

Media Release

6th March, 2002

DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2001
INCORPORATING THE COMMENTARY BY DIRECTORS AND DISTRIBUTION
ANNOUNCEMENT MADE TO THE AUSTRALIAN STOCK EXCHANGE LIMITED
6 MARCH 2002

APA MAINTAINS PERFORMANCE

The Directors of Australian Pipeline Limited, as responsible entity for the Australian Pipeline Trust ("APA"), submit herewith the financial report for the half-year ended 31 December 2001. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

CHAIRMAN'S REPORT

APA is pleased to report an interim profit after tax & minorities for the half-year period ended 31 December 2001 of \$19.0 million, representing a \$2.6 million (15.9%) increase on the profit of the previous corresponding period.

The improved performance was the result of an increase in pipeline revenue adjusted for non-recurring items, reduced interest costs and the impact of the introduction of a lower corporate tax rate.

The Distribution in respect of the quarter ended 31 December, 2001 will be 5.0 cents per unit, comprising an income component of 3.0 cents per unit (unfranked) and a capital component of 2.0 cents per unit. As previously stated, it is not expected that APA will generate significant franking credits until at least 2004.

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A summary of the half-year results is set out below:-

RESULTS IN SUMMARY	31 Dec 2001	31 Dec 2000	Year on Year Changes	
	\$m	\$m	\$m	%
Pipeline Revenue including SCP distribution	89.6	86.7	2.9	3.3
Other Pipeline Revenue	32.9	31.7	1.2	3.8
Interest – other Revenue	6.6	6.7	<0.1>	<1.5>
Total Revenue	129.1	125.1	4.0	3.2
Earnings Before Interest, Tax, Depreciation and Amortisation	66.1	65.1	1.0	1.5
Earnings Before Interest and Tax	53.2	52.9	0.3	0.6
Pre tax profit	30.4	28.7	1.7	5.9
Less: Tax	11.3	12.2	0.9	7.4
Profit after tax	19.1	16.5	2.6	15.8
Less: Minority Interests	0.1	0.1	-	-
Operating Profit after Tax	19.0	16.4	2.6	15.8

Earnings per unit	7.8 cents	6.7 cents	1.1 cents	16.4
Net Tangible Asset Backing per unit (after capital distributions)	\$1.80	\$1.87	<\$0.07>	<3.7>
Operating Cash Flow per unit-excluding interest	27.3 cents	27.2 cents	0.1 cents	0.4
Interest Cover Ratio (times)	2.4	2.1	0.3	-
Gearing ratio (%)	63.2	60.9	2.3	-

Total Distribution paid/payable in respect of the 6 month period to 31 December 2001 per unit	Income Distribution	6.0 cents- unfranked
	Capital Distribution	4.0 cents
		10.0 cents

COMMENTARY

Revenue

Pipeline revenue, adjusted for pass-through revenue and normalised for non-recurring items, increased by \$4.2 million or 4.9% over the previous corresponding period. The higher pipeline revenue reflects APA's 100% ownership of Roma to Brisbane pipeline and the higher equity accounted profits derived by the Goldfields Gas Transmission pipeline. This was partially offset by the predicted impact of the Eastern Gas Pipeline on the Moomba to Sydney pipeline load.

Operating Costs and Borrowing Costs

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Operating expenses excluding depreciation and interest were higher than the previous corresponding period as a consequence of the impact of acquiring the remaining 15% interest in the Roma to Brisbane pipeline, increases in fees under the long-term service contracts and increased insurance premiums.

Net borrowing cost for the period was \$22.8 million compared to \$24.2 million for the previous corresponding period. This reduction was as a result of lower effective interest rates on funds borrowed.

Depreciation & Amortisation

Depreciation and amortisation were higher than the same period in the previous year due to increased depreciation on the Roma to Brisbane pipeline reflecting full ownership.

Operating Cash Flow – Excluding Interest

The operating cash flow generated by APA up to 31 December 2001 totalled \$66.5 million compared with \$65.4 million for the same period last year.

Earnings Per Unit

The earnings per unit increased by 1.1 cents or 15.9% over the corresponding period of last year.

