



Media release

27 February 2006

APA to expand the Mondarra Storage Facility

Australian Pipeline Trust today announced the execution of a five-year agreement (plus a five year option) with Verve Energy (formerly known as Western Power) to utilise the Mondarra Storage facility coupled with the Parmelia Gas Pipeline.

APA chief executive officer, Mick McCormack, said the new contract would underpin the expansion of the Mondarra Gas Storage Facility via the drilling of a 'state of the art' purpose built gas storage well into the existing reservoir. Capital expenditure is expected to be between \$10 - \$15 million.

"The multi-million storage and transportation contract and Mondarra expansion will position APA to develop additional peak gas supply services which are expected to be much sought after in the rapidly developing deregulated WA energy market," he said.

The expansion of the gas storage facilities is an exciting addition to the suite of flexible and innovative services that APA has been developing to help manage peak supply constraints in the Perth region.

"In addition to the gas storage revenue, this development will directly lead to additional gas transportation revenue for the Parmelia Gas Pipeline."

This investment, forms another step in the development by APA of the "Mondarra Gas Hub", which conveniently straddles the only two gas pipelines servicing the south-west of WA. The Mondarra Gas Hub effectively offers interconnected pipeline gas transportation services, load management, storage, compression and processing all controlled remotely from APA's dedicated 24 hour Perth Control Centre.

"Verve Energy is the major provider of electrical generation capacity in Western Australia. I am pleased that John Lillywhite as Verve Energy CEO-designate has recognised the positive benefits of the Mondarra expansion in assisting Verve Energy to manage its portfolio of fuel and generation arrangements," Mr McCormack concluded.

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About Australian Pipeline Trust (APA)

The Australian Pipeline Trust is the major ASX-listed natural gas pipeline company in Australia with interests in more than 7,500km of pipeline infrastructure. The trust has a varied and quality customer base including AGL, Cooper Eromanga Basin Producers, Xstrata, Newmont, CS Energy, BHP Billiton, Zinifex, Incitec Pivot, Origin, Energex, RioTinto, Nickel West and WPC.