



## MEDIA RELEASE

20 December 2007

### APA GROUP REAFFIRMS STRONG FINANCIAL POSITION

In response to recent credit market volatility, APA Group wishes to reiterate its strong financial position resulting from prudent refinancing activities and the successful security purchase plan in November 2007 which raised \$85 million.

In May and June 2007 APA Group successfully completed two major refinancings, one in the US private placement market and one via a local syndicated facility. Both refinancings were oversubscribed and priced at levels prevailing before the recent credit market volatility. As a result, margins are locked in for the lives of those respective facilities, which range from 3 years to 15 years.

APA Group's most immediate refinancing requirements do not arise until the 2009 financial year – in August 2008 (\$150 million) and March 2009 (\$300 million). Under the new syndicated facility, APA Group has over \$500 million of committed undrawn facilities, available at the contracted margins, to meet the needs of the business, as and when they arise. Details of the total committed facilities are set out below.

All interest rates on medium term notes, project debt and US private placement facilities have been fixed for the life of the respective facilities. In accordance with company treasury policy, from time to time, APA Group takes out interest rate hedges which fix a proportion of the interest rate exposure on the syndicated facility. Currently, approximately 70% of all debt is at fixed interest rates. APA Group also notes that the regulatory reset process for its regulated assets also provides a level of interest rate protection for the business at the outset of each new regulatory period.

APA Group's total committed debt facilities comprise:

Facility	Facility Amount	Tenor
Medium term notes	\$150 million	August 2008
Medium term notes	\$300 million	March 2009
Project debt	\$80 million	December 2011
2003 US private placement	\$496 million	7, 10, 12 and 15 year tranches (FY 2010, 2013, 2015 and 2018)
2007 Syndicated facility	\$2.0 billion	Equal 3 year and 5 year tranches (FY 2010 and 2012)
2007 US private placement	\$811 million	10, 12 and 15 year tranches (FY 2017, 2019 and 2022)

APA Group owns and operates a suite of major gas transmission and distribution networks, electricity transmission lines and complementary assets. The majority of APA Group's assets are either regulated or underpinned by long-term contracts with major creditworthy counterparties. Accordingly, APA Group generates strong and predictable cash flows from its operations.

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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.