



**MEDIA RELEASE**

6 May 2008

**APA GROUP TO EXPAND NSW AND QLD ASSETS**

APA Group (APA) today announced its decision to proceed with the expansion of its Moomba to Sydney Pipeline (MSP) and its Queensland gas distribution network to meet rising gas demand.

The MSP expansion program will increase current pipeline capacity by approximately 20%. The MSP, which is owned and operated by APA, delivers natural gas from South Australia and Victoria into New South Wales and the ACT.

The expansion program will cost in the order of \$100 million and is underwritten by recently agreed long term shipper arrangements. Capacity on the pipeline will be increased progressively over the next few years, with the first tranche of additional capacity available this winter, in line with contract requirements.

APA also announced today it has approved a major expansion of its natural gas network in Queensland's Gold Coast area.

This initial \$17 million investment will extend the distribution network to service up to 9,000 new homes in the upper Coomera - Pimpama area.

APA owns and operates the network which services residential and business gas users from south Brisbane to the Gold Coast. APA acquired the network from the Queensland Government in 2006.

Growth in demand on the natural gas network flows through to APA's Roma to Brisbane Pipeline.

APA's Managing Director Mick McCormack said both expansion programmes underscored the growing gas demand in New South Wales and Queensland.

"The Moomba Sydney Pipeline is a competitive pipeline, and we're pleased that shippers have opted to use more of the services the MSP offers. The expansion of the MSP's capacity is fully underwritten by contracts with a range of shippers, and particularly those who require capacity certainty during the high peak periods." Mr McCormack said.

"In Queensland we're seeing the increased use of natural gas for water heating, encouraged by the State Government's Climate Smart 2050 Policy. We're extending our network into new housing developments to meet this demand, and we also expect to see increased use of gas by home users in our existing network as natural gas water heaters replace many of the electric water heaters."

Mr McCormack said there was potential to further extend the network to additional home development sites in the growing Brisbane to Gold Coast corridor, with two major housing developers recently committing to make natural gas available to 3,000 new homes.

Both expansions will be financed during their construction period from a combination of operating cash flow and existing financing facilities.

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**About APA Group (APA)**

APA Group, comprised of Australian Pipeline Trust and APT Investment Trust, is the major ASX-listed energy transmission company in Australia with interests in almost 12,000 kms of natural gas pipeline infrastructure, over 2,300 kms of gas distribution networks in south east Queensland, Coal Seam Gas processing plants, gas fired power stations, gas storage facilities and two high voltage direct current interconnector systems.

APA manages and operates all its assets and also provides management and operation services to gas distribution and transmission company Envestra (which owns 19,100 km of natural gas distribution networks and 1,029 km of natural gas transmission pipelines). It also holds a 17.8 percent stake in Envestra and a one-third interest in the SEAGas pipeline. APA Group has a varied and quality customer base including AGL Energy, Cooper Eromanga Basin Producers, Xstrata, Newmont, CS Energy, BHP Billiton, Zinifex, Incitec Pivot, Origin, RioTinto, Nickel West, Synergy and Verve Energy.