



MEDIA RELEASE

12 November 2007

RESPONSE TO NSW GOVERNMENT INQUIRY ON LOAD SHEDDING EVENT

APA Group notes the release today of the NSW Government Inquiry Report on Natural Gas Supply Load Shedding Event of 22 to 24 June 2007 and the Media Release by the NSW Energy Minister, Ian Macdonald, on new laws for the gas industry.

In relation to the APA Group owned Moomba to Sydney Pipeline (MSP) the following points were included in the Report's findings:

- "current constraints within the transmission pipeline system such as the Stress Corrosion Cracking pressure regime on the MSP were not significant and did not impact on the infrastructure's ability to deliver contracted gas";
- "the Inquiry considers that the load shedding resulted from gas injections into the MSP failing to meet the demand for gas over an extended period"; and
- "the Inquiry therefore finds that shippers failed to make arrangements to supply sufficient gas to meet the demands of gas consumers in NSW".

As determined by the Inquiry, APA Group met all of its contractual obligations at all times and had more than sufficient pipeline capacity to meet the peak gas demand if sufficient quantities of gas had been delivered into the pipeline. The MSP continues to have more than sufficient capacity to meet all current and future contracted gas demand.

Since this load shedding event, APA Group has been working with the NSW Government and all other stakeholders to ensure that this type of disruption does not occur in the future. APA Group will continue to work with all involved on the drafting and implementation of the new Wholesale Gas Market Rules.

APA Group transports gas on the Moomba to Sydney pipeline under gas transportation contracts for a number of customers including AGL Wholesale Gas, Origin Energy, TRUenergy, Country Energy and Energy Australia.

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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 more than 10,000 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 operations 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 17.2 percent stake in Envestra and a one-third interest in the SEAGas pipeline. 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, RioTinto, Nickel West, Synergy and Verve Energy.