

Notice of Annual Meeting

AUSTRALIAN PIPELINE TRUST UNITHOLDER ANNUAL MEETING

Dear Unitholder,

Notice is hereby given that the **Annual Meeting of Australian Pipeline Trust will be held at the Carlton Crest Hotel Sydney Ballroom, 167–179 Thomas Street Sydney on Wednesday, 20 October, 2004 at 11.30am**. Seating will be available from 11.00am. There are several parking stations adjacent to the hotel.

Please bring this document with you if you will be attending the meeting.

This year unitholders are able to approve nominations for up to three candidates to be appointed as independent directors of Australian Pipeline Limited, the responsible entity for Australian Pipeline Trust (APA).

Three of the serving directors, George Bennett, Thomas Ford and Robert Wright are retiring by rotation and standing for nomination. Additionally, unitholders have put forward two further candidates to be considered for nomination. Details of all candidates experience and qualifications are provided in the attached explanatory notes.

Your Board endorses the nominations of George Bennett, Thomas Ford and Robert Wright. The Board aims to seek out directors for consideration of unitholders, who have a depth and breadth of experience relevant for APA, which complements the other Directors and who are, in addition to the Petronas Director, considered to be independent. The Board does not endorse the nomination of either Mr Cooper or Mr Ryan as directors of Australian Pipeline Limited.

Unitholders will be also asked to approve amendments to the Constitution of APA which will provide the Board of Australian Pipeline Limited with the power to convert APA from a single trust structure into a stapled entity comprising APA and one or more new stapled entities, in the event that certain investment opportunities arise, and it would be beneficial to APA to make the investment through a new stapled entity.

Your Board recommends that you approve the resolution by voting "For" on the proxy form enclosed with this letter, or in person at the Annual Meeting

Unitholders will also be asked to approve the issue of units to institutional investors on 4 August 2004 so that such issue does not count towards the 15% limit on issued capital under Listing Rule 7.1. This issue was necessary for APA to acquire CMS Energy's interest in Goldfields Gas Transmission Pipeline and the Parmelia gas business. The Board recommends that you ratify the resolution by voting "For" on the proxy form enclosed with this letter, or in person at the Annual Meeting.

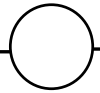
An overview of the opportunities and challenges facing APA over the next few years will be presented and unitholders will be given the opportunity to ask questions of the Board and management.

If you are unable to attend the meeting, please remember to lodge your Proxy either by fax or complete and post the Proxy form enclosed with this notice.

The Directors, Management and Staff of Australian Pipeline Trust look forward to seeing you at the Meeting and afterwards for light refreshments.

G H Bennett
Chairman

Australian Pipeline Limited
Responsible Entity of Australian Pipeline Trust



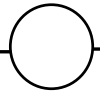
Items of Business*

<p>1. Nomination for election and re-election of directors</p> <p>George Bennett, Thomas Ford and Robert Wright retire by rotation and in accordance with the Constitution of Australian Pipeline Limited:</p> <ol style="list-style-type: none"> Mr George Bennett, being eligible, offers himself for nomination for re-election; Mr Thomas Ford, being eligible, offers himself for nomination for re-election; Mr Robert Wright, being eligible, offers himself for nomination for re-election; Mr Russell Cooper, being eligible, offers himself for nomination for election the first time; and Mr Peter Ryan, being eligible, offers himself for nomination for election the first time; <p>Unitholders are asked to consider and, if thought fit, approve the nominations of up to three of the candidates to be elected as directors for the three vacant positions on the Board of Australian Pipeline Limited.</p>	<p><i>Item 1 - The order in which the candidates appear in this notice of meeting has been determined on the basis of those candidates standing for nomination for re-election and those standing for the first time.</i></p> <p><i>The candidates nominated as directors of APA will be those three candidates who receive the most votes. If two or more candidates are tied, lots will be drawn to determine which of those candidates will be nominated as director.</i></p> <p><i>Each unitholder may vote for no more than three (3) candidates at the Annual Meeting. If a unitholder votes for more than three candidates, that unitholder's vote will be invalid.</i></p> <p><i>Item 1 and information about the candidates for nomination are included in the explanatory notes on pages 4 and 5 of this document.</i></p> <p><i>The Chairman of the Meeting intends to vote undirected proxies in favour of the nomination of George Bennett, Thomas Ford and Robert Wright and against the nomination of the other candidates.</i></p>
<p>2. Changes to the Constitution</p> <p>To consider, and if thought fit, pass the following as a special resolution:-</p> <p>That the amendments to the Constitution of Australian Pipeline Trust, as set out in Item 2 Part B of the explanatory notes, are approved.</p>	<p><i>Item 2 - is explained in the explanatory notes on pages 5 to 17 of this document.</i></p>
<p>3. Approval of Institutional Placement</p> <p>To consider, and if thought fit, pass the following as an ordinary resolution:-</p> <p>“That the placement of units, described in the explanatory notes to the notice convening this meeting, is approved pursuant to Listing Rule 7.4.”</p>	<p><i>Item 3 - is explained in the explanatory notes on page 17 of this document.</i></p>
<p>4. Chairman's Presentation</p>	
<p>5. Managing Director's Presentation</p>	

*The order of business of the meeting has been set in order to provide maximum efficiency in addressing the schedule.

By order of the Board of Australian Pipeline Limited
as Responsible Entity of Australian Pipeline Trust.

Austin James
Company Secretary
16 September 2004



Explanatory Notes

Item 1– Nomination of directors for Australian Pipeline Limited (“APL”)

The Constitution of APL provides that directors (other than the two directors appointed by AGL, the director appointed by Petronas and the managing director) who have held office for more than three years must retire from office. Accordingly, Messrs Bennett, Ford and Wright will retire as directors at the annual general meeting of APL to be held on 20 October 2004. Each of these directors is seeking re-election to the Board. For the purposes of these explanatory notes, the directors who are the subject of approval by unitholders for re-election, are defined as non-corporate directors.

