



ASX RELEASE

25 June 2009

APA ASSIGNED CREDIT RATING BY STANDARD & POOR'S

APA Group (APA) has been advised that Standard & Poor's Rating Services has assigned a 'BBB' long-term corporate credit rating (outlook Stable) to APT Pipelines Ltd, the borrowing entity of APA. This is APA's initial credit rating by Standard & Poor's.

APA's Chief Financial Officer Peter Fredricson said "APA has long been considered investment grade in the various debt markets that it has accessed, so it is pleasing to note that the 'BBB' credit rating from Standard & Poor's confirms this view. This rating will support our current refinancing activities and assist us in accessing a broader network of debt capital markets in the future.

"It is pleasing to note that Standard & Poor's has noted that the stable rating outlook reflects the group's strong business profile and their expectation that APA's financial profile and credit metrics will stabilise as APA consolidates its business after a series of acquisitions and divestments" Mr Fredricson added.

A copy of Standard & Poor's media release is attached.

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About APA Group (APA)

APA Group, comprising Australian Pipeline Trust and APT Investment Trust, is the major ASX-listed energy transmission company in Australia, transporting more than half of the natural gas used in Australia. APA has interests in over 12,000 km of natural gas pipeline infrastructure across the mainland and owns 2,800 km of gas distribution networks in Queensland and New South Wales.

APA has direct management and operational control over its assets, and also provides management and operation services to its investments, including gas distribution and transmission company Envestra.

STANDARD & POOR'S

Press Release

APA Group's APT Pipelines Ltd. Assigned 'BBB' Rating, Stable Outlook On Strong Business Position

Melbourne, June 25, 2009—Standard & Poor's Ratings Services today said that it had assigned its 'BBB' long-term corporate credit rating to APT Pipelines Ltd., the financing arm of Australian publicly listed stapled trust APA Group (APA or group; not rated). The rating outlook is stable. At the same time, we assigned our 'BBB' rating to APT Pipelines Ltd.'s A\$1.8 billion senior unsecured syndicated bank loan.

The ratings reflect the guarantee provided by the group's responsible entity and trustee Australian Pipelines Ltd. (not rated); the stable and predictable cash flow generated from the group's ownership of a mix of regulated and unregulated (but contracted) gas network assets; the group's strong market position, stemming from its natural-monopoly assets; and low operating risk, underpinned by an in-house operating model. Somewhat offsetting these strengths is the group's aggressive financial structure, with its inherent thin credit metrics; concentrated debt-maturity profile; and narrow key customer base, which mainly comprises investment-grade energy utilities and some companies exposed to the more-volatile mining sector.

"The stable rating outlook reflects the group's strong business profile and our expectation that APA's financial profile and credit metrics will stabilize as APA consolidates its business after a series of acquisitions and divestments," Standard & Poor's credit analyst Richard Creed said. "The stable outlook also factors in our expectation that APA will adhere to its financial policies, funds any material capital expenditure in a manner consistent with its stated gearing target of 65%–70%, and successfully transitions over time to its debt-maturity policy of a maximum of 20% of debt maturing in any one year."

Negative pressure on the rating could emerge if there were any underperformance of financial metrics relative to our expectations, particularly if funds from operations (FFO)-to-debt were less than 7.5% and FFO interest cover were weaker than 2.0x. The ratings could be lowered if any underperformance stemmed from funding of capital expenditure more aggressively than we anticipate or there were a shortfall in equity contributions relative to APA's business plan without offsetting measures to support the group's credit profile. We consider an upward movement in the rating as remote.

About Standard & Poor's

Standard & Poor's, a subsidiary of The McGraw-Hill Companies (NYSE:MHP), is the world's foremost provider of independent credit ratings, indices, risk evaluation, investment research and data. With offices in 23 countries and markets, Standard & Poor's is an essential part of the world's financial infrastructure and has played a leading role for more than 150 years in providing investors with the independent benchmarks they need to feel more confident about their investment and financial decisions. For more information, visit <http://www.standardandpoors.com>

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