BNF") for 16 years
- Responsible for the engineering design, construction completion and commissioning activities of various power and electrical plants and chemical processing plants in Europe, Japan and the United States
- Joined Siemens Power Services in 2002 in a business development capacity
- Currently responsible for determining overall business and operational strategies at Basslink



Yong Hwee Ng
President and
CEO, City Gas

- Over 16 years of experience in the Asia Pacific region covering business development, marketing, M&A, strategic and corporate planning and supply chain management
- Prior experience in Esso Singapore, BASF, General Electric and Canada Steamship Lines



David Hurn
SVP, Hyflux Ltd

- 15 years experience in the water and electricity industry. Prior to joining Hyflux, Mr Hurn worked for more than 10 years in the power industry, initially in the construction of power stations and, later, in the development and financing of independent power projects
- Responsible for overseeing Hyflux's O&M business in Singapore and internationally and for generating new O&M business for the Hyflux Group. He also provides structured project and financing support to Hyflux's Global Investments Group

Acquisition Multiples

Price paid compares favorably with precedent transactions in the Australian utility sector

- 2008 EV / EBITDA multiple of 12.8x normalising for the interest rate hedge and Basslink's cash balance

| Announced | Acquirer | Target | Value (A\$m) | EV Multiples | |
|---------------|------------|--------------------|--------------------|---------------------|---------------------|
| | | | | LTM EBITDA | RAB |
| 30-Mar-2007 | Sing Power | Alinta | 8,763.0 | 16.4 x ¹ | NA |
| 20-Dec-2006 | APA | DirectLink | 170.0 | 17.5 x | 1.44 x |
| 3-Oct-2006 | APA | AllGas | 521.0 | 18.0 x | 1.64 x |
| 19-Jun-2006 | APA | GasNet | 1,063.3 | 13.0 x | 1.68 x ² |
| 4-Apr-2006 | APA | SEA Gas Pipeline | 133.2 ³ | 14.5 x | 1.65 x ⁴ |
| 4-Apr-2006 | APA | Envestra | 170.4 | 12.9 x | 1.56 x |
| 30-Mar-2006 | APA | Murraylink | 153.0 | 17.4 x | 1.47 x |
| 13-Mar-2006 | Alinta | AGL Infrastructure | 6,500.0 | 14.3 x | 1.83 x ⁵ |
| Median | | | | 15.5 x | 1.64 x |

¹ 2008 Forward EV / EBITDA figure

² EV/RAB multiples is based on an adjusted enterprise value of A\$861.4m

³ APA acquired a 33.3% stake in SEA Gas for A\$133.2m, when grossed up and debt of \$425m is added, the implied EV is A\$625m

⁴ Construction value of A\$500m at completion date

⁵ EV adjusted for non-regulated assets – Cawse, Wattle Point, Gas Valpo, APT and 20% of Agility

Assumptions for Basslink Financials

| | |
|---|---|
| Base Facility Fee | <ul style="list-style-type: none"> Based on the Basslink Services Agreement (BSA) – assuming Basslink’s availability is greater than 97% |
| CRSM | <ul style="list-style-type: none"> Based on the BSA – an adjustment to the Base Facility Fee ranging from -20% to +25%. FY2008F CRSM forecast based on guidance provided by industry consultant and actual year to date CRSM. FY2009F CRSM is forecasted to return to 0% based on the intention of the CRSM to have a neutral impact on both parties |
| Incentive Availability Adjustment | <ul style="list-style-type: none"> Based on the BSA – additional fee for making cable fully available on the 20 business days with the highest Victorian electricity prices. Based on historical performance, we assumed 18 out of 20 days |
| Telecoms | <ul style="list-style-type: none"> Based on the Telecoms Agreement |
| Floating Interest Rate Delta | <ul style="list-style-type: none"> Based on prevailing Bank Bill Swap Reference Rate of 6.9% and a fixed interest rate of around 5% in the interest rate hedge, multiplied by the amount of floating rate bonds issued (A\$486m) |
| Expenses – Labour | <ul style="list-style-type: none"> Includes all labour cost. Numbers in 2008 and 2009 exclude the additional commissioning staff required in 2007. Escalated by CPI |
| Expenses – Network & Administration & Connection | <ul style="list-style-type: none"> Network – includes network and easement maintenance costs Administration – includes office rental, advertising/IT, consulting and others Connection – includes connection and regulatory charges. Escalated by CPI |
| Insurance | <ul style="list-style-type: none"> Based on current insurance costs and inputs from insurance broker |