In addition to the re-nomination of Messrs Bennett, Ford and Wright, at the Annual Meeting of Australian Pipeline Trust (APA) to be held on 20 October 2004, APA unitholders are able to nominate and vote to select candidates to fill these three vacancies. Selection of nominees as directors will be on a “first past the post” basis, that is the three candidates who receive the most votes will be nominated for appointment by the shareholders of APL to the Board of APL. In the event of a tie, lots will be drawn and the winner of the draw will be nominated for appointment to the Board of APL.

Each appointed director will hold office for a term not exceeding 3 years and will be subject to retirement by rotation in accordance with the Constitution of APL. The Constitution of APL requires that one third of the non-corporate directors must retire each year but are then eligible for re-election. In the future, of the three non-corporate directors elected at the 2004 Annual General Meeting of APL, one must retire next year, one the year after and so on.

Director fees payable to each director will be in accordance with APA’s remuneration policy and will be in line with current market rates for appropriately qualified directors.

The biographies of Mr Cooper and Mr Ryan have been provided by the candidates. APL has not sought to verify the information provided.

STANDING FOR RE-ELECTION	
<p>George Bennett FCA Director of APL since February 2000</p>	<p>Chairman. Mr Bennett is a company director with almost 40 years’ experience at accounting services firm KPMG. Mr Bennett retired as National Executive Chairman of KPMG and Chairman of the KPMG Asia Pacific Board in 1993. His other directorships include Brazin Limited, Fantastic Holdings Limited, Macquarie Leisure Management Limited and Macquarie Property Management Limited.</p> <p>Mr Bennett is also the Chairman of the Remuneration Committee and Nominations Committee.</p>
<p>Thomas Ford FAICD Director of APL since February 2000</p>	<p>Mr Ford is an investment banker and consultant, with over 30 years’ experience in stockbroking and banking. Mr Ford is Chairman of Resimac Limited. He is also a director of Amalgamated Holdings Limited and Resolute Mining Limited. Mr Ford is a former director of Credit Union Financial Services (Australia) Limited.</p> <p>Mr Ford is a Fellow of the Australian Institute of Company Directors, a member of Finance and Treasury Association Limited and on the committee of Australian Business Economists. Mr Ford retired in 1991 as a Senior Executive Director of Capel Court Corporation Limited and as an Executive Director of Capel Court Securities Limited.</p> <p>Mr Ford is a member of the Audit & Risk Management Committee.</p>
<p>Robert Wright BCom, FCPA Director of APL since February 2000</p>	<p>Chairman of the Audit and Risk Management Committee.</p> <p>Mr Wright has 30 years’ financial management experience. He has held a number of Chief Financial Officer positions including Finance Director of David Jones Limited from 1990 to 1999. Between 1991 and 1995, he was also an Executive Director of The Adelaide Steamship Company Limited and was a director of Tooth & Co Limited, Industrial Equity Limited, Woolworths Limited and National Consolidated Limited. Mr Wright sits on the Boards of Harris Scarfe Australia Pty Ltd, SAI Global Limited and Super Cheap Auto Group Limited.</p>



STANDING FOR ELECTION FOR THE FIRST TIME	
<p>Russell Cooper BSc, GradDipMgt</p>	<p>Mr Cooper is an experienced and successful CEO with substantial experience in complex manufacturing and service industries across multiple sites.</p> <p>Mr Cooper is Chief Executive of Suez Environment, the Australian subsidiary of a French based public company employing 180,000 people with annual revenues of A\$80 billion. Suez is a leader in 'water' and 'waste' in Australia, operating under the business names of SITA Environmental Solutions (waste) and Australian Water Services (potable and waste-water treatment). Size of current role: Revenue \$350m; 1000+ employees.</p> <p>Previous roles included Managing Director of South East Water and General Manager of Email.</p> <p>Mr Cooper is an accomplished strategic planner having grown, diversified and rationalised a number of businesses resulting in significant profit improvements.</p> <p>Mr Cooper is recognised as a strong leader and motivator of employees. He obtained his first General Management role at 30. Mr Cooper has had staff responsibility ranging from 50 to more than 1000 people.</p>
<p>Peter Ryan BCom, FCPA,</p>	<p>Mr Ryan specialises in the management of highly regulated industries. He is a qualified accountant, Fellow of CPA Australia and qualified as a member of the CPS Directors register.</p> <p>With an eye to good corporate governance, Mr Ryan is currently undertaking a Graduate Diploma of Applied Corporate Governance (completion 2004).</p> <p>The skills Mr Ryan offers to the Board of Australian Pipeline Trust are financial acumen, knowledge of highly regulated commercial environments, sound management skills and a dedication to add value for all stakeholders whilst meeting the corporate social responsibility of the organisation.</p>

Note: Although 5 candidates are standing for nomination to the office of director, a maximum of 3 candidates may be elected in accordance with the Constitution of APL. As the number of candidates exceeds the number of positions available this item cannot be decided by a show of hands. Accordingly, the Chairman intends to call a poll in relation to this item at the Annual Meeting.

Item 2 – Changes to the Constitution

Part A - Outline of the Resolution

Summary

What is being Proposed

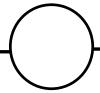
The proposal to be considered by Unitholders is a resolution to amend the Constitution of the Australian Pipeline Trust (**APA**) to enable Australian Pipeline Limited (**APL**), the responsible entity of APA, to staple the securities of other entities to APA units (for the purposes of this meeting – the Resolution). If APA units are stapled to the securities of another entity, Unitholders will also be securityholders of the other entity, the stapled securities will be able to be traded on ASX only as a single stapled security and the two entities will be a single economic entity for all practical purposes. Stapling and its effects are described in greater detail below.

The Resolution necessary to give effect to such changes is set out in the Notice of Meeting and the proposed amendments to the Constitution are set out in Part B.

These amendments to the Constitution are intended to ensure that APL has available to it the power to structure acquisitions in a manner that will provide the maximum benefit to Unitholders.

