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Gas Corporation (Business Disposal) Act 1999

**Gas Corporation (Business Disposal) Order
(No. 2) 2000**

Made by the Minister for Energy with the approval of the Treasurer.

1. Citation

This order may be cited as the *Gas Corporation (Business Disposal) Order (No. 2) 2000*.

2. Meaning of terms

In this order —

“**ASSC**” means the AlintaGas Sale Steering Committee appointed under section 7(3) of the Act;

“**corporation**” means the Gas Corporation established under the *Gas Corporation Act 1994*;

“**the Act**” means the *Gas Corporation (Business Disposal) Act 1999*.

3. Purpose of order

- (1) This order is made for the purpose of the disposal of the corporation's businesses through AlintaGas Limited (ACN 087 857001) which is the “corporate vehicle” within the meaning of the Act and the shares in which have been, or are to be, issued to the corporation.
- (2) This order is in addition to the *Gas Corporation (Business Disposal) Order 2000* published in the *Gazette* on 28 July 2000.

4. Disposal to public

- (1) The corporation on behalf of the State is to offer 55% of the shares in AlintaGas Limited to the public through the application and allocation process described in the Schedule.
- (2) The offer of shares under subclause (1) has effect for the purposes of section 5(5)(b) of the Act.

- (3) The corporation on behalf of the State is to offer to the public the number of unsecured, subordinated loan notes issued to it by AlintaGas Limited that is equal to the number of shares required to be offered under subclause (1).

Schedule — Application and allocation process

1. Structure of the public offer

- (1) The corporation will invite applications to purchase shares in AlintaGas Limited which will in aggregate constitute 55% of the issued shares in AlintaGas Limited (**shares**), together with an equal number of unsecured, subordinated loan notes issued by AlintaGas Limited (**loan notes**).
- (2) The invitation under subclause (1) is the **public offer**.
- (3) The public offer will be structured in 2 parts:
 - (a) the **retail offer**; and
 - (b) the **institutional offer**.

2. The retail offer

- (1) The retail offer will be open to:
 - (a) members of the Australian public (including AlintaGas Limited customers) who have copies of the public offer document which they reserved by pre-registration (**pre-registrants**);
 - (b) broker firm applicants; and
 - (c) other members of the Australian public.
- (2) Each applicant in the retail offer must apply for at least 500 shares and the same number of loan notes.

3. The institutional offer

- (1) The institutional offer will be open to Australian institutional investors and members of Australian Stock Exchange Limited and may be open to investors outside Australia if the offer complies with the laws of the relevant jurisdiction.
- (2) Each bidder in the institutional offer must bid for at least 100 000 shares and the same number of loan notes.

4. Policy for allocation of shares and loan notes

The final allocation of the shares and loan notes in the public offer will be determined by the ASSC in accordance with the Act and the following broad policy guidelines:

Achieving a minimum 75% allocation to Western Australian applicants

- (a) The ASSC will make available at least 75% of the shares and loan notes on offer in the public offer to Western Australian retail and institutional investors.

Distribution between the retail offer and the institutional offer

- (b) Of the shares and loan notes on offer in the public offer the ASSC will make 75% available to the retail offer and 25% available to the institutional offer.
- Allocation between investors participating in the retail offer*
- (c) The ASSC may reject any application or allocate to any person fewer shares and loan notes than the number for which that person applied.
- (d) The ASSC will reserve part of the retail offer as firm allocations for the joint lead managers and co-managers appointed by the ASSC to conduct the public offer, for distribution to their private clients. These firm allocations will have preference over all other applications.
- (e) Pre-registrants will receive a priority entitlement, being a guaranteed minimum allocation which is 25% higher than the ordinary minimum allocation in the retail offer (**priority entitlement**).
- (f) If the public offer is oversubscribed, all applicants, except broker firm applicants, may be subject to scaling back of applications. If applications are scaled back, every reasonable effort will be made to treat all applications within each category of applicant equally. Pre-registrants will be subject to scaling back but will retain their priority entitlement.

Allocation between investors participating in the institutional offer

- (g) The basis of allocation between bidders in the institutional offer will be determined by the ASSC. There is no assurance that any bidder who lodges a bid in the institutional offer will be allocated any shares and loan notes or the number of shares and loan notes for which it has bid.
- (h) A bidder who lodges a bid below the institutional final price will not receive any shares and loan notes.
- (i) Considerations which the ASSC will take into account in allocating between bidders in the institutional offer, if all other aspects of their bids are the same, include the following:
- (i) the lodging of bids at higher prices, which may exceed the indicative price range, as long as they are regarded as commercial and realistic;
 - (ii) the lodging of bids early during the institutional offer period;
 - (iii) the lodging of bids by institutions perceived to be long term investors; and
 - (iv) consistency of bids lodged by a particular bidder during the institutional offer period.

Approved on 11th August 2000.

R. F. COURT, Treasurer.

Made on 11th August 2000

C. J. BARNETT, Minister for Energy.

