APA Group

Financial Results
Year ended 30 June 2011

24 August 2011

APA Group

Result overview and strategic highlights

Mick McCormack
Managing Director and CEO

Another solid result

	2011 $ million	2010 $ million	Change	
Operating cash flow	**290**	268	**up**	8 %
Revenue excluding pass-through [(1)]	**720**	660	**up**	9 %
EBITDA [(2)]	**492**	460	**up**	7 %
Profit [(3)]	**109**	100	**up**	8 %
Operating cash flow per security (cents)	**52.6**	51.9	**up**	1 %
Distribution per security (cents)	**34.4**	32.75	**up**	5 %
Distribution payout ratio	**65.7%**	64.4%		

(1) Pass-through revenue is revenue on which no margin is earned

(2) EBITDA includes significant items pre tax of $2.5 million, made up of APA's share of EII2 investment allowance concession benefit ($9.8 million), profit on the sale of APA's investment in CAMS ($1.7 million), offset by transaction costs of the Emu Downs wind farm acquisition ($9.0 million)

(3) Operating profit after tax and minorities, including loss from significant items after related income tax of $0.4 million

Delivering growth, security and value

- Enhancing our position in a growing market
  - Expanding our energy infrastructure portfolio across Australia in line with increasing demand for gas and energy
- Secure operations and earnings
  - Revenue underpinned by long term contracts or regulatory arrangements
  - Internal capability managing and operating assets and investments and delivering on projects
  - Balance sheet strength to fund growth sustainably
- Creating value for the long term
  - Preserving or increasing the value of APA's energy infrastructure portfolio through strategic development and acquisition of related projects
  - Developing responsive energy infrastructure and service solutions to meet the requirements of our customers in a dynamic energy market

Strategic and operational highlights

Expanding APA's energy infrastructure and investments

Amadeus Gas Pipeline
Acquired (buy-out of the residual balance of the lease)

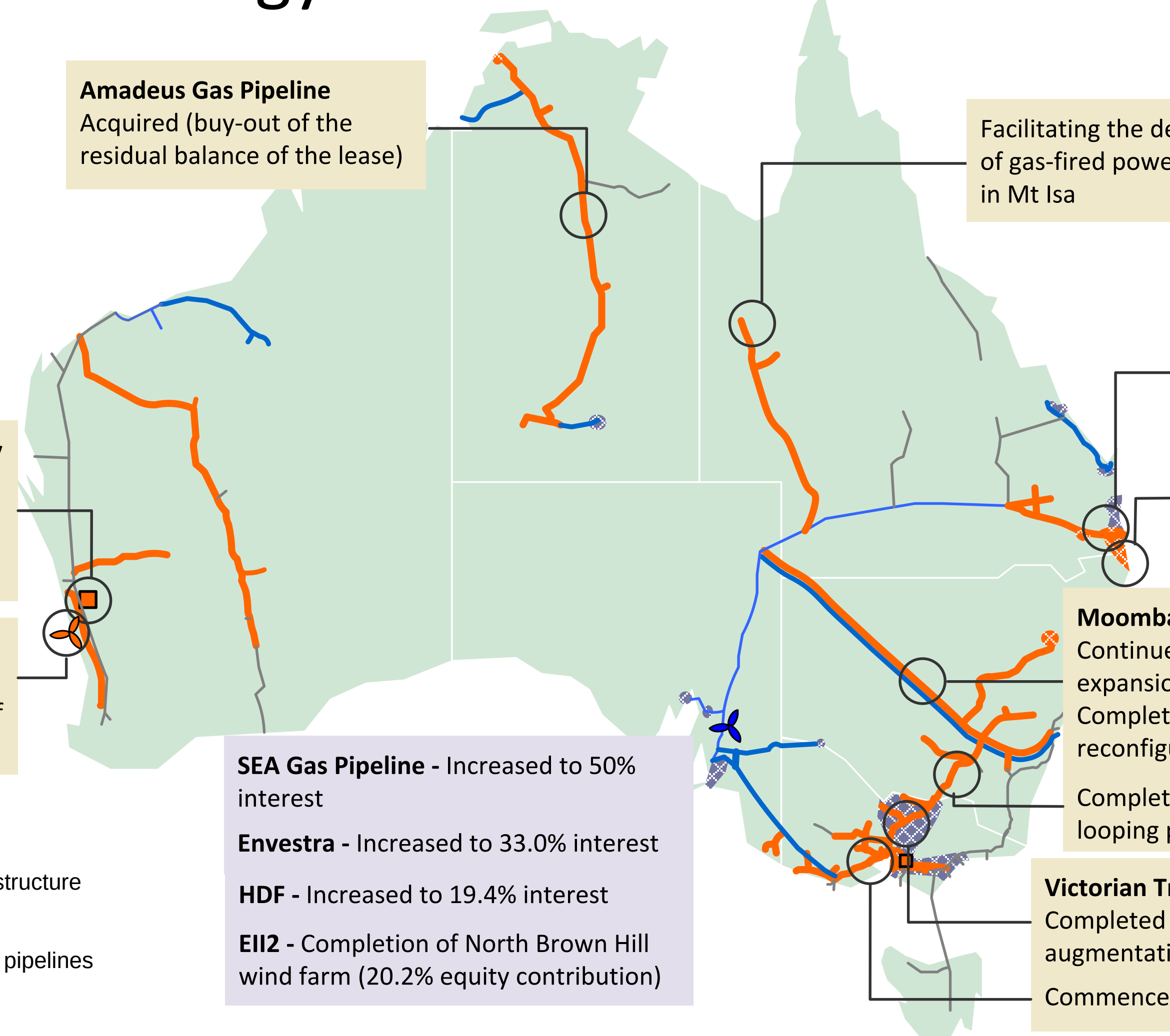
Facilitating the development of gas-fired power generation in Mt Isa