HIGHLIGHTS TO DATE

- In October 2001, APA agreed to the installation of a compressor station on the Carpentaria Gas Pipeline which will enable greater volumes to be transported through the pipeline;
- Origin Energy executed a new gas transportation agreement in November 2001 with APA, which will enable the Roma to Brisbane Pipeline Looping Stage Six project (the Brisbane metropolitan looping) to proceed;
- Roma to Brisbane Pipeline Looping Stage Five was commissioned on 15 December 2001. This provides greater volumes to be transported through the pipeline.

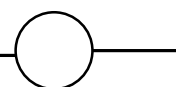
REGULATORY DECISIONS

East Australian Pipeline Limited, a wholly owned controlled entity of APA, has made application to the National Competition Council (the Council) to have the Moomba to Sydney pipeline removed from coverage under the National Gas Access Code. The Council has issued a draft recommendation that coverage should be maintained. East Australian Pipeline Limited has responded to the Council strongly rejecting the draft recommendation. East Australian Pipeline Limited is presenting further argument in favour of revocation and takes issue with the draft recommendation in which a number of inaccurate statements have been made.

The decision as to coverage rests with the Minister. “I am confident that the Minister will give this matter very careful consideration” Mr McDonald, Chief Executive Officer of APA said. “We have several further avenues available to seek revocation of coverage, should that be necessary”, Mr McDonald concluded.

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As a separate process, the Australian Competition and Consumer Commission has notified it intends to finalise the Moomba to Sydney Pipeline access arrangement, and this process may overlap with the revocation decision.

In Western Australia, Goldfield Gas Transmission Pty Limited, in which APA has an indirect interest of 39.7%, has commenced legal proceedings in relation to its regulatory process.

Australian Pipeline Trust welcomes the decision by the Council of Australian Governments to review energy policy and encourages both Federal, State and Territory governments to pursue a cohesive national energy strategy with particular emphasis on natural gas.

Mr McDonald agreed with the Chairman of the Productivity Commission in his media release of 14 February, 2002, that governments must “provide clearer guidance to regulators: greater clarity about the objectives of regulation, the behaviour at which intervention should be targeted and the principles governing the type of intervention.”

DISTRIBUTION

Second Quarter Distribution Details

The distribution of 5 cents per unit for the quarter ended 31 December 2001 will be made up as follows:

Income distribution per unit	3.0 cents
Capital distribution per unit	<u>2.0 cents</u>
Total distribution per unit	5.0 cents

The income distribution will be unfranked.

For unitholders who hold their investments on capital account, the capital distribution component will be treated as a return of capital. The repayment of capital will reduce the unitholders’ cost base (or indexed base) for capital gains tax purposes.

The record date for determining unitholders’ entitlement to the distribution will be the close of business on 18 March 2002.

The date for payment of the distribution is 28 March 2002.

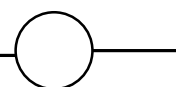
OUTLOOK

Despite concerns about various regulatory processes and the economic environment, the Directors remain positive about APA’s outlook and its ability to generate growth for unitholders in the longer term and are confident that full year results will exceed actuals for YEJ 2001. The Directors look forward to APA participating in the emerging opportunities presented by the energy sector.

DIRECTORS IN OFFICE

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The names of Directors of the Responsible Entity who held office during or since the end of the half-year are:-

	First Appointed
George Henry Bennett	11 February 2000
Thomas Cummings Ford	11 February 2000
Leslie James Fisk	11 February 2000
John Allister Fletcher	11 February 2000
Muri Muhammad	8 March 2000
Robert Joseph Wright	11 February 2000
Ng Chong Wah (alternate for Muri Muhammad)	8 August 2000

ROUNDING OF AMOUNTS TO NEAREST \$0.1 MILLION

Australian Pipeline Trust is a body of the kind referred to in Australian Securities & Investments Commission Class Order 98/0100 issued 10 July 1998. In accordance with that Class Order, amounts in this report have been rounded to the nearest tenth of a million dollars.

This report is made in accordance with a resolution of the directors of the Responsible Entity pursuant to s306 of the Corporations Act 2001, and is signed for and on behalf of the Directors this 6th day of March 2002.



George H Bennett
Chairman

About Australian Pipeline Trust

The Australian Pipeline Trust is the major ASX listed natural gas pipeline company in Australia with interests in over 7,000km of pipeline infrastructure.

For more information please contact the Chief Executive Officer, Jim McDonald
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