

21 November 2016

TO: ASX Limited
Singapore Exchange Securities Trading Limited

Dividend Reinvestment Plan Shareholder Communications

Attached are the following documents relating to AusNet Services' Dividend Reinvestment Plan, which are being sent to shareholders with shares deposited with the Central Depository (Pte) Ltd and listed on the SGX-ST, with addresses in Australia, New Zealand, Singapore and Hong Kong, as applicable:

1. Letter to Shareholders; and
2. Entitlement Advice.

Claire Hamilton
Company Secretary

About AusNet Services

AusNet Services is the largest diversified energy network business in Victoria, owning and operating \$12bn of electricity and gas distribution assets, including the state-wide electricity transmission network. The company also has a non-regulated division, Select Solutions, providing specialist utility services.

Headquartered in Melbourne, Australia, AusNet Services employs around 2,400 people to service over 1.3m consumers and is listed on the Australian Securities Exchange (ASX: AST) and the Singapore Stock Exchange (SGX-ST: AZI.SI).

For more information visit AusNet Services' website, www.ausnetservices.com.au.

Dear Shareholder

Level 31, 2 Southbank Boulevard
Southbank Victoria 3006
Australia
Tel: +61 3 9695 6000
www.ausnetservices.com.au

I am writing to you about AusNet Services' Dividend Reinvestment Plan (DRP).

The DRP provides eligible shareholders with a convenient method of reinvesting all or part of their dividends in additional AusNet Services Ltd ("AusNet Services") shares.

The DRP is in operation for the 2016/17 interim dividend. Under the DRP, new AusNet Services shares will be allotted in accordance with DRP Rules at the average trading price per share*, less any applicable discount AusNet Services may announce.

Participation in the DRP is optional and shareholders may already have elected last year to participate in respect of all or part of their shareholding, by completing an Election Notice.

This letter encloses an Election Notice for shareholders who:

- did not participate in the DRP for the 2015/16 final dividend but now wish to do so; or
- applied for a partial participation for the 2015/16 final dividend and wish to apply for another partial or full allocation; or
- are Depository Agents.

You need to take action in the following circumstances:

1. If you did not participate in the DRP for the 2015/16 final dividend and you now wish to do so, you must instruct us as to the proportion (including 100 per cent) of your intended participation by completing and returning the Election Notice to The Central Depository (Pte) Limited (CDP).
2. If you previously elected to partially participate in the DRP, you must instruct us as to whether you wish to participate again, whether fully or partially, and the proportion of your intended participation, by completing and returning the Election Notice to CDP. If you do not wish to participate in the DRP this time, you do not need to take action.
3. If you are a Depository Agent, you must complete the Election Notice, and advise us whether you wish to participate fully or partially in the DRP.

Please see the table on the reverse of this page, which sets out these instructions.

If you are in one of the above categories and there is a need to return an Election Notice, you will need to ensure that it is received by CDP by 2.00 pm (Singapore time) on Monday, 28 November 2016.

For more information, the DRP Booklet is available on AusNet Services' website at www.ausnetservices.com.au > Investors > Share & Securities Information > Dividend Reinvestment Plan and from the ASX (Code:AST) and SGX-ST.

The DRP Booklet contains the DRP Rules and a summary of the DRP and I encourage you to please read through it carefully.

Further information

Further information concerning the DRP can be obtained from:

The Central Depository (Pte) Limited
9 North Buona Vista Drive,
#01-19/20 The Metropolis,
Singapore 138588

You can also contact investor.enquiries@ausnetservices.com.au for assistance.

Thank you for your continued support of AusNet Services.

Yours sincerely,



Nino Ficca

MANAGING DIRECTOR
AusNet Services
www.ausnetservices.com.au

(*) The average of the volume weighted average price of AusNet Services Ltd shares sold in ordinary market transactions on the ASX during the 10 trading days commencing 29 November 2016.