The Constitution as amended will give APL broad powers in relation to the stapling of APA, including the power to:

- staple the securities of any company or trust to APA units; and



- return capital from APA or make in-specie distributions of the securities of another entity from APA in order to facilitate the stapling of APA,

without seeking further approval from Unitholders.

APL considers that stapling may be beneficial to Unitholders if an opportunity to acquire an interest of a non-controlling interest in a suitable asset arises. In these circumstances, Unitholders may benefit from the investment being made by a non-taxpaying “passthrough” trust. Without Unitholder approval, APL will only staple APA if it intends to bid for such an investment and it forms the view that Unitholders’ best interests are served by acquiring the investment in a trust other than APA.

A stapling of this kind will not dilute Unitholders’ investment in APA or APA’s interest in its assets, nor is it likely to result in a change of value of APA’s assets.

Why the Resolution is being Proposed

The Resolution is being proposed so that APL will have flexibility to choose between investment entities (eg between taxable and passthrough trusts) when investing, so as to maximise the benefit to investors.

Investor Benefit

APA has acquired several assets by direct acquisition since its listing in June 2000. As a tax paying trust, APA is currently required to pay tax on the receipt of income from its assets. This includes assets which are controlled by APA and those in which APA has a non-controlling interest.

Trusts which do not have a controlling interest in businesses other than “eligible investment businesses” and which distribute all of their income to their unitholders are not required to pay tax on their income. Generally speaking, an eligible investment business is a business, the purpose of which is to make investments in assets such as real property and financial products. A trust is not required to pay tax if its only investments are of this kind or are non-controlling interests in other investments. These non-tax paying trusts are commonly known as “passthrough” trusts.

If APA were to acquire a non-controlling interest in an asset, it would be taxed on receipt of income from that asset, however, a passthrough trust would not pay tax on the same income. From a Unitholder perspective, if APA acquired the asset the Unitholder would receive a lower cash distribution than if it were acquired by a passthrough trust, but the distribution from APA would be franked. A unitholder of a passthrough trust which acquired the same asset, would receive higher cash distributions in respect of income received from the asset but no franking.

APL believes that Unitholders would prefer to receive a pre-tax cash distribution rather than the alternative equivalent after-tax cash distribution plus franking credits. Where APA invests in immature or greenfields infrastructure assets which it does not control, the financial profile of these assets is unlikely to generate franking credits for a significant period of time. These investments are likely to generate equity returns to APA via unfranked dividends (where the investment is in a non-taxpaying period) or capital returns (due to cashflows being in excess of accounting profits). In these circumstances, Unitholders may benefit from receiving this cashflow as pre-tax or tax deferred distributions. Acquisitions made through a passthrough trust will allow this to occur. APL believes that investing in non-controlled assets through a passthrough trust will be beneficial to Unitholders as a whole and that no Unitholders are likely to be any worse off as a result of such an investment structure.

Potential Risks and Disadvantages

APL believes that there are no material risks or disadvantages associated with the Resolution. The costs of stapling APA will not be material and will only be incurred if a stapling occurs.

Stapled structures are common through the infrastructure trust market and have been used by a number of operators as a means of providing greater flexibility in acquiring assets.

If the Resolution is approved, APL’s power to implement the transaction will not be unfettered. APL’s powers are always subject to the requirement that they be exercised in the Unitholders’ best interests.

Implications of the Resolution for APA Distributions

Approval of the Resolution will not, of itself, result in any change to the distributions made by APA.

A restructure of APA resulting from a stapling may result in Unitholders’ distributions having a different profile. APL believes that if a stapling of APA occurs, growth and diversity facilitated by it will, over the long term, allow APL to deliver greater value for all Unitholders through a combination of a reliable and growing yield and long term capital growth.



As part of any acquisition, APL will seek to maintain or enhance distributions to Unitholders. While every investor is different, APL believes that on balance most Unitholders would prefer to receive an unfranked distribution than a fully franked equivalent distribution, which would be lower in cash terms. As franking is effectively a prepayment of personal tax, the Board believes the better approach to APA's distributions is, in general terms, to maximise the pre corporate-tax distributions to unitholders and let Unitholders deal with the taxation on the distributions according to their own personal circumstances.

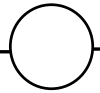
Taxation Implications of the Resolution

Approval of the Resolution will not result in any tax liability for Unitholders.

Intentions of Major Unitholders

APA's major unitholders are The Australian Gas Light Company (AGL) and Petronas Australia Pty Limited (Petronas). AGL holds a 30.00% interest in APA and Petronas holds a 10.58% interest. APA has been advised by both AGL and Petronas that they intend to attend the Annual Meeting and vote their units in favour of the Resolution.

Note: This resolution requires a 75% majority vote to approve it. In order to ensure that all votes are counted, the Chairman will be calling for a poll for this Item.



Part B - Proposed amendments to the Constitution

Set out below are the proposed changes to the Constitution. A copy of the Constitution incorporating these amendments is available for inspection at the registered office of Australian Pipeline Limited, Level 5, 241 O’Riordan Street, Mascot, New South Wales 2020 and on the website www.pipelinetrust.com.au. The contact number for the offices of Australian Pipeline Limited is +61 (2) 9693 0000.

The Resolution proposes to amend the Constitution of APA by:

- deleting the text that is struck through below;
- inserting the text that is underlined below; and
- in relation to the new definitions to be inserted into clause 1.1, inserting those definitions into clause 1.1 in alphabetical order.

APL also proposes to make a number of other minor amendments to the Constitution other than as set out below. These amendments are of a minor nature such as correcting typographical errors, updating of clause cross references and changes for consistency and do not adversely affect the rights of APA Unitholders. These amendments are set out in a marked-up copy of the Constitution available from APL by contacting **02 9693 0000** or on APA’s website at www.pipelinetrust.com.au.

