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THE GAS SUPPLY COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD 1 JULY 2010 TO 31 DECEMBER 2010

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THE GAS SUPPLY COMPANY LIMITED

Directors **MRS D C MORGAN, F C A**

 N E SHAW, B Sc (Hons) C Eng, MIGEM

 C E LINSDELL F C C A M B A

Secretary **IEG SECRETARIES LIMITED**

Auditor **Deloitte LLP**
 Cambridge, United Kingdom

Registered Office **The Energy Centre**
 Admiral Park
 St Peter Port
 Guernsey
 GY1 3TB

THE GAS SUPPLY COMPANY LIMITED

NOTICE OF MEETING

NOTICE is hereby given that the Annual General Meeting of the Company will be held at The Energy Centre, Admiral Park, St Peter Port, Guernsey on 8 June 2011, at 10 30 a m for the following purpose -

- 1 Election of Chairman
- 2 Read Notice convening the Meeting
- 3 Approve the minutes of the Annual General Meeting held on 8 December 2010
- 4 Receive the Directors' Report and financial statements for the period 1 July 2010 to 31 December 2010
- 5 Declare a Dividend
- 6 To receive the Auditor's Report
- 7 Re-appoint Auditor and to fix the remuneration
- 8 Transact any other ordinary business of the Company

By Order of the Board

IEG SECRETARIES LIMITED

Secretary

The Energy Centre
Admiral Park
St Peter Port
Guernsey

24 May 2011

THE GAS SUPPLY COMPANY LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report and the audited accounts for the period 1 July 2010 to 31 December 2010. The comparative period is the year ended 30 June 2010.

Principal Activity

The principal activity of the Company is to act as a property holding company.

Following the merger of Brookfield Infrastructure Partners L.P. and Prime Infrastructure Holdings Limited, the Company's reporting date changed from 30 June to 31 December therefore necessitating the financial statements to be prepared for the six month period ended 31 December 2010.

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in Note 1(i) of these financial statements.

Results and Dividend

The results of the period / year are shown in the profit and loss account on page 6.

The loss for the period / year after taxation amounted to £40,774 (1 July 2009 to 30 June 2010: £130,347).

It is recommended that this be allocated as follows -

	1 July 2010 to 31 December 2010	1 July 2009 to 30 June 2010
	£	£
Transfer from reserves	(40,774)	(130,347)

The Directors do not recommend the payment of a dividend (1 July 2009 to 30 June 2010: £nil).

Disclosure of information to auditors

Each of the persons who is a Director at the date of approval of this report confirms that

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 249(3) of The Companies (Guernsey) Law, 2008.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Companies (Guernsey) Law, 2008 requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE GAS SUPPLY COMPANY LIMITED

REPORT OF THE DIRECTORS (continued)

Auditor

Deloitte LLP has expressed its willingness to continue in office as auditor and a resolution to reappoint it will be proposed at the forthcoming Annual General Meeting

By Order of the Board

A handwritten signature in black ink, appearing to be 'C. E. Lush', followed by a long diagonal stroke.

Director

24 May 2011

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE GAS SUPPLY COMPANY LIMITED

We have audited the financial statements of The Gas Supply Company Limited for the period 1 July 2010 to 31 December 2010 which comprise the profit and loss account the statement of total recognised gains and losses, the note of historical cost profits and losses, the balance sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Basis of Audit Opinion

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements.

Opinion

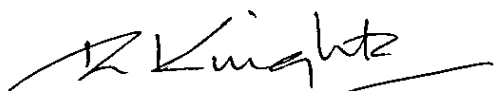
In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its loss for the period 1 July 2010 to 31 December 2010,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law 2008.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where The Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit.



