



COMPANY ANNOUNCEMENT

27 June 2006

APA ANNOUNCES INVESTMENT IN QUEENSLAND GAS FIRED POWER STATION

Australian Pipeline Trust (APA) announced today that the agreements with Arrow Energy (AOE) to build, own and operate the \$29 million Daandine gas fired power station at Kogan, west of Brisbane are now unconditional.

The 27.4 MW Daandine Power Station will be powered by approximately 2 petajoules of coal seam gas a year produced from Arrow Energy's nearby Daandine gas field. Electricity generated will be supplied into the southern Queensland grid.

The facility will operate for 15 years and generate gas tolling revenue for APA of approximately \$5.5 million a year.

The development of the project is already well advanced, with electricity generation scheduled to commence in December 2006.

The Daandine Power Station will be located adjacent to APA's Kogan North Central Gas Processing Facility which processes coal-seam gas for delivery into the Roma to Brisbane Pipeline.

APA's Chief Executive Officer, Mick McCormack said: "These agreements deliver on our strategy to add shareholder value through investing in businesses which are complementary to our existing assets."

"This project will also enhance APA's ability to increase distributions by at least CPI annually.

In addition, we are currently working with Arrow Energy and Beach Petroleum to finalise arrangements to develop the Tipton West Central Gas Processing Facility."

APA's strategy over the past 12 months to invest in and acquire value-accretive businesses has included the development of the Kogan North Central Gas Processing Facility, the Daandine Power Station and the acquisition of Murraylink, the 180 km underground high voltage direct current cable connecting Victoria to South Australia.

With the addition of the Tipton West Project APA will have invested \$240 million over the past 12 months in complementary assets aimed at enhancing the Business's ability to deliver on its goal of increasing distributions on an annual basis by at least CPI.

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About Australian Pipeline Trust (APA)

The Australian Pipeline Trust is the major ASX-listed energy transmission company in Australia with interests in more than 8,000km of natural gas pipeline infrastructure, a CSG processing plant, gas storage facilities and a high voltage direct current interconnector system including a 180km underground transmission cable. The trust has a varied and quality customer base including AGL, Cooper Eromanga Basin Producers, Xstrata, Newmont, CS Energy, BHP Billiton, Zinifex, Incitec Pivot, Origin, Energex, RioTinto, Nickel West and WPC.