Roma Brisbane Pipeline
Completed lateral to industrial customer
Commenced major expansion project

APA Gas Network
Continued expansion into new housing areas

Mondarra Gas Storage Facility
Completed initial design and assessment work
Commenced next stage of expansion

Emu Downs
Acquired wind farm and development site in support of gas infrastructure



Moomba Sydney Pipeline
Continued mainline capacity expansion program
Completed compressor reconfiguration

Completed Young Wagga looping project

SEA Gas Pipeline - Increased to 50% interest

Envestra - Increased to 33.0% interest

HDF - Increased to 19.4% interest

EII2 - Completion of North Brown Hill wind farm (20.2% equity contribution)

Victorian Transmission System
Completed northern section augmentation

Commenced ring main expansion

APA energy infrastructure
APA investments
Other natural gas pipelines

$500 million of growth capital expenditure and investments in FY2011

Strategic and operational highlights

Secure revenue and operations, strong balance sheet

- Long term revenue agreements with highly credit-worthy parties for expansion and acquisitions
  - Four new contracts with average term of around 20 years
- Successful debt refinancing and equity raising to fund growth
  - All debt maturing in 2011 repaid or refinanced
  - $352 million equity raised
- Internal operations providing skills and resources
  - Repair and remediate flood damaged assets
  - Involved in all expansion projects

Strategic and operational highlights

Creating value by maintaining or increasing earnings

- Developing total energy solutions for customers
  - Using scale and industry expertise to provide customised services across assets
  - Proposed gas fired power station for Mt Isa would provide cost effective energy solution (utilitising the Carpentaria Gas Pipeline)
  - Emu Downs wind farm and development site provides the potential for supporting gas-fired generation (utilising the Parmelia Gas Pipeline and Mondarra Gas Storage Facility)
- Continued program of operational excellence
  - Improving operations and maintenance services, reducing capital costs and long term operational costs
  - Investing in people and systems to retain and further develop internal expertise and industry know-how

Sustainability reporting

- Health and safety
  - Long-term safety goal of Zero Harm - program of continuous improvement
  - Increase of LTIFR [(1)] to 6.2
    - 13 lost time injuries, 11 of which were back and knee related
    - Program in place to minimise the risk of these types of injuries occurring
  - National APA health and safety system developed
- Natural gas and carbon reduction
  - Carbon reduction policy – cost impact expected to be immaterial due to cost recovery mechanisms
  - Promoting the use of natural gas in reducing carbon emissions – prudent and cost-efficient transition fuel
- Community investment program
  - "Building brighter futures" – implemented program promoting community partnerships and donations, and employee fundraising opportunities

(1) Lost time injury frequency rate (LTIFR) is measured as the number of lost time injuries per million hours worked