Richard Knights (Senior Statutory Auditor)
Deloitte LLP
Chartered Accountants
Cambridge United Kingdom

24.5.2011

THE GAS SUPPLY COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD 1 JULY 2010 TO 31 DECEMBER 2010

	Notes	1 July 2010 to 31 December 2010 £	1 July 2009 to 30 June 2010 £
TURNOVER	1(iv)	221,005	396,794
Cost of sales		(39,240)	(42,703)
GROSS PROFIT		181,765	354,091
Administrative expenses		(113,931)	(227,666)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		67,834	126,425
Interest receivable and similar income	3	12	14
Interest payable and similar charges	4	(117,962)	(221,271)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(50,116)	(94,832)
Tax credit / (charge) on loss on ordinary activities	5	9,342	(35,515)
LOSS FOR THE FINANCIAL PERIOD / YEAR	12	(40,774)	(130,347)

All of the Company's operations are classified as continuing

A reconciliation of movements in shareholders' funds is set out in note 13 to the financial statements

A statement of movements on reserves is given in note 12

The notes on pages 9 to 14 form part of these financial statements

THE GAS SUPPLY COMPANY LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE PERIOD 1 JULY 2010 TO 31 DECEMBER 2010**

	1 July 2010 to 31 December 2010 £	1 July 2009 to 30 June 2010 £
Loss for the financial period / year	(40,774)	(130,347)
Deficit on revaluation of properties	-	(538,251)
	<hr/>	<hr/>
Total recognised losses for the period / year	(40,774)	(668,598)
	<hr/>	<hr/>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE PERIOD 1 JULY 2010 TO 31 DECEMBER 2010**

	1 July 2010 to 31 December 2010 £	1 July 2009 to 30 June 2010 £
Reported loss on ordinary activities before taxation	(50,116)	(94,832)
Difference between historical cost depreciation charge and actual depreciation charge	(10,846)	(12,772)
	<hr/>	<hr/>
Historical cost loss on ordinary activities before taxation	(60,962)	(107,604)
	<hr/>	<hr/>
Historical cost loss after taxation	(51,620)	(143,119)
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A reconciliation of movements in shareholders' funds is set out in note 13 to the financial statements

A statement of movements on reserves is given in note 12

The notes on pages 9 to 14 form part of these financial statements

BALANCE SHEET AT 31 DECEMBER 2010

The financial statements were approved by the Board of Directors and authorised for issue on 24 May 2011. They were signed on its behalf by

C. E. Luch

The notes on pages 9 to 14 form part of these financial statements

THE GAS SUPPLY COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD 1 JULY 2010 TO 31 DECEMBER 2010

1 ACCOUNTING POLICIES

The significant policies adopted in the preparation of the accounts are as follows

(i) Basis of Presentation

These financial statements have been prepared on a consistent basis with previous years, using the historical cost convention modified to include the revaluation of certain fixed assets, and comply with applicable United Kingdom accounting standards

The Company forms part of a group of companies (IEG group) of which the ultimate parent undertaking is Brookfield Infrastructure Partners L P The IEG group is dependent on support provided by Prime Infrastructure Holdings Limited, a fellow group undertaking, with a repayment date for this funding of 1 June 2015 As a result this funding cannot be recalled within 12 months from the date of signing of the accounts

The Company has given assurances to fellow group undertakings that the loans will not be recalled within a period of one year from the date of signing of the accounts, unless the fellow group undertakings are in a position to make a repayment The Company meets its day to day working capital requirements by cash generated through the normal course of business Although, the Company has net current liabilities due to amounts owed to the immediate parent company, the Company has received assurances from the immediate parent company that the loans will not be recalled within a period of one year from the date of signing of the accounts The Company s forecasts, taking account of reasonably possible changes in trading performance, show that the Company should have adequate resources to continue in operational existence for the foreseeable future Thus the Directors are of the opinion that the Company can continue to adopt the going concern basis in preparing the financial statements

(ii) Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation and provision for impairment Depreciation is provided at rates calculated to write off the cost of fixed assets on the straight line method over their estimated useful lives

The principal rates in use are -	%
Plant and Machinery	20
Buildings	2

A full valuation of the freehold property is carried out every five years with an interim valuation in year three of each period An interim valuation will be undertaken on the property in other years where the Directors believe it is likely that there may have been a material change in value All valuations are undertaken by qualified external valuers

On revaluation the surplus or deficit on book value is transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves Where depreciation charges are decreased following a revaluation, an amount equal to the decrease is transferred annually to the revaluation reserve from the profit and loss account as a movement on reserves On the disposal or recognition of a provision for impairment of a revalued fixed asset any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves

(iii) Work in progress

Work in progress has been stated at the lower of cost and net realisable value Work in progress has been stated at cost of direct materials and labour

