

MEDIA RELEASE

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DESAL PROJECT NAMED DEAL OF THE YEAR

The successful financing of the Victorian Desalination Project in one of the toughest financial markets in history and the innovative structure of the Public Private Partnership has received global recognition.

The desalination project was named Desalination Deal of the Year at the prestigious Global Water Awards in Paris last week. The award recognises the deal signed during 2009 which represented the most significant step forward for the industry in terms of financial innovation or in meeting the demands of challenging circumstances.

French company Degrémont, one of three partners in the AquaSure consortium, was also recognised at the awards, winning the award for Desalination Plant of the Year for the Barcelona-Llobregat Desalination Plant in Spain.

Commissioned in 2009, the plant is the largest reverse osmosis plant in Europe and supplies about 20 per cent of Barcelona's drinking water.

Degrémont was also named Desalination Company of the Year for the second year running.

The Victorian Desalination Project has now received 10 major awards, including the award for Financial Excellence at the recent Infrastructure Partnerships Australia National Infrastructure Awards and Global Deal of the Year from international publication Infrastructure Journal.

The Department of Sustainability and Environment's General Manager of Capital Projects Peter Sammut said the awards recognised the strength of the Public Private Partnership model chosen by the Victorian Government and the innovation and hard work of the state project team and AquaSure in putting the deal together.

"There was plenty of speculation that this project would not be built in the depressed global economic environment, but 12 months on work is progressing at an extraordinary pace and we're on track to deliver water by December 2011."

The project, which includes a reverse osmosis desalination plant, an 84km pipeline and a co-located underground powerline, will deliver 150 billion litres of water to Melbourne, Geelong and, via other connections, South Gippsland and Western Port towns

Innovative financial backing from the Government and support from AquaSure and its investors saw the sell down of syndicated debt for the \$3.5 billion project completed in less than three months, out of a three year allowable period.

The syndication process drew unprecedented interest from funding institutions and was oversubscribed by more than \$900 million. Now that the syndication has been completed successfully, the syndication guarantee is no longer required to be provided.

The structure of the deal also included innovative financial systems including a two-part payment mechanism which gives the Victorian Government the flexibility to order between 0 and 150 billion litres of water a year, depending on need.

The Global Water Awards are hosted by Global Water Intelligence and the International Desalination Association and acknowledge the most important achievements of the past year as voted by senior industry executives.

The full list of awards won by the project to date include:

- Desalination Deal of the Year (Global Water Awards)

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- Global Deal of the Year (Infrastructure Journal)
- Global PPP Deal of the Year (Infrastructure Journal)
- Financial Excellence (Infrastructure Partnerships Australia)
- Best Project Finance Deal of the Year (Finance Asia)
- PPP Deal of the Year, Asia Pacific (Project Finance International)
- Loan Deal of the Year (Infrastructure Finance Review Asia)
- Best Project Finance Deal of the Year, Australia (AsiaMoney)
- Best Project Finance Deal of the Year, Asia Pacific (ProjectFinance)
- Infrastructure and Project Finance Deal of the Year, Asia (Financial Times – Banker Award)