APA Group

Financial performance

Peter Fredricson
Chief Financial Officer

Solid, consistent result

	2011 $ million	2010 $ million	Change
Total revenue excluding pass-through [1]	**720.3**	659.5	9.2 %
Total revenue	**1,102.0**	989.5	11.4 %
EBITDA [2]	**492.1**	460.0	7.0 %
EBIT	**391.8**	368.5	6.3 %
Net interest expense	**(247.1)**	(229.4)	(7.7%)
Tax	**(35.9)**	(38.7)	7.3 %
Net profit [3]	**108.5**	100.4	8.1 %
Operating cash flow	**290.0**	267.8	8.3 %
Operating cash flow per security (cents)	**52.6**	51.9	1.4 %
Distribution per security (cents)	**34.4**	32.75	5.0 %
Distribution payout ratio	**65.7%**	64.4%	

(1) Pass-through revenue is revenue on which no margin is earned

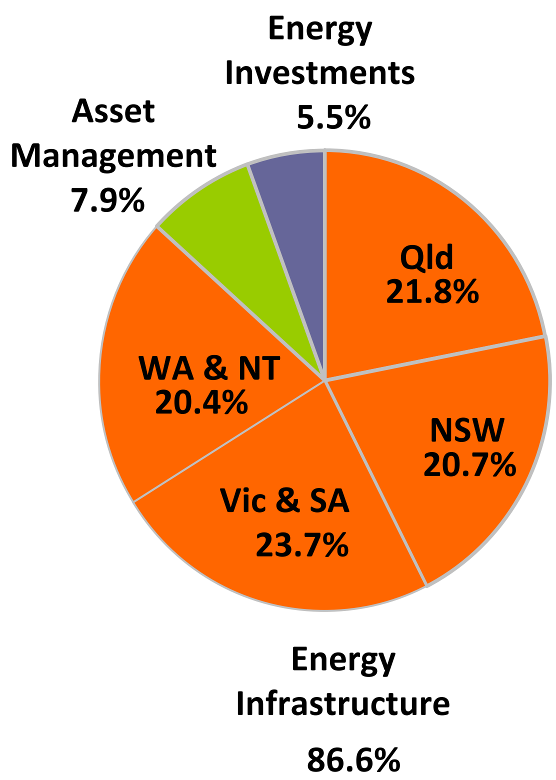
(2) EBITDA includes significant items pre tax of $2.5 million, made up of APA's share of EII2 investment allowance concession benefit ($9.8 million), profit on the sale of APA's investment in CAMS ($1.7 million), offset by transaction costs of the Emu Downs wind farm acquisition ($9.0 million)

(3) Operating profit after tax and minorities, including loss from significant items after related income tax of $0.4 million

EBITDA by business segment

	2011 $ million	2010 $ million	Change
Energy Infrastructure			
Queensland	***106.8***	*103.3*	*3.4 %*
New South Wales	***101.3***	*96.8*	*4.6 %*
Victoria & South Australia	***115.9***	*105.7*	*9.6 %*
Western Australia & Northern Territory	***99.8***	*102.7*	*(2.9 %)*
Energy Infrastructure total	**423.8**	408.6	3.7 %
Asset Management	**38.7**	32.3	19.9 %
Energy Investments	**27.1**	19.1	42.1%
Total segment EBITDA	**489.6**	460.0	6.4 %
Significant items	2.5	-	
Total EBITDA	**492.1**	460.0	7.0%

EBITDA split by segment



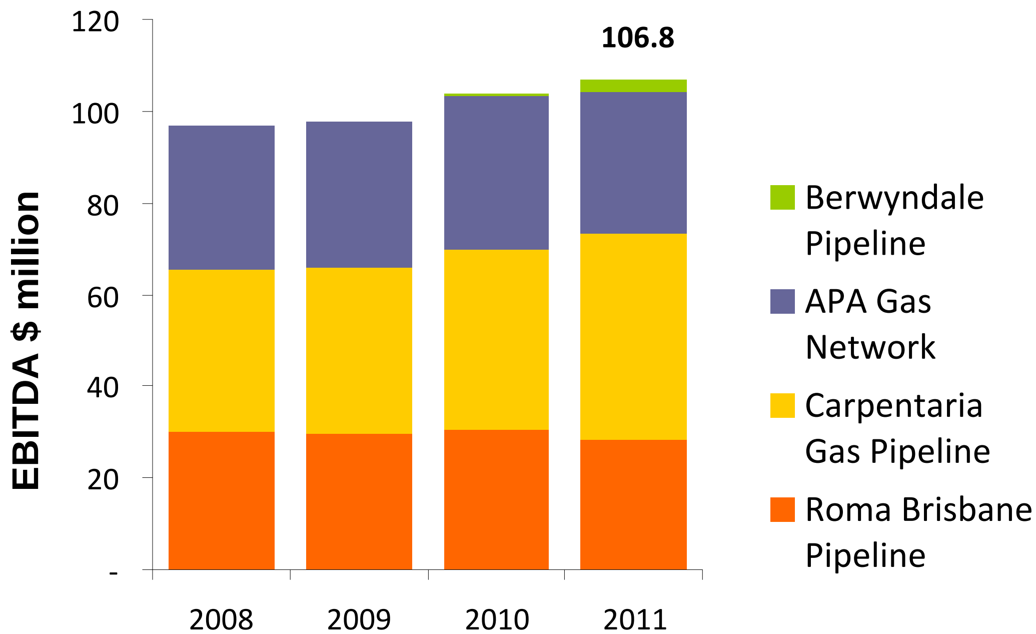
APA's portfolio diversity provides stability

