

**INFRACORP LIMITED**  
**DRAFT CHAIRMAN'S ADDRESS TO THE**  
**ANNUAL GENERAL MEETING HELD ON 8 NOVEMBER 2005**

Shareholders

On behalf of my fellow directors Ms Peggy Yeoh and Messrs David Hobart and Chris Lim, I welcome you to the sixth annual general meeting of the Company.

Early last month, Mr Ian Bangs resigned as a Director of the Company but he continues in his capacity as Company Secretary and Chief Financial Officer. On behalf of the Board I would like to thank him for his contribution during the past 2 years.

In July this year IFC Funds Management Limited (IFC), a wholly owned subsidiary of Infracorp was granted an Australian Financial Services Licence (AFS Licence) by ASIC. IFC is licensed to carry on a financial services business to wholesale clients. IFC intends to use the AFS Licence to promote and invite external investment into wholesale unit trusts, which will be structured around profitable asset acquisition in infrastructure and property. IFC will manage the trusts with a view to creating wealth for both unit holders in the trusts and shareholders in Infracorp. It was very pleasing to announce just two weeks ago that IFC had established its first wholesale fund which will co-invest with MFS Limited via a joint venture financing arrangement in a development site in St Ives. MFS is a highly diversified investment company specialising in funds management, structured finance and tourism and manages over \$3 billion in assets across Australia and New Zealand. We view this as a strong strategic alliance for Infracorp. A put and call agreement was entered into on 21 October 2005 with vendor MVRSI Pty Ltd to purchase a site known as 212-216 Mona Vale Road, St Ives for \$7.5million. Infracorp as developer will seek approvals from Ku-ring-gai Council to develop an owner-occupier apartment project on the site. Infracorp will receive revenue from fee income for its role as developer.

As detailed in the Annual Report, for the year ended 30 June 2005 the Company reported a loss of \$1,311,000. This loss reflects the costs associated with maintaining a listed public company platform, progressing the rezoning process for our Cranebrook site situated in the Penrith NSW municipality and implementing the new strategic direction for the Company which has been developed by our Managing Director David Hobart and his management team. This strategy is focused on establishing a sound business, based on solid investments that provide reliable fee income and return on equity.

We continue to work co-operatively with Penrith Council and other government authorities in progressing towards a rezoning of the Cranebrook site. The site was revalued at \$20.45 million, net of GST, by valuers LandMark White Limited in June this year and this addition to the value since our purchase of the site for \$15 million in October 2004 reflects Infracorp's effort in minimising and quantifying risks associated with the site. We anticipate that a rezoning will result in further significant value growth. Our rezoning proposal was submitted to Council in September 2005.

We continue to review other potential investment opportunities in the domestic property investment market. The Board currently anticipates that over the next twelve months additional funds will be raised for investment opportunities, which are subject to their further consideration and finalisation.

The Directors and management remain confident that the development of the significant core asset at Cranebrook will form a strong foundation for the Company to grow its revenues and the value of its balance sheet in the medium to long term.

Thank you for your ongoing support.

John M Langley

Chairman

Infracorp Limited

**8 November 2005**