Actions to be taken by AusNet Services' CDP Shareholders wishing to participate in the DRP:

		Upcoming DRP Participation		
		NIL	PARTIAL	FULL
Last DRP Participation	NIL	No Action Required	Submit Election Notice	Submit Election Notice
	PARTIAL	No Action Required ⁽¹⁾	Submit Election Notice	Submit Election Notice
	Depository Agent ⁽²⁾	No Action Required	Submit Election Notice	Submit Election Notice

(1) As per DRP Rules in DRP Booklet.

(2) A Depository Agent must submit an Election Notice for full or partial participation in the DRP. No action is required for nil participation.

Not Investment Advice

This letter is not financial product or investment advice. It is not a recommendation to participate in the DRP or advice about the suitability or appropriateness of participating in the DRP. Before deciding whether to participate in the DRP you should read the DRP Booklet in full and consider whether participation is appropriate taking into consideration your individual investment objectives, financial circumstances (including financial and tax issues) and needs. You should also seek independent advice from your financial or other professional adviser where appropriate.

Important Information for Hong Kong Shareholders

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the DRP. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

DIVIDEND REINVESTMENT PLAN (“DRP”) – ENTITLEMENT ADVICE

Interim dividend payment for the financial year ending 31 March 2017.

A. KNOW YOUR HOLDINGS & DIVIDEND

AusNet Services Ltd has announced the operation of the DRP for the interim dividend for the financial year ending 31 March 2017. If you participate in the DRP in respect of this dividend for all or some of your shares which are deposited with CDP as at 25 November 2016 (“Record Date”), shares will be allotted to you at the average trading price per share* (less any applicable discount AusNet Services Ltd may announce) in lieu of the relevant cash amount of this dividend (after the deduction of applicable tax) in accordance with the DRP Rules. Please ensure you have sufficient shares as at Record Date.

*We note from our records, you have chosen to receive your dividend in the form of shares permanently. If you wish to change your standing instruction, please complete section C below and submit to CDP by **2.00 p.m. on 28 November 2016 (“Election Date”)**.

B. KNOW YOUR ENTITLEMENT

To receive payment in SHARES No action required*

C. NOTICE OF CANCELLATION AND AMENDMENT OF INSTRUCTION

I wish to revoke my standing instruction to receive my dividend in the form of shares permanently and acknowledge that I will receive cash for this dividend and all future dividends to which the Scheme applies, unless otherwise instructed.

For this dividend only, I wish to receive PARTIAL dividend value in CASH and SHARES as set out below.

Fill up the boxes below.

(1) Indicate the number of existing shares to receive dividend in CASH.	<table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td> </tr> </table>																				
(2) Indicate the number of existing shares to receive dividend in NEW SHARES.	<table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td> </tr> </table>																				

Signature of Shareholder(s)/Corporation⁽ⁱ⁾

Date

**Submit this form to AusNet Services Ltd
c/o The Central Depository (Pte) Limited only by:**



Robinson Road Post Office,
P.O.Box 1597, Singapore
903147

OR



9 North Buona Vista Drive,
#01-19/20 The Metropolis,
Singapore 138588

If you have any enquiries, please refer to www.sgx.com/cdp for the list of FAQs or call CDP Customer Service at 6535 7511.

(*) *The average of the volume weighted average price of AusNet Services Ltd shares sold in ordinary market transactions on the ASX during the 10 trading days commencing 29 November 2016.*

(i) For corporations, please sign per your signing mandate and where appropriate, the Common Seal in accordance with your Memorandum and Articles of Association or relevant constitutive documents.