Energy Infrastructure

Queensland

- Roma Brisbane Pipeline
  - Completion of lateral to large industrial customer
  - Commenced major expansion project, underpinned by revenue agreements
  - Flood damage and repairs
- Berwyndale Wallumbilla Pipeline
  - 12 month revenue contribution (2010: 3 month)
- APA Gas Network
  - 35 km new gas mains, 3,200 additional connections
  - Access arrangement final decision
- Carpentaria Gas Pipeline
  - Increased gas volumes and peak gas flow

Repairing the Roma Brisbane Pipeline post floods

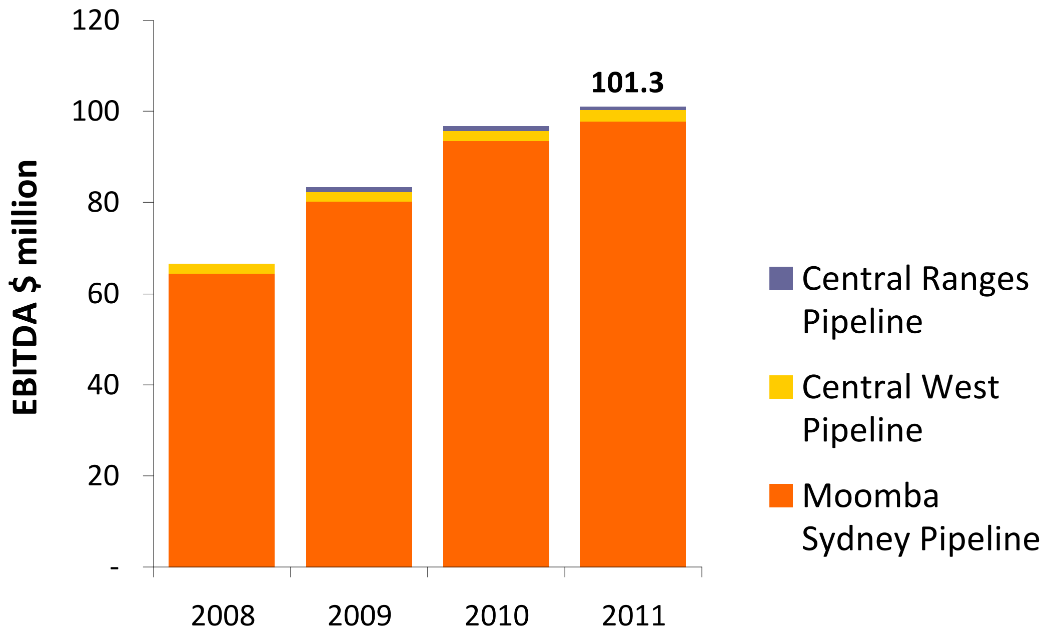


Energy Infrastructure

New South Wales

- Moomba Sydney Pipeline expansion
  - 3rd year in 5-year expansion program (FY11 capex $8 million, with total spend to date of $59 million)
  - Compressor reconfiguration ($6 million)
  - Fully contracted – gas transportation and storage services
- Young to Wagga lateral
  - Commissioned November 2010 ($38 million)
- Short Term Trading Market (Sydney hub)
  - Commenced 1 September 2010

