



MEDIA RELEASE

Wednesday, 1 July 2009

AGREEMENT REACHED WITH TASMANIAN GOVERNMENT ON SALE OF RAIL BUSINESS

Asciano today announced it had formally entered into a binding Heads of Agreement with the Tasmanian Government to progress the sale of its Pacific National Tasmania (PNT) rail business.

The Tasmanian Government will pay Asciano \$32 million for the business, as well as commit to spending additional capital on the network and rolling stock, to reinstate services reduced as a result of recent track related derailments and ensure safe operations until completion of the sale.

Asciano and the Tasmanian Government will now negotiate a Business Sale Agreement by 31 July 2009, which will result in the full transfer of the business to the Tasmanian Government by 30 November, 2009.

PNT will continue to deliver rail services on the Tasmanian rail network, including all West Coast services, until the transfer of the business is completed.

Asciano Managing Director, Mark Rowsthorn said, "We are pleased the Tasmanian Government decided to buy the whole business as this will ensure continuity of employment for PNT employees and continuity of service for PNT customers."

"Asciano has reached several milestones in the last month: resolving its balance sheet issues through a capital raising; securing new contracts in Queensland for the growth of the coal business, and an agreement to sell the Tasmanian business. We are now well placed to focus our energies and attention on the future of the core businesses that remain with the Group", Mr Rowsthorn said.

Further information about Asciano can be found on our internet site: www.asciano.com

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