1.1 Definitions

Attached Security means a Security which is from time to time Stapled or to be Stapled to a Unit;

CHES Approved Securities means securities in respect of which approval has been given by the securities clearing house (being a licensed CS facility under Part 7.3 division 1 of the Corporations Act, namely, ~~ASX-ASTC Settlement and Transfer Corporation Pty Limited ACN 008 504 532~~) in accordance with the ~~SCH-ASTC Settlement Business Rules~~¹;

Corresponding Number in relation to an Attached Security means at any time the number of those Attached Securities that are Stapled to an issued Unit at that time;

Costs includes costs, charges, fees, expenses, commissions, ~~liabilities~~Liabilities, losses, damages and Taxes and all amounts payable in respect of any of them or like payments;

Prospectus means a prospectus lodged under Part 6D.2 Division 3 of the Corporations Act or a Product Disclosure Statement lodged under Part 7.9 of the Corporations Act in respect of an issue of Units or Options²;

Security has the meaning given to that term in section 92(1) of the Corporations Act;

Stapled means, in relation to a Unit and an Attached Security or Attached Securities, being linked together so that one may not be dealt with without the other or others;

Stapled Entity means any trust, corporation, managed investment scheme or other entity the Securities of which are Stapled to Units;

Stapled Security means one Unit and each Attached Security which are Stapled together;

Stapled Security Register means the register of Stapled Securities to be established and maintained by or on behalf of the Trustee in accordance with clause 19.8;

Stapling Date means the date determined by the Trustee to be the day on which all Units on issue in the Trust are Stapled to an Attached Security or Attached Securities;

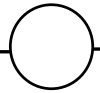
Unit Holding means the total number of Units held by a Unitholder; ~~and~~

Unstapled means, in relation to a Unit, not being Stapled; and

Unstapling Date means the date determined by the Trustee to be the date of Unstapling pursuant to clause 19.7.;

¹ Amended pursuant to Amending Deed dated 7 August 2003.

² Amended pursuant to Amending Deed dated 7 August 2003.



1.3 Market Price³

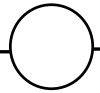
- (a) The “Market Price” for a Unit or Stapled Security on any Business Day is:
- (1) for all purposes other than the purposes of clause 5.10, the weighted average traded price for a Unit or Stapled Security (as the case may be) for all sales on ASX for the period of 10 Business Days immediately preceding the relevant Business Day (whether or not a sale was recorded on any particular day);
 - (2) for the purposes of clause 5.10, the average of the daily volume weighted average traded price for a Unit or Stapled Security (as the case may be) for all sales (excluding transactions referred to in clause 1.3(b)) on ASX for the period of 10 Business days including:
 - (A) the 5 Business Days up to and including the relevant record date; and
 - (B) the 5 Business Days after the relevant record date.

If in the circumstances the Trustee considers the period of 10 Business Days to be inappropriate it can extend or reduce the period or change the timing of the period.
- (b) For the purposes of clause 1.3(a)(2) the following transactions are excluded when calculating Market Price:
- (1) any transaction defined in the ASX Business Rules as a “Special Crossing”;
 - (2) any transaction defined in the ASX Business Rules as a “Crossing” that occurs prior to the commencement of normal trading or during the closing phase or after-hours adjust phase;
 - (3) any transaction pursuant to the exercise of Options over Units; or
 - (4) any transaction which the Trustee considers is not reflective of natural supply and demand.
- (c) If the Trustee believes that the calculations in clauses 1.3(a)(1) or 1.3(a)(2) do not provide a fair reflection of the market price of a Unit or Stapled Security (as the case may be), the Market Price on any Business Day is an amount determined by an Approved Valuer, to be the fair market price of the Unit or Stapled Security (as the case may be).
- (d) For the purposes of clause 1.3(a) the “relevant record date” means the date for determination of entitlements to the distribution which will be applied in paying up Units to be issued pursuant to clause 9.5 at an issue price to be calculated by reference to the Market Price of Units or Stapled Securities (as the case may be).
- (e) Notwithstanding clause 1.3(a), for the purposes of clause 5, the Market Price for a Unit or Stapled Security (as the case may be) means an amount calculated in a manner which complies with the Corporations Act, is set out in the Terms of Issue and which in the opinion of an Approved Valuer will approximate the market price of Units or Stapled Securities (as the case may be) at or around the relevant date.
- (f) The “Market Price” of an Option on any Business Day must be determined in the same manner as the Market Price for a Unit is determined.

3.3 Issue of Partly Paid Units

- (a) The Trustee may offer any Units which are offered for subscription as Partly Paid Units the Issue Price of which is payable on issue and by Instalments.
- (b) The Trustee must set out the Terms of Issue of the Partly Paid Units in the document offering those Units for subscription, which must include the amount and time for payment of the Instalments.
- (c) The whole of the unpaid Issue Price of each Partly Paid Unit is payable immediately upon termination of the Trust.
- (d) A Holder of a Partly Paid Unit must pay the Instalments of the Issue Price in accordance with the Terms of Issue and in accordance with this deed.

³ Amended pursuant to Amending Deed dated 7 August 2003.



- (e) A Partly Paid Unit which forms part of a Stapled Security will not be credited or deemed to be fully paid until:
- (1) the Trustee has received all moneys unpaid in relation to that Unit; and
 - (2) each other Stapled Entity (or its trustee or responsible entity) has received any amounts unpaid in relation to the relevant Attached Securities.

3.7 Failure to pay instalment on Partly Paid Unit

- (a) The Trustee must serve each Holder of a Partly Paid Unit with a notice not later than 30 Business Days prior to the due date for payment of an Instalment. The omission to give such notice by the Trustee or the non-receipt of such notice by the Holder of a Partly Paid Unit does not in any way whatsoever affect the obligation of the Holder to pay the Instalment.
- (b) If a Unitholder does not pay an Instalment on the due date, the Trustee must serve the Unitholder with a notice not later than 7 days after the due date containing:
 - (1) a demand for payment of all Instalments due and payable in respect of the Partly Paid Units and any interest payable;
 - (2) a statement that interest:
 - (A) runs from the due date of the Instalment until the date the Trustee receives payment of the overdue amount in full; and
 - (B) is payable at a fair market rate determined by the Trustee;
 - (3) a further due date for payment which may not be earlier than the expiration of 7 days after the date of service of the notice; and
 - (4) a warning that if payment in full is not received by the due date specified in the notice:
 - (A) the Partly Paid Unit is forfeited;
 - (B) the Trustee may offer the Forfeited Unit for sale; and
 - (C) all Costs associated with the forfeiture and any proceedings that may be necessary to recover the amount due from the Unit Holder will lie with the Unit Holder.