Young Wagga looping project - construction

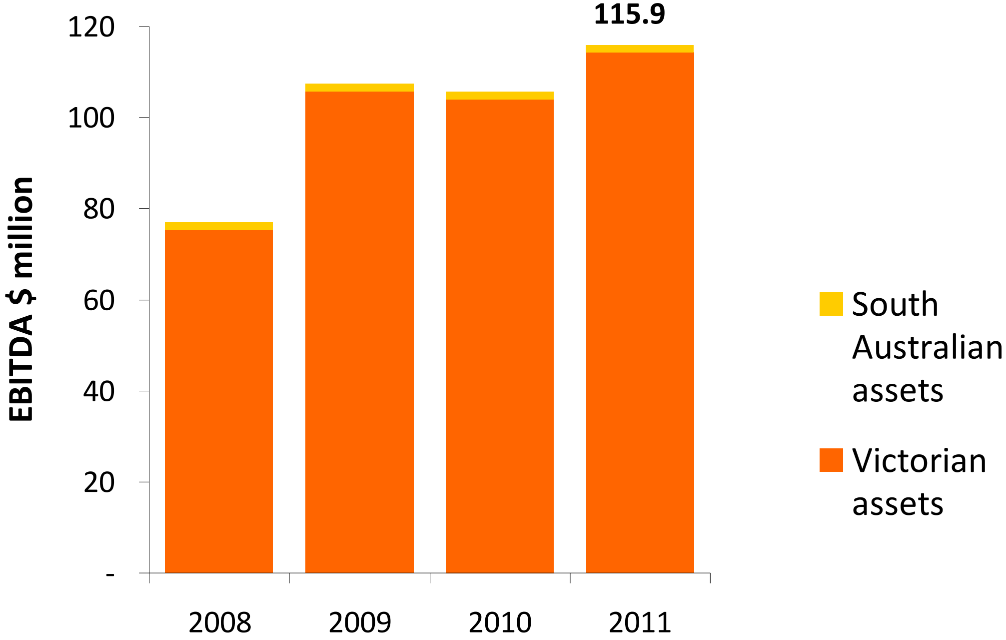


Energy Infrastructure

Victoria & South Australia

- Increased gas flow due to a cooler winter
  - 8% increase in gas flows to 246 PJ
- Northern augmentation program completed
  - Wollert compressor station upgrade, Springhurst and flow reversal
  - Increased capacity for gas movement between Victoria and New South Wales
- Western outer ring main expansion, Sunbury
  - Commenced first stage of expansion
- LNG storage facility capacity contract renegotiation (annual)

Wollert compressor station, northern Victoria

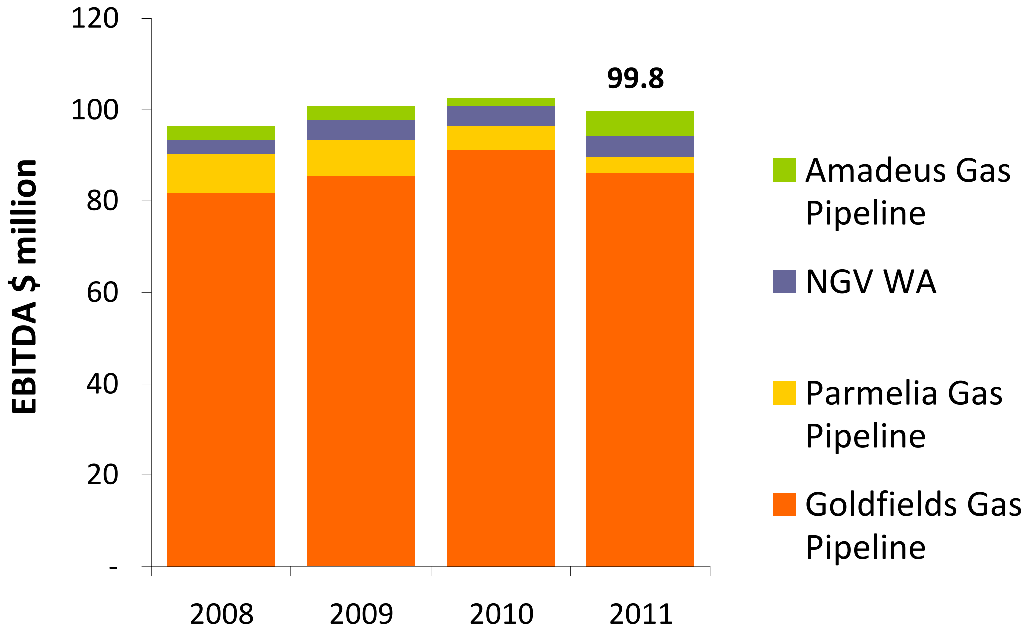


Energy Infrastructure

Western Australia & Northern Territory

- Goldfields Gas Pipeline
  - 10% reduction in access arrangement reference tariffs (from August 2010), affecting ~40% of APA's GGP revenue
  - Merits review process underway
- Mondarra Gas Storage Facility
  - Commenced next stage of expansion
  