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Media Release



MACQUARIE BANK GROUP INTENDS TO ACQUIRE U.S. ENERGY MARKETING AND TRADING BUSINESS

20 October 2005, Sydney - Macquarie Bank Group today signalled its intention to acquire 100% of U.S. energy marketing and trading company, Cook Inlet Energy Supply LLC ("Cook Inlet"). The acquisition is subject to final agreement and is expected to close on or around 1 November, 2005.

Headquartered in Los Angeles, Cook Inlet provides physical natural gas trading, transportation and storage services to North American natural gas producers, utilities, wholesalers, and industrial end users. Cook Inlet was founded in 1991 and currently employs 59 staff consisting of energy traders and marketers as well as mid-office and back-office staff.

The Head of Macquarie's Treasury and Commodities Group, Andrew Downe said, "The acquisition of Cook Inlet is a significant strategic step for Macquarie's North American energy markets business, adding a major platform of physical trading expertise to our existing financial and structured energy markets activities. Macquarie and Cook Inlet are a strong cultural fit, with complimentary skillsets and a similar emphasis on risk management and creditworthiness."

"We see this combination delivering to Macquarie a strong competitive advantage in a fragmented market," said Mr Downe.

Under Macquarie ownership, Cook Inlet will have access to additional financial resources, systems and operational assistance to expand both the scale and range of services that it offers participants in the US natural gas market.

Cook Inlet's founder and CEO, Gregory L. Craig and President, Hans O. Saeby, will join Macquarie as Division Directors and will remain as part of the Cook Inlet management team.

Mr Craig remarked, "We are excited to become an important part of Macquarie's strategic growth objectives for North America. This transaction achieves our goals of continued strong growth for Cook Inlet and will greatly enhance our ability to more broadly serve our customer requirements with products and services at all levels of the value chain".

Mr Saeby, said "Macquarie is an ideal fit with Cook Inlet bringing structuring expertise, capital and credit strength to the business. We are very pleased with what this means for our customers, trading counterparties, and employees enabling Cook Inlet to construct more complex, creditworthy deals with longer tenors."

Under the terms of the acquisition, Cook Inlet will become a wholly-owned operating subsidiary of the Macquarie Bank Group, with operational and financial handover of the business expected to be on November 1, 2005. Macquarie intends to retain the Cook Inlet Energy Supply operating name through a transition period.

Overall management of Cook Inlet under Macquarie ownership will be the responsibility of Nick O'Kane, currently an Executive Director with Macquarie's Energy Markets Division based in London, who will be relocating to Los Angeles.

Ron Neal, currently a Division Director within the Energy Markets Division, will also join the Cook business and be responsible for origination and structuring.

Mr O'Kane and Mr Neal will be joined by a team of Macquarie operational, administrative and risk management executives who will also relocate to manage the integration and ongoing inclusion of Cook Inlet as part of Macquarie.

The acquisition of Cook Inlet will not have a significant impact on Macquarie Bank's capital ratios.

More information on Cook Inlet can be found at www.cook-inlet.com .

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