The omission to give such notice by the Trustee or the non-receipt of such notice by the Unitholder does not in any way whatsoever affect the obligation of the Holder to pay the Instalment.

- (c) ~~If payment in full is not received by the due date specified in the notice issued under clause 3.7(b), the A Partly Paid Unit is forfeited and the Trustee may offer the Forfeited Unit for sale:~~
 - (1) if payment in full is not received by the due date specified in the notice issued under clause 3.7(b); or
 - (2) if the Partly Paid Unit is Stapled to a partly paid Attached Security and that partly paid Attached Security is forfeited under the constitution of the relevant Stapled Entity because of non-payment of a call on that partly paid Attached Security.

5.5 Issue at Market Price or Current Unit Value

In addition to any other power the Trustee has to issue Units under this deed, the Trustee may issue Units or Options at any time to any person at an Issue Price as follows:

- (a) for the initial issue of Units in the Trust, Units at an Issue Price of \$2.00 per Unit;
- (b) after the initial issue of Units in the Trust but prior to the Trust being admitted to the Official List, Units at an Issue Price per Unit as set out in or calculated in accordance with a prospectus to be lodged with the Commission by the Trustee in relation to the initial public offering of Units in the Trust;
- (c) where the Trust has been admitted to the Official List and the Units or Stapled Securities (as the case may be) are Officially Quoted and have not been suspended from Official Quotation (other than temporarily):



- (1) Units at the Market Price for Units on the Business Day prior to the day on which the offer or issue is made or, if the Units are Stapled, Units at a price determined by the Trustee provided that the aggregate of the Issue Price of that Unit and the issue price of the Attached Securities to which that Unit will be Stapled is equal to the Market Price for Stapled Securities on the Business Day prior to the day on which the offer or issue is made ;
- (2) Options at the consideration for the issue of the Option specified in the Terms of Offer and Terms of Issue, where the Units to be issued pursuant to the exercise of those Options are to be issued at the Market Price of a Unit immediately prior to the date upon which the Option is issued or, if the Units are Stapled, at a price determined by the Trustee provided that the aggregate of the Issue Price of that Unit and the issue price of the Attached Securities to which that Unit will be Stapled is equal to the Market Price for Stapled Securities immediately prior to the date upon which the Option is issued ; and
- (d) where Units or, if Units form part of Stapled Securities, Stapled Securities have been suspended from Official Quotation (other than temporarily) or have otherwise ceased to be Officially Quoted or the Trust has been removed from the Official List, Units at the Current Unit Value on the Business Day prior to the day the offer to issue the Units is made.

5.6 Placements of Units and Options without Unitholder approval

The Trustee may issue Units at an Issue Price determined by the Trustee, being a price other than the Issue Price calculated in accordance with clauses 5.2, ~~and~~ 5.5 and 5.13, where;

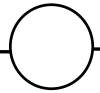
- (a) the Trust has been admitted to the Official List and the Units (or if the Units to be issued are in a class of Units, Units in that class) or Stapled Securities are Officially Quoted and have not been suspended from Official Quotation (other than temporarily);
- (b) the issue is not to the Trustee or any person associated with the Trustee;
- (c) the amount by which the Issue Price or, if the Units form part of Stapled Securities, the aggregate of the Issue Price of those Units and the issue price of Attached Securities to which those Units will be Stapled, is less than the Market Price for the Units (if applicable, of that class) or Stapled Securities (as the case may be) does not exceed 10%⁴; and
- (d) the issue is of Units that would not immediately after the issue (when aggregated with any other issue of Units pursuant to this clause 5.6 up to one year previously) comprise more than 10% (or such greater percentage as may be permitted from time to time by both the Corporations Act and the Listing Rules) of either all of the Units in the Trust or the Units on issue in the Trust in the same class as the Units comprised in the issue.

5.7 Placements of Units and Options with Unitholder approval

The Trustee may issue Units at an Issue Price determined by the Trustee, being a price other than the Issue Price calculated in accordance with clauses 5.2, ~~and~~ 5.5 and 5.13, where;

- (a) the Trust has been admitted to the Official List and the Units (or if the Units to be issued are in a class of Units, Units in that class) or Stapled Securities are Officially Quoted and have not been suspended from Official Quotation (other than temporarily);
- (b) the issue is not to the Trustee or any person associated with the Trustee;
- (c) the Holders approve the issue;
- (d) if the Units to be issued are in a particular class, Holders in that class approve the issue;
- (e) unless the Trustee reasonably considers that the issue will not adversely affect the interests of Holders in another class, Holders in that other class approve the issue;
- (f) any notice convening a Meeting to vote on the issue contains particulars of the use to be made of the money raised by the issue;

⁴ Amended pursuant to Amending Deed dated 7 August 2003.



- (g) an approval for the purposes of paragraphs (c), (d) and (e) of this clause is given by special resolution of the Holders where Holders with at least 25% of the total value of all the Units of Holders entitled to vote on the question vote on the question at the Meeting; and
- (h) if, in making the calculations referred to in paragraph (g) of this clause, any vote of a person to whom the Units are to be issued or any vote of any associate of that person were not counted, the resolutions would be passed.

