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To: Company Announcements Office
ASX

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Green Light for Tamar Valley Power Station

Attached is a News Release regarding the above.

Yasmin Broughton
Company Secretary

Encl.

News Release



27 July 2007

Green Light for Tamar Valley Power Station

Alinta Limited announced today it had reached agreement with Aurora Energy for a long-term electricity supply contract, paving the way for construction of the 200 MW gas-fired Tamar Valley Power Station and back-up plant.

The agreement with Aurora means that all contractual arrangements related to the proposed power station have now been completed. Pending environmental approvals, Alinta plans to start construction of the power station in October of this year.

The Executive General Manager of Alinta Energy, Mr Jim Hennessy, said Alinta was delighted to have concluded negotiations with Aurora.

“This is the final commercial hurdle for the power station and means we are proceeding with the project, including finalisation of environmental approvals,” Mr Hennessy said.

“The Tamar Valley Power Station is a very significant project for Tasmania and will provide a long-term, clean and efficient source of electricity for the community.

“This is the first private sector generation in Tasmania and will create up to 300 jobs during construction and will employ about 22 permanent staff when operational.”

Alinta was able to conclude negotiations with Aurora after finalising alternative gas supplies for the power station, following the decision last month by Alinta’s original suppliers, Beach Petroleum Limited and Anzon Australia Limited, to defer the development of the Basker, Manta and Gummy gas fields.

The Tamar Valley Power Station project comprises two separate power plants: a 200 MW combined cycle gas-fired power station (also known as a base-load power station); and a 180 MW open cycle gas-fired power station. The 180 MW station would allow Alinta to provide back-up electricity when required.

Alinta announced on 29 June that it would proceed with the purchase of the Bell Bay Power Station site and three gas turbines with a total generating capacity of 105MW. These three turbines will now be enhanced and augmented with a new turbine to provide a total of 180 MW peaking capacity.

Mr Hennessy said Alinta was confident of securing environmental approvals to ensure the project proceeds.

“The base-load plant will be a high-efficiency, gas-fired combined cycle power station which utilises best practice technologies,” Mr Hennessy said.

“The use of modern technologies means the emissions levels for the proposed power plant are considerably lower than existing power plants.



“The closure of the Bell Bay thermal units in 2009 and replacement with combined cycle technology will also lead to a substantial improvement in the Tamar Valley air shed and a reduction in Australia’s greenhouse gas emissions.”

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