(iv) Turnover

Turnover represents the value of sales and services invoiced to customers, excluding value added tax The origination and destination of all turnover is within the United Kingdom Sales of goods are recognised when goods are delivered and title has passed Rental income is recognised on a straight-line basis over the term of the lease

THE GAS SUPPLY COMPANY LIMITED

NOTES TO THE ACCOUNTS (continued)

1 ACCOUNTING POLICIES (continued)

(v) Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is provided in full in respect of timing differences arising from the recognition of gains and losses for tax purposes in different periods from those in which they are included in the financial statements. Provisions are made at rates expected to apply when they crystallise based on laws which have been enacted or substantively enacted at the balance sheet date

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted. A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

(vi) Cash Flow Exemption

The Company is exempt from producing a cash flow statement under Financial Reporting Standard 1, "Cash Flow Statements", on grounds that a consolidated cash flow statement is included in the financial statements of its ultimate parent undertaking

(vii) Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	1 July 2010 to 31 December 2010 £	1 July 2009 to 30 June 2010 £
Loss on ordinary activities before taxation is stated after charging		
Depreciation on tangible fixed assets	16 750	42 420
Operating lease rentals land and buildings	5 000	10 000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	-	-

Auditor's remuneration for audit services for the Company of £13 521 (1 July 2009 to 30 June 2010 £12,305) has been borne by The Gas Transportation Company Limited, a fellow group undertaking, for the current period and prior year

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	1 July 2010 to 31 December 2010 £	1 July 2009 to 30 June 2010 £
Interest receivable and similar income	12	14

4 INTEREST PAYABLE AND SIMILAR CHARGES

	1 July 2010 to 31 December 2010 £	1 July 2009 to 30 June 2010 £
Interest payable on loans to immediate parent company	117,962	221,271

THE GAS SUPPLY COMPANY LIMITED

NOTES TO THE ACCOUNTS (continued)

5 TAX ON LOSS ON ORDINARY ACTIVITIES

a) ANALYSIS OF (CREDIT) / CHARGE IN THE PERIOD / YEAR

	1 July 2010 to 31 December 2010 £	1 July 2009 to 30 June 2010 £
Current tax		
Group relief surrendered - current period / year	(9,342)	(14,676)
Current tax (note 5b)	(9,342)	(14,676)
Deferred tax		
Origination and reversal of timing differences	-	50,191
Tax (credit) / charge on loss on ordinary activities	(9,342)	35,515

b) FACTORS AFFECTING TAX CREDIT FOR THE PERIOD / YEAR

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows

	1 July 2010 to 31 December 2010 £	1 July 2009 to 30 June 2010 £
Loss on ordinary activities before tax	(50,116)	(94,832)
Loss on ordinary activities multiplied by standard rate of income tax in the UK 28% (2010 28%)	(14,032)	(26 553)
Effects of Depreciation in excess of capital allowances	4,690	11,877
Current tax credit for the period / year (note 5a)	(9,342)	(14,676)

c) FACTORS AFFECTING TAX CREDIT IN THE FUTURE

In March 2011 the UK Government announced that it would introduce legislation that would reduce the corporation tax rate to 26% with effect from 1 April 2011. This legislation was substantively enacted on 29 March 2011. The effective tax rate for the year ending 31 December 2011 is expected to reduce accordingly.

THE GAS SUPPLY COMPANY LIMITED

NOTES TO THE ACCOUNTS (continued)

6 TANGIBLE FIXED ASSETS

	Land and Buildings £	Plant & Machinery £	Total £
Cost or Valuation At 1 July 2010 and 31 December 2010	1,675,000	122,050	1,797,050
Depreciation At 1 July 2010	-	122,050	122,050
Charge for the period	16 750	-	16,750
At 31 December 2010	16 750	122 050	138 800
Net Book Value 31 December 2010	1,658,250	-	1,658,250
Net Book Value 30 June 2010	1,675,000	-	1,675,000

The freehold and leasehold properties were last valued externally by Cushman & Wakefield LLP as at 30 June 2010 on the basis of existing use value in accordance with the RICS Valuation standards. The valuations on the basis of depreciated replacement cost are subject to the adequate potential profitability of the business compared with the value of the total assets employed, as determined by the directors.