5.8 Rights issues of Units

The Trustee may issue Units at an Issue Price determined by the Trustee, being a price other than the Issue Price calculated in accordance with clauses 5.2, ~~and~~ 5.5 and 5.13 pursuant to offers made at substantially the same time to only and all the then Unitholders if:

- (a) all the Units offered are in the same class;
- (b) the Issue Price of all the Units offered is the same;
- (c) either:
 - (1) if the Units are not Stapled, the issue price of those Units is not less than 50% of the Market Price of Units in that class on the Business Day preceding the day on which the intention to make the offer or issue is announced on ASX; or
 - (2) if the Units are Stapled, the aggregate of the Issue Price of those Units and the issue price of the Attached Securities to which those Units are Stapled is not less than 50% of the Market Price of Stapled Securities on the Business Day preceding the day on which the intention to make the offer or issue is announced on ASX; and
- (d) the amount of Units offered to each Unitholder is proportionate to the value of that Unitholder's Unit Holding.

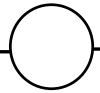
5.9 Rights issues of Options

The Trustee may issue Options and Units on the exercise of an Option at an Issue Price determined by the Trustee, being a price other than the Issue Price calculated in accordance with clauses 5.2, ~~and~~ 5.5 and 5.13 if the Options are issued pursuant to offers made at substantially the same time to only and all the then Unitholders in proportion to the value of their Unit Holding, and;

- (a) those Options will be issued simultaneously with the Corresponding Number of options over Attached Securities;
- (b) if Units are Stapled, the Units to be issued pursuant to the exercise of those Options are to be Stapled;
- ~~(a)~~(c) all the Options offered are in the same class;
- ~~(b)~~(d) the Issue Price of all the Options offered is the same;
- ~~(c)~~(e) the Exercise Price of all the Units to be issued on exercise of the Options is the same;
- ~~(d)~~(f) the means of calculating the Exercise Price is set out in the Terms of Issue; and
- (g) either:
 - (1) if Units are not Stapled, the Exercise Price on the date of exercise of the Options is not less than 50% of the Market Price of a Unit immediately prior to the date upon which the Option is issued; or
 - (2) if Units are Stapled, the aggregate of the Exercise Price on the date of exercise of the Options and the exercise price on the date of exercise of the options over Attached Securities is not less than 50% of the Market Price of a Stapled Security immediately prior to the date upon which the Option is issued.

5.10 Issues of Units - distribution reinvestment

The Trustee may issue Units at an Issue Price determined by the Trustee, being a price other than the Issue Price calculated in accordance with clauses 5.2, ~~and~~ 5.5 and 5.13 pursuant to a distribution reinvestment arrangement referred to in clause 9.5 where:



- (a) the whole or part of a Unitholder's Distribution Entitlement is applied in payment for the subscription for Units;
- (b) each Unitholder may from time to time elect to participate in that arrangement as to the whole, or some proportion, of the Distribution Entitlement which is or would otherwise be, payable to that Unitholder;
- (c) all the Units issued under the arrangement are of the same class;
- (d) the Issue Price of each Unit issued pursuant to that arrangement at substantially the same time is the same; and
- (e) either:
 - (1) if Units are not Stapled the issue price of those Units is not less than 90%⁵ of the Market Price of a Unit as at the Business Day immediately preceding the relevant Distribution Calculation Date, calculated in accordance with clause 1.3; or
 - (2) if Units are Stapled, the aggregate of the Issue Price of those Units and the issue price of the Attached Securities to which those Units will be Stapled is not less than 90%⁶ of the Market Price of a Stapled Security as at the Business Day immediately preceding the relevant Distribution Calculation Date, calculated in accordance with clause 1.3.⁷

5.11 Unitholder Purchase Plans⁸

The Trustee may issue Units at an Issue Price determined by the Trustee, being a price other than the Issue Price calculated in accordance with clauses 5.2, ~~and~~ 5.5 and 5.13, while the Trust is included in the Official List ~~of the ASX~~ and the Units or Stapled Securities (as the case may be) are Officially Quoted and have not been suspended from Official Quotation (other than temporarily) ~~are in a class which is quoted on the financial market operated by the ASX and trading in the class is not suspended~~, under an arrangement where:

- (a) an offer for the issue of Units is made to each Unitholder of Units in that class;
- (b) each offer is made on the same terms and conditions and on a non-renounceable basis;
- (c) the Issue Price of the Units (or, if Units are Stapled, the aggregate of the Issue Price of the Units and the issue price of the Attached Securities to which the Units are Stapled) is less than the Market Price of Units or Stapled Securities (as the case may be) during a specified period in the 30 days prior to either the date of the offer or the date of the issue; and
- (d) no Unitholder may be issued with Units or Stapled Securities (as the case may be) with an application price totalling more than \$5,000 in any consecutive 12 month period,

provided that an offer need not be made to a Foreign Unitholder where the Trustee reasonably considers that it is not lawful or not practical for the Trustee to offer and issue Units to the person under the arrangement.

5.12 Interpretation⁹

For the purposes of paragraph 5.11:

- (e) if a trustee or nominee is expressly noted on the Register as holding Units on account of another person (**Beneficiary**):
 - (1) the Beneficiary is taken to be the Unitholder in relation to those Units; and
 - (2) any issue of Units to the trustee or nominee is taken to be an issue to the Beneficiary;

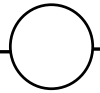
⁵ Amended pursuant to Amending Deed of 13 April 2000.

⁶ Amended pursuant to Amending Deed of 13 April 2000.

⁷ Amended pursuant to Amending Deed dated 7 August 2003.

⁸ Inserted pursuant to Amending Deed dated 7 August 2003.

⁹ Inserted pursuant to Amending Deed dated 7 August 2003.



- (f) a reference to an offer for the issue of Units includes a reference to inviting an application for the issue of the Unit.