EXPLANATORY NOTES

1. Notice of Cancellation. If you wish to cancel your permanent election to participate in the DRP and elect to receive this Dividend in full cash or partial in cash and shares, please sign and submit the signed original of this Entitlement Advice to CDP by 2.00 p.m. on the Election Date. CDP's standard format for the Notice of Cancellation is also available from CDP, upon request. AusNet Services Ltd (the "Issuer" or "Company") and/or CDP will be authorised and entitled to reject any Notice of Cancellation which does not comply with the Terms and Conditions of the DRP or which is otherwise incomplete, incorrect, unsigned or invalid in any respect, or if your true intentions are not ascertainable from the instructions specified in the Notice of Cancellation submitted.
2. Joint Depositors
 - (a) If it is a Joint alternate-signatory account, ANY of the securities account holders may sign the Notice of Cancellation, and the signing of the Notice of Cancellation by any one of such joint alternate securities account holders shall be binding on all joint securities account holders.
 - (b) If it is a Joint signatories account, ALL the securities account holders are to sign the Notice of Cancellation.
3. Power of Attorney/Letter of Authorisation. For an individual holder, this Notice of Cancellation may be signed by an attorney or other authorised person for and on his behalf. If signed by an attorney, the original or a certified copy of the Power of Attorney must accompany this Notice of Cancellation. If signed by an authorised person, the original letter of authorisation in the format as prescribed by CDP, together with all other relevant documentation as may be required by the Issuer, must accompany the Notice of Cancellation. The format for the letter of authorisation is available from the Company or CDP, upon request.
4. Deceased Depositors
 - (a) If the sole depositor is deceased and if:
 - (i) the Grant of Probate or Letters of Administration have been registered and lodged with CDP, this Notice of Cancellation must be signed by all the personal representative(s) of the deceased and lodged with Issuer, c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or
 - (ii) the Grant of Probate or Letters of Administration have not been registered and lodged with CDP, all the personal representative(s) of the deceased must go to CDP personally together to register and lodge the original Grant of Probate or Letters of Administration with CDP first, before submitting this Notice of Cancellation.
 - (b) If one of the joint depositors is deceased and if:
 - (i) it is a Joint alternate-signatory account, this Notice of Cancellation must be signed by ANY surviving joint depositor(s).
 - (ii) it is a Joint signatories account, this Notice of Cancellation must be signed by ALL surviving joint depositor(s) and lodged with the Issuer, c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; accompanied by the Death Certificate and all other relevant documentations, in respect of the deceased holder.
5. The new shares to be issued to you pursuant to the DRP, in respect of your shares deposited with CDP will be credited to your Securities Account maintained with CDP. You may receive new shares in odd lots.
6. The Company and CDP take no responsibility for the taxation liabilities or the tax consequences of any election made by you. As individual circumstances and laws vary considerably, you should seek your own specific taxation advice if you are in any doubt.
7. New shares will be allotted in accordance with the DRP Rules which are available on the website (www.ausnetservices.com.au > Investors > Securities Information > Dividend Reinvestment Plan), at the average trading price per share* (less any applicable discount the Company may announce) in lieu of the relevant cash amount of this dividend (after the deduction of applicable tax). Announcements made by the Company are available on the ASX (Code: AST) and SGX-ST.
New shares allotted will be rounded down to the nearest unit and any residual will be paid to the Depositor in cash. No interest will accrue in respect of any residual balances.
8. The Terms and Conditions of the DRP are set out in the DRP Rules and shall apply to this Notice of Election and your participation in the DRP. The DRP Rules are available on the website (www.ausnetservices.com.au > Investors > Share & Securities Information > Dividend Reinvestment Plan) and from the ASX (Code: AST) and SGX-ST. By electing to participate in the DRP you agree to be bound by the DRP Rules and represent and warrant that you are eligible under the DRP Rules and all applicable securities laws to participate in the DRP. A copy of the Terms and Conditions for CDP Electronic, Phone and E-mail Services is available at sgx.com/cdp.
9. Delivery of the duly completed and signed Notice of Cancellation through CDP shall be conclusive evidence in favour of the Company and CDP of the right, title, power and authority of the person(s) signing it to deal in the same.
10. **Important Information:** The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the DRP. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.
This is not financial product or investment advice. It is not a recommendation to participate in the DRP or advice about the suitability or appropriateness of participating in the DRP. Before deciding whether to participate in the DRP you should read the DRP Booklet in full and consider whether participation is appropriate taking into consideration your individual investment objectives, financial circumstances (including financial and tax issues) and needs. You should also seek independent advice from your financial or other professional adviser where appropriate.

(*) The average of the volume weighted average price of AusNet Services Ltd shares sold in ordinary market transactions on the ASX during the 10 trading days commencing 29 November 2016.