The net book value of freehold land and buildings on a historic cost basis is £2,682,421 (30 June 2010 £2,710,017)

7 WORK IN PROGRESS

	31 December 2010 £	30 June 2010 £
Work in progress	96,229	106,537

8 DEBTORS

	31 December 2010 £	30 June 2010 £
Amounts falling due within one year		
Trade debtors	29,402	11 610
Prepayments and accrued income	34,885	97,621
Amounts due from fellow group undertakings	3,486,494	3,431,661
	3,550,781	3,540,892

The amounts due from fellow group undertakings are interest free unsecured and repayable on demand

THE GAS SUPPLY COMPANY LIMITED

NOTES TO THE ACCOUNTS (continued)

9 CREDITORS

	31 December 2010 £	30 June 2010 £
Amounts falling due within one year		
Trade creditors	89,673	191,907
Other creditors	356,847	353,247
Other taxes and social security	354	271
Accruals and deferred income	18,894	17,240
Amounts due to fellow group undertakings non-interest bearing	611,688	611,688
Amounts due to immediate parent company non-interest bearing	8 185	8,185
Amounts due to immediate parent company interest bearing	3 851 480	3,733,518
	<hr/>	<hr/>
	4,937,121	4,916,056
	<hr/>	<hr/>

Amounts due to immediate parent company are interest bearing at 6 3%, unsecured and are repayable on demand

Amounts due to immediate parent company non-interest bearing are unsecured and repayable on demand

Amounts due to fellow group undertakings non-interest bearing are unsecured and repayable on demand

10 DEFERRED TAX ASSET

At 31 December 2010, the Company had a deferred tax asset amounting to £50,465 (30 June 2010 £51,600) in respect of timing differences for property plant and equipment. This has not been recognised as it is not probable that the asset will be utilised in the foreseeable future against taxable income.

11 CALLED UP SHARE CAPITAL

	31 December 2010 £	30 June 2010 £
Authorised		
Ordinary Shares of £1 each	20,000	20 000
	<hr/>	<hr/>
Allotted called-up and fully paid		
Ordinary Shares of £1 each	20 000	20,000
	<hr/>	<hr/>

12 RESERVES

	Revaluation Reserve £	Profit and Loss £	Total £
At 1 July 2010	(839 616)	1,228,683	389 067
Loss for the financial period / year	-	(40,774)	(40,774)
Depreciation on revaluation deficit	10 846	(10,846)	-
	<hr/>	<hr/>	<hr/>
At 31 December 2010	(828 770)	1 177 063	348,293
	<hr/>	<hr/>	<hr/>

THE GAS SUPPLY COMPANY LIMITED

NOTES TO THE ACCOUNTS (continued)

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1 July 2010 to 31 December 2010 £	1 July 2009 to 30 June 2010 £
Loss for the financial period / year	(40,774)	(130,347)
Deficit on revaluation of properties	-	(538,251)
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Net decrease in shareholders' funds	(40,774)	(668,598)
Opening shareholders' funds	409,067	1,077,665
	<hr/>	<hr/>
Closing shareholders' funds	368,293	409,067
	<hr/>	<hr/>

14 COMMITMENTS

	31 December 2010 £	30 June 2010 £
Lease Commitments		
Operating leases which expire after more than 5 years	10,000	10,000
	<hr/>	<hr/>

15 RELATED PARTY TRANSACTIONS

As all the issued share capital of the Company is owned by a group whose consolidated financial statements are publicly available it is not required to disclose transactions with other group undertakings that would otherwise be required under Financial Reporting Standard 8 'Related Party Disclosures'

16 ULTIMATE PARENT UNDERTAKING

The Company's immediate parent company is IEG Infrastructure Limited, a company incorporated in England and Wales. The Company's ultimate parent undertaking is Brookfield Infrastructure Partners L P, which is registered in Bermuda. The smallest group in which the results of the Company are consolidated is Prime IEG Australia No 1 Pty Limited, which is incorporated in Australia, and the largest group in which the results of the Company are consolidated is Brookfield Infrastructure Partners L P. Brookfield Infrastructure Partners L P's accounts can be obtained from

Brookfield Infrastructure Partners L P
Canon's Court
22 Victoria Street
Hamilton
HM 12
Bermuda