5.13 Issues of Units - Bookbuilds¹⁰

- (a) The Trustee may issue Units (**Initial Placement**) pursuant to a bookbuild arranged by a reputable merchant bank with experience in arranging bookbuilds in the Australian equity market under which a majority of Units are issued to persons who are not associates (as that term is defined in sections 11 to 16 of the Corporations Act) of the Trustee at an Issue Price (**Bookbuild Price**):

- (1) if the Units are not Stapled, determined in accordance with the terms of the bookbuild; or
 (2) if the Units are Stapled, determined by the Trustee provided that the issue price for the Stapled Securities of which the Units will form a part is determined in accordance with the terms of the bookbuild,

and provided that the Auditor has provided written certification that the bookbuild was conducted in accordance with normal market practice for bookbuilds and that the Bookbuild Price is, in the Auditor's opinion, a fair market price having regard to the number of Units or Stapled Securities (as the case may be) being issued in, and the circumstances of, the Initial Placement.

- (b) The Trustee may issue Units at an Issue Price:

- (1) if the Units are not Stapled, equal to the Bookbuild Price determined in accordance with clause 5.13(a) for an Initial Placement; or
 (2) if the Units are Stapled, determined by the Trustee provided that the issue price for the Stapled Securities of which the Units will form a part is equal to the Bookbuild Price determined in accordance with clause 5.13(a) for an Initial Placement,

if the issue is:

- ~~(1)~~(3) a placement to professional investors (as that term is defined in section 9 of the Corporations Act, which may include an associate of the Trustee) announced at the same time as, or within 15 Business Days of the Initial Placement; or
~~(2)~~(4) made pursuant to a disclosure document or Product Disclosure Statement lodged with the Australian Securities and Investments Commission pursuant to sections 718 or 1015B of the Corporations Act respectively within 15 Business Days of the Initial Placement.

19 Stapling

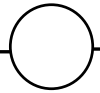
19.1 Power to Staple Securities

The Trustee may, subject to the Corporations Act and, if Units are Officially Quoted, the Listing Rules, cause the Stapling of any Security to the Units and may cause the Stapling of further Securities to the Units whether those Securities are a different class of Securities of a Stapled Entity from those Stapled at the time or Securities of an entity that is not a Stapled Entity but so that in every case, the Corresponding Number of Attached Securities of every kind is Stapled to each Unit.

19.2 Distributions in Specie

- (a) For the purposes of Stapling, the Trustee may make an in specie distribution of Securities to all Unitholders.
 (b) The Trustee must effect the distribution to all Unitholders in the same way and Securities transferred to each Unitholder must be of the same type, have the same rights and be fully paid.
 (c) Where Securities are to be transferred to Unitholders, each Unitholder authorises the Trustee to act as the Unitholder's agent;

¹⁰ Inserted pursuant to Amending Deed dated 7 August 2003.



- (1) to agree to obtain the Securities; and
- (2) agree to become a member of the relevant Stapled Entity.

19.3 Distribution for purposes of Stapling

For the purposes of creating or adding a new Attached Security to Stapled Securities, the Trustee may apply the proceeds of a pro-rata distribution under clause 9.2(a) in subscribing as agent and attorney of each Unitholder for Securities which are to be Stapled to Units.

19.4 Appointment of Trustee as agent and attorney

The Trustee is irrevocably appointed as agent and attorney of each Unitholder to execute all documents and do all things which it reasonably considers are necessary or desirable to be executed or done on behalf of the Unitholder to effect the Stapling of Attached Securities to Units, including in relation to:

- (a) executing an application for or transfer of Securities which are to be Attached Securities to a Unitholder as subscriber or transferee;
- (b) the Stapling of each Unit held by that Unitholder on the Stapling Date to the Corresponding Number of Attached Securities; and
- (c) arranging for each Unitholder to be registered as the holder of those Attached Securities.

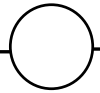
The Trustee is authorised to execute these documents and do these things without needing further authority or approval from the Unitholders.

19.5 Operation of the Stapling provisions

Clauses 19.5 to 19.11 apply only, and for so long as, a Unit is a component of a Stapled Security.

19.6 Units to be Stapled

- (a) Details of all Stapled Securities sufficient to identify the Securities which comprise the Stapled Security must be registered in the Stapled Security Register.
- (b) the Trustee must not issue Units unless satisfied that each of those Units will be Stapled to the Corresponding Number of each Attached Security to form a Stapled Security.
- (c) the Trustee and the Unitholders must neither do any act, matter or thing nor refrain from doing any act, matter or thing if to do so or refrain from doing so (as the case may be) would result directly or indirectly in any Unit no longer being Stapled as a Stapled Security. In particular:
 - (1) the Trustee must not offer any Units for subscription or sale unless an offer is made at the same time and to the same person for the Corresponding Number of each Attached Security for issue or sale;
 - (2) any offer of Units for subscription or sale must require each offeree to subscribe for or buy a the Corresponding Number of each Attached Security;
 - (3) the Trustee must not issue or sell any Units to any person unless the Corresponding Number of each Attached Security is also issued or sold to the same person at the same time; and
 - (4) the Trustee must not forfeit a Unitholder's Unit unless the Attached Securities Stapled to it are also forfeited;
 - (5) the Trustee must not consolidate, sub-divide, cancel or otherwise reorganise any Units unless at the same time there is a corresponding consolidation, subdivision, cancellation or other reorganisation of all Attached Securities; and
 - (6) the Trustee must not register the transmission or transfer of Units pursuant to clause 12 unless it also causes the transmission or transfer (as the case may be) or a Corresponding Number of each Attached Security.



19.7 Unstapling Date

- (a) Subject to the Corporations Act, the Listing Rules and approval by a special resolution of the Unitholders and the members of each Stapled Entity respectively, the Trustee may determine that the Stapling provisions of this deed will cease to apply and that a particular date is to be the Unstapling Date.
- (b) On and from the Unstapling Date, each Unit ceases to be Stapled to the Attached Securities and the Trustee must do all things reasonably necessary to procure that each Unit is Unstapled.
- (c) If the Trustee determines to Unstaple the Stapled Securities pursuant to this clause 19.6, this does not prevent the Trustee from:
 - (1) subsequently determining that the Stapling provisions should recommence; and
 - (2) stapling an Unstapled Unit to Attached Securities which are not Stapled.

