

External auditor appointment and independence

Owner	Company Secretary			
Policy Authorised by	Company Secretary			
Policy Approved by Managing Director				Date:
Changes to be approved by	Company Secretary			
Direct questions on Policy to	Company Secretary			
Policy to be reviewed no later than	January 2012			
Version control	Date	Version	Nature of Change	Approved by (Name)
		1		Board

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1 Purpose

To document the process for the appointment of the external auditor to conduct the audit of the financial statements of Ethane Pipeline Income Trust and Ethane Pipeline Income Financing Trust, that together comprise Ethane Pipeline Income Fund (**Fund**), and their controlled entities (**Audit**) and for monitoring the independence of the external auditor. With respect to that independence, to document the policy concerning rotation of the lead partner and the review or concurring partner of the external auditor.

2 Coverage / Scope

See Purpose above.

3 Values & Commitments

APA Ethane Limited, as responsible entity of Ethane Pipeline Income Trust and Ethane Pipeline Income Financing Trust, is committed to designing and implementing effective and optimal structures, systems and processes to enable delivery of its financial, customer, people and community objectives. Strong processes with respect to the appointment, and preservation of the independence, of the external auditor are fundamental to achieving those goals.

4 Policy

4.1 Selection and appointment of external auditor

The procedure for the selection and appointment of the external auditor to conduct the Audit is based on the following principles:

- APA Ethane Limited, as responsible entity of Ethane Pipeline Income Trust and Ethane Pipeline Income Financing Trust, is responsible for appointing the external auditor for the Audit;
- the Audit Committee (**Committee**) of the board of APA Ethane Limited (**Board**) is responsible for implementing a process to select the external auditor and making a recommendation to the Board based on the Committee's assessment of the responses received from and interviews with candidates for the role;
- the assessment of responses from candidates for the role takes into account a number of key criteria, including but not limited to audit approach and methodology, reputation, independence, internal governance processes, key personnel and resources, and cost; and
- once the assessment process has been completed the Committee informs the Board of the process adopted in undertaking the review, the external auditor recommended by the Committee and the reasons for that recommendation.

4.2 Independence of external auditor

The external auditor's independence is a key factor in ensuring that the financial statements of Ethane Pipeline Income Trust and Ethane Pipeline Income Financing Trust are true and fair, and meet high standards of financial integrity.

The Committee monitors the independence of the external auditor, including any relationships with the Fund or any other person or entity that may impair or compromise, or appear to impair or compromise, the external auditor's independence.

Independence may be impaired or compromised by the provision of services of a non-audit nature to the Fund, depending on the materiality of those services and the fees charged for them. Therefore, the Board has determined the external auditor may not provide services of a non-audit nature to the Fund without the Committee's approval.

The Committee requires the external auditor to declare in writing its independence every six months coinciding with the preparation of the half-year and full-year financial statements, and the Committee provides its own assessment of the external auditor's independence to the Board annually.

4.3 Rotation of external audit engagement partners

The lead partner and the review or concurring partner of the external auditor must be rotated at least every five years, followed by a two year minimum time out period during which they may not take part in the Audit.

4.4 Recruitment of external audit partners and employees

Neither APA Ethane Limited nor the Fund will recruit, as either directors or as employees in senior management positions, any person who within the preceding two years has been:

- a partner of the Fund's external audit firm, or
- an employee of the external audit firm involved in the Audit.

5 Links / interaction with other policies

Audit Committee Charter

6 Attachments

Not applicable

7 Procedures

Six monthly independence declarations

- Auditor to Board
- Senior management to Board