



MEDIA RELEASE

10 November 2008

Bass Strait agreement delivers broadband competition to Tasmania

Aurora Energy and Basslink have today signed a contract under which they will each deliver nationally competitive broadband services to Tasmania.

The agreement was signed in Hobart today by the Chief Executives of Basslink and Aurora, Mr Malcolm Eccles and Dr Peter Davis, in the company of Tasmanian Premier David Bartlett and Treasurer Michael Aird.

The agreement will bring competition to Tasmanian broadband telecommunications. For the first time, Tasmanians will be able to choose a provider to carry high bandwidth telecommunications across a fibre optic link between Tasmania and the mainland.

The joint agreement will mean Basslink and Aurora will both compete with Telstra and with each other in providing wholesale capacity between Melbourne and Tasmania's main population centres.

Basslink CEO Malcolm Eccles said, "Basslink and its shareholder, CitySpring Infrastructure Trust, are very pleased to be part of this joint project to deliver a vital new facility to serve the Tasmanian community and economy. CitySpring is a long term investor in Tasmania and nationally."

"We are making a major investment to enable the Basslink interconnector to carry high bandwidth telecommunications traffic.

"Today's announcement further highlights the significance of the Basslink interconnector as one of Tasmania's key infrastructure assets," he said.

"We look forward to working with Aurora and the Tasmanian Government in the coming months and beyond as broadband competition becomes a reality."

Aurora CEO, Dr Peter Davis said with the support of the State Government, Aurora was investing in the Tasmanian end of the solution via the fibre backbone alongside the gas pipeline, and Aurora's own extensive fibre assets.

The agreement clears the way for commercialisation of Tasmania's on-island fibre network and the Basslink optical fibre which links Tasmania to the mainland, connecting on the Victorian side to critical national and international infrastructure.

It provides a connection across Bass Strait to Tasmania's on-island TasGovNet fibre and Aurora's own fibre network.

The signing of the agreement follows complex negotiations involving the State Government, Aurora and Basslink since the Government announced last December that Aurora had been selected as its strategic partner to commercialise the on-island network.

The on-island backbone was installed along with the gas pipeline from George Town to Launceston, south to Hobart and across the North-West to Port Latta, when Tasmania was connected to the national gas network by Duke Energy in 2001 and 2002.

Today's announcement is a milestone for Tasmania. It will open up unprecedented access to competitive broadband services for businesses, educators and private citizens, strengthening Tasmania's links to the knowledge economy.

Once the new network is operational, it will bring infrastructure based competition in backhaul and Tasmanian businesses and households will have much greater access to high capacity broadband services.

Basslink and Aurora are confident that competition introduced on the route will generate competitive backhaul prices, and see the cost of broadband services continuing to decline as the market becomes more competitive.

The new network will also give a substantial boost to Tasmanian-based providers of value-added services such as content development and applications development.

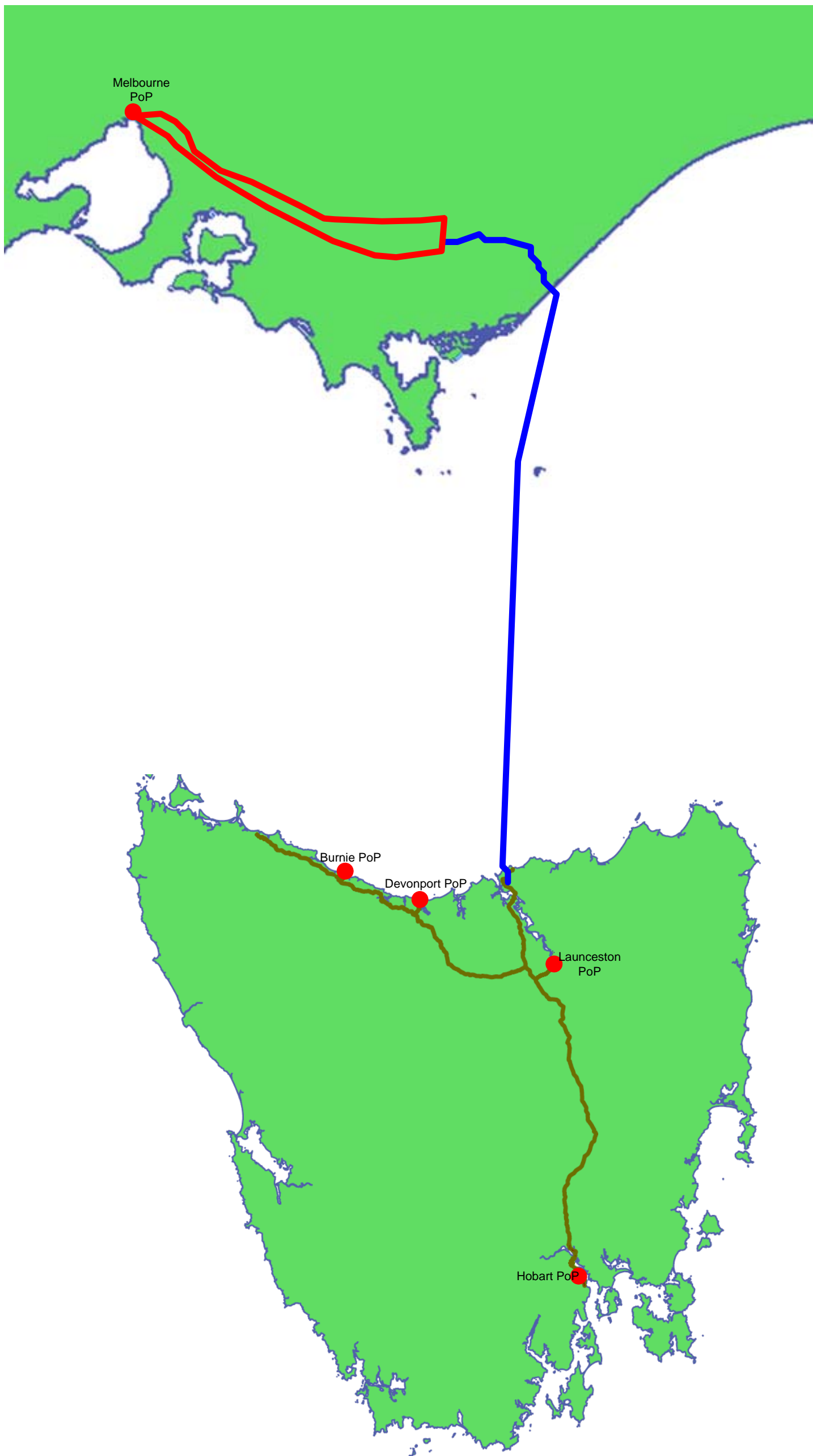
Basslink and Aurora have a detailed implementation program over the next few months. The optical fibre links are expected to be "provisioned" and operational early next year, and commercial services are expected to commence in the first half of next year.

[Attached: Map of TasGovNet, Basslink and third party Victorian optic fibre cable routes]





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TasGovNet and Basslink



Legend

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|  | TasGovNet Fibre Optic Cable Route |  | Basslink Fibre Optic Cable Route |
|  | TasGovNet Points of Presence |  | Third Party Victorian Optic Cable Route |