19.8 Transfer of Stapled Securities

- (a) a transfer of a Unit forming part of a Stapled Security will only be accepted as a proper transfer in registrable form if, in addition to the requirements of clause 12, the transfer is accompanied by a transfer of the Corresponding Number of each Attached Security in favour of the same transferee.
- (b) a transfer of a Unit which is not accompanied by a transfer of the Corresponding Number of each Attached Security will be taken to authorise the Trustee as agent for the transferor to effect a transfer of the Corresponding Number of each Attached Security from the same transferor to the same transferee.
- (c) a transfer of any Attached Security to which a Unit is Stapled (other than a transfer of the Attached Security to the Trustee as trustee of the Trust) which is not accompanied by a transfer of the Unit will be taken to authorise the Trustee as agent for the transferor to effect a transfer of the Unit to which the Attached Security is Stapled to the same transferee.
- (d) Each Unitholder irrevocably appoints the Trustee as its agent and attorney for the purposes of taking all necessary action (including executing necessary documentation) to effect on a date to be determined by the Trustee the transfer to the Trustee (as trustee of the Trust) or to a person nominated by the Trustee of any Attached Security which was Stapled to a Forfeited Unit which has been cancelled or sold.

19.9 Stapled Security Register

The Trustee must cause to be kept and maintained a Stapled Security register which:

- (a) may incorporate or form part of the Register;
- (b) records the names of the Unitholders, the number of Units held, the number of Attached Securities held by the Unitholders to which each Unitholder's Units are Stapled and any additional information required by the Corporations Act or the Listing Rules or determined from time to time by the Trustee.

19.10 Variation of Stapling provisions

The consent of each other Stapled Entity must be obtained to any amendment to this deed which:

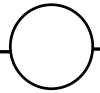
- (a) directly affects the terms on which Units are stapled; or
- (b) removes any restriction on the transfer of a Stapled Unit unless that restriction also exists for all Attached Securities and is simultaneously removed for all Attached Securities.

19.11 Maintenance of Listing and consistency with constitutions of Stapled Entities

The Trustee must use reasonable endeavours to procure that, if Stapled Securities are and continue to be Officially Quoted as such, Units are dealt with under this deed in a manner consistent with the provisions relating to the Attached Securities in the constitutions of the Stapled Entities.

19.12 Stapling provisions paramount

Subject to clauses 1.4 and 1.5, this clause 19 has effect notwithstanding any other clause of this deed and any clause of this deed which is inconsistent with it does not operate to the extent of any inconsistency.



Schedule - Meetings of Holders

(Part 17)

2 Who may attend and address meeting of Unitholders

- (a) The Trustee, the directors of the Trustee, the Auditor, the auditor of the Trust's Compliance Plan, and any person invited by any of them is entitled to attend and address a Meeting or an adjourned Meeting.
- (b) While Units are Stapled, the directors, auditors and representatives of each Stapled Entity may attend and speak at any Meeting, or invite any other person to attend and speak.

5 Proxies

- (b) If the appointer of a proxy is an individual, the instrument of appointment must be in writing and signed by the appointer or the appointer's attorney authorised in writing. While Units are Stapled, the form of proxy may be the same form as the Holder uses to appoint a proxy to vote on its behalf in respect of any Attached Securities.

9 Stapled Security Meetings

While Units are Stapled, Meetings may be held in conjunction with meetings of the holders of Attached Securities and, subject to the Corporations Act, the Trustee is entitled to make such rules for the conduct of such Stapled Security holder meetings as it determines.

Item 3 – Approval of Institutional Placement

On 4 August 2004, APA issued units to institutional investors ("institutional placement") to partly fund the acquisition of the remaining interest in SCP Investments (No 1) Pty Limited and the Parmelia gas business in Western Australia. Due to the relatively small size of the issue (approximately \$61.7 million) and the immediate requirements for the funds, the directors of APL, as responsible entity for APA, considered that the optimum method for raising this equity was by way of placement to institutional investors.

The allottees of units under the institutional placement were both existing and new institutional unitholders, falling within the definitions of "wholesale clients" under section 761(G) of the Corporations Act 2001 (Cwth).

Under Listing Rule 7.1, APA is limited to issuing up to 15% of its issued capital in any 12 month period without unitholder approval. Under Listing Rule 7.4, APA may seek subsequent unitholder approval to specific issues of units, and if that approval is granted, such issues do not count towards the 15% limit.

APA seeks unitholder approval of the institutional placement issue on 4 August 2004 of 24,500,000 units at \$2.52 per unit on the same terms as existing units.

The Directors believe that it is in APA's best interests to be able to maintain the ability to issue up to a full 15% of its issued capital so that APA may take advantage of commercial opportunities which may arise in the course of APA's activities.

APA will disregard any votes cast on the resolution described under Item 4 by any person who participated in the institutional placement or an associate of those persons. However, APA will not disregard votes cast as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.

Note: The Chairman intends to call for a poll in relation to this item at the Annual Meeting.



Glossary

APA Group means APA and following any Restructure, APA and any New Trust.

APA means the Australian Pipeline Trust (ARSN 097 326 013).

APA Units means units in APA.

ASX means the Australian Stock Exchange Limited.

Board means the Board of Directors of Australian Pipeline Limited.

Constitution means the constitution of APA dated 18 February 2000 as amended from time to time.

Corporations Act means Corporations Act 2001 (Cth).

Explanatory Notes means this explanatory memorandum.

General Meeting means the general meeting of Unitholders to be held at the time, date and place set out in the Notice of General Meeting.

Notice of General Meeting means the notice of meeting set out in Part B of this explanatory notes.

Resolution means the resolution set out in the Notice of General Meeting contained in part B of this explanatory notes.

Responsible Entity means APL.

Restructure means the proposed restructure described in the Explanatory Memorandum including:

Unitholders means registered holders of APA Units.