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Australian Pipeline Ltd
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Australian Pipeline Trust
ARSN 091 678 778

APT Investment Trust
ARSN 115 585 441

ASX RELEASE

28 May 2007

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ASX Announcement

**APA GROUP RAISES US\$654 MILLION IN LARGEST U.S. PRIVATE
PLACEMENT BY AN AUSTRALIAN UTILITY**

APA Group has raised US\$654 million (A\$811 million) through a private placement to U.S. and Canadian investors, marking the largest private placement by an Australian utility, the largest by an unrated Australian company in the United States and more than double the US\$300 million the APA Group initially targeted to raise.

“This placement not only reflects the strong appetite for infrastructure assets by U.S. and Canadian investors but support for APA Group’s strategy over the past 12 months and recognition that it is a leading Australian infrastructure company,” APA Group Chief Financial Officer, Rick Francis said.

APA Group, through its borrowing subsidiary APT Pipelines Limited, issued US\$654 million equivalent of guaranteed senior 10, 12 and 15-year notes due to expire in 2017, 2019 and 2022. Citi and TD Securities were Joint Placement Agents, with Citi as the sole book manager.

APA Group marketed the offer to investors in Australia and Canada as well as the U.S. More than 15 investors participated of which 13 were first time investors in APA Group.

“The proceeds of the issue will be used by APA Group to refinance existing debt and for general corporate purposes. All of APA Group’s current acquisition bridge facilities have now been replaced with long term debt,” Mr Francis said.

The transaction marks the second private placement in the U.S. by APA Group. Its first private placement in U.S. was in September 2003 when it raised US\$325 million equivalent of 7, 10, 12 and 15-year guaranteed senior notes.

Mr Francis said, the margin paid over 10 year US Treasury Notes was significantly lower than that paid in the 2003 issue.

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Approximately 40% of the amount raised was in fixed-rate Australian dollars. The balance, which was raised in US dollars, has been swapped back into fixed rate Australian dollars in accordance with company hedging policy.

Placement summary:

- A\$5mm 7.33% Guaranteed Series A Senior Notes due 2017 at A\$ Mid-Swap + 93bps
- US\$154mm 5.89% Guaranteed Series B Senior Notes due 2017 at UST + 125bps
- A\$99mm (US\$80mm equivalent) 7.38% Guaranteed Series C Senior Notes due 2017 at UST + 130bps
- US\$122mm 5.99% Guaranteed Series D Senior Notes due 2019 at UST + 135bps
- A\$68mm (US\$55mm equivalent) 7.40% Guaranteed Series E Senior Notes due 2019 at UST + 140bps
- US\$124mm 6.14% Guaranteed Series F Senior Notes due 2022 at UST + 150bps
- A\$81mm (US\$65mm equivalent) 7.45% Guaranteed Series G Senior Notes due 2022 at UST + 155bps
- A\$62mm (C\$57.9mm equivalent) 7.45% Guaranteed Series H Senior Notes due 2022 at CAN + 148bps

About APA Group

APA Group, comprised of Australian Pipeline Trust and APT Investment Trust, is the major ASX-listed energy transmission company in Australia with interests in more than 10,000kms of natural gas pipeline infrastructure, over 2,300kms of gas distribution network in south east Queensland, two Coal Seam Gas processing plants, a gas fired power station, gas storage facilities and two high voltage direct current interconnector systems. The 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, Energex, RioTinto, Nickel West, Synergy and Verve Energy.

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