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Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Independent Review Report - Regulatory Financial Statements

Scope

We have reviewed the attached Regulatory Financial Statements and Other Information Disclosure Requirements of TransGrid for the regulatory accounting periods ended 30 June 2008. The Regulatory Financial Statements and Other Information Disclosure Requirements are listed in appendix A of the Australian Electricity Regulator (AER) *Transmission network service provider information guidelines*. The Management of TransGrid is responsible for the Regulatory Financial Statements and Other Information Disclosure Requirements. We have conducted an independent review of the Regulatory Financial Statements and Other Information Disclosure Requirements in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that they are not presented fairly as required by the AER.

The Regulatory Financial Statements and Other Information Disclosure Requirements have been prepared for distribution to the AER for the purposes of TransGrid's compliance with the AER's Information Guidelines. We disclaim any assumption of responsibility for any reliance on this review report or on the Regulatory Financial Statements and Other Information Disclosure Requirements to which it relates, to any party other than TransGrid or the AER or for any purpose other than that for which it was prepared.

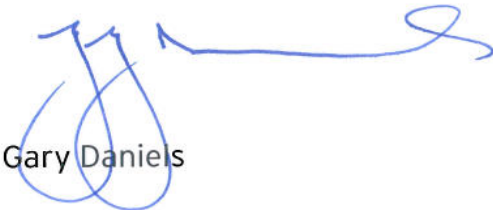
Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analysis of the financial data. These procedures do not provide all the evidence necessary in an audit, and thus the level of assurance is less than given by an audit. We have not performed an audit and, accordingly, do not express an audit opinion.

Statement

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Regulatory Financial Statements and Other Information Disclosure Requirements of TransGrid for the period ended 30 June 2008 do not present fairly the information required by the AER in accordance with the AER's *Transmission network service provider information guidelines*.

A handwritten signature in blue ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink, appearing to read 'Gary Daniels'.

Gary Daniels

Partner
Sydney

Date: 24 October 2008