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APA Group



Australian Pipeline Ltd
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Australian Pipeline Trust
ARSN 091 678 778

APT Investment Trust
ARSN 115 585 441

ASX RELEASE

3 November 2008

The Manager

Company Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
Sydney NSW 2000

Electronic Lodgement

Dear Sir or Madam

Company Announcement

I attach the following announcement for release to the market:

- Osaka Gas Joins Marubeni Corporation as Equity Partner for APA's Unlisted Investment Vehicle

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Knapman'.

Mark Knapman
Company Secretary



ASX RELEASE

OSAKA GAS JOINS MARUBENI CORPORATION AS EQUITY PARTNER FOR APA'S UNLISTED INVESTMENT VEHICLE

Further to last week's announcement of the Marubeni Corporation's participation in APA's unlisted energy investment vehicle (Investment Vehicle), APA is pleased to announce that Osaka Gas of Japan has joined the consortium led by Marubeni to work with APA in the creation of the Investment Vehicle.

The proposed equity arrangements include Marubeni holding a 49.9% interest and Osaka Gas a 30.2% interest in the Investment Vehicle, while APA will hold the remaining 19.9% interest.

The confirmation of Osaka Gas' involvement in the consortium provides further momentum in finalising the debt and equity agreements required to complete the transaction.

APA's Managing Director, Mick McCormack said "The inclusion of Osaka Gas in the consortium completes a very strong equity partnership, and also provides APA with an excellent opportunity to build a close relationship with another major international energy company. APA, Marubeni, and Osaka Gas are working to complete the transaction, including finalising the finance facilities, which are well progressed."

Osaka Gas is one of Japan's oldest and largest energy utilities, with energy investments in over 56,000 km of gas transmission and distribution pipelines in Japan and an interest in approximately 5,200 MW of power generation in Japan, USA and Europe.

"Both Marubeni and Osaka Gas are valuable partners in the Investment Vehicle, having industry experience in similar infrastructure assets and a long term focus in this investment", added Mick McCormack.

Subject to market conditions, and as previously stated, APA remains on track to complete the transaction within the current calendar year.

Confirming APA's previous advice:

- APA is targeting net proceeds of around \$600 million from the transaction, after adjusting for its retained equity interest of 19.9%, with the proceeds to be directed towards reducing APA's gearing below 70%.
- The Investment Vehicle will hold a number of APA's infrastructure assets, including its two electricity transmission cables, its gas fired power generation and gas processing facilities in Queensland, the Telfer Gas Pipeline in Western Australia, and the Bonaparte Gas Pipeline and Wickham Point Pipeline in the Northern Territory, currently under construction and due for completion in early 2009.
- After establishing the Investment Vehicle, APA will have the commercial and operating responsibility for these assets under a long term operating agreement.



ASX RELEASE

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 km of natural gas pipeline infrastructure, over 2,300 km 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 an 18 percent stake in Envestra and a one-third interest in the SEAGas pipeline.

About Marubeni Corporation

Marubeni Corporation is a Japanese company listed on the Tokyo/Osaka/Nagoya exchanges. Marubeni manages businesses across a wide range of industrial sectors throughout the world.

Marubeni has extensive expertise and knowledge in the energy sector, with an interest in approximately 6,300 MW of generation capacity around the world, including 1,000 MW in Australia, through an interest in the Milmerran Power Station, in Queensland, and the Smithfield Cogeneration Plant in New South Wales.

About Osaka Gas

Osaka Gas is a Japanese listed company. It was established in 1897 and is a leading energy supplier with its core natural gas supply business serving 6.7 million customers in Japan's Kansai Region. With its portfolio of diversified energy businesses, Osaka Gas is developing into a multi-energy services provider of natural gas, electricity, LPG, district heating/cooling, and other services. Its energy investments include 58,000 km of gas transmission and distribution pipelines in Japan, and international portfolio of power generation with total capacity of 5,200 MW. With its affiliated enterprises, the Osaka Gas Group is also active in various non-energy business fields.

For further information please contact:

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