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Strategic Gas Acquisition for TRUenergy

TRUenergy, a wholly owned subsidiary of CLP Holdings, has today agreed to acquire an effective interest in over 500 PJ of coal seam gas reserves in the Gunnedah basin for A\$284 million from Santos, one of the largest producers of natural gas to the Australian domestic market.

Earlier today Santos announced that it has reached binding agreements to give effect to:

- the acquisition of 100% of the outstanding ordinary shares in Australian coal seam gas company Eastern Star Gas (ESG), via a recommended, all scrip Scheme of Arrangement; and
- the subsequent sale by Santos to TRUenergy of a 20% working level interest in key ESG production and exploration (PEL) permits and other assets, for A\$284 million in cash.

ESG has the largest natural gas reserves position in NSW, with current gross reserves across its permits of 988PJ (2P) and 1,818PJ (3P), and a large inventory of contingent and prospective resources.

Subject to the successful completion of the Santos' acquisition of ESG, TRUenergy will own 20% of ESG's permits, while Santos will own 80% and will be the operator.

TRUenergy's Managing Director, Mr Richard McIndoe, said, "We are pleased to become joint venture partners in the Gunnedah basin with Santos. Santos is one of the leading operators and producers of coal seam gas in Australia. With such a qualified partner developing and operating the field, TRUenergy can focus on its core strengths of power generation and retailing with confidence that our equity gas will be available when we need it in the future."

"This acquisition provides TRUenergy with upstream gas reserves to support its generation and gas retail operations into the future and is in line with CLP Group's objective of building a diversified and integrated energy business in Australia," said Mr Andrew Brandler, CLP's Chief Executive Officer.

About CLP Group

CLP Holdings Limited, a company listed on the Hong Kong Stock Exchange, is the holding company for the CLP Group, which is one of the largest investor-owned power businesses in Asia Pacific. Through CLP Power Hong Kong, it operates a vertically integrated electricity supply business in Hong Kong, and provides a highly reliable supply of electricity and excellent customer services to 5.7 million people in Kowloon and the New Territories.

Outside Hong Kong, CLP Holdings also invests in energy businesses in Mainland China, Australia, India and Southeast Asia. It is a leading international private sector power company in the Asia Pacific region with a diversified portfolio of power generation from gas, coal, renewables and nuclear.

CLP is listed in the Global Dow – a 150-stock index of the world's leading blue-chips, the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific), the Dow Jones Sustainability Asia Pacific 40 Index (DJSI Asia Pacific 40) and Hang Seng Corporate Sustainability Index Series.

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Media Contact

Ms Winifred Wong
Group Public Affairs Manager – Asia Pacific
CLP Holdings Limited
Tel: (852) 2678 8014
Pager: (852) 7116 3131 A/C 7736
Email: winifred@clp.com.hk

Analysts Contact

Ms Gloria Kwan
Head of Investor Relations
CLP Holdings Limited
Tel: (852) 2678 8322
Email: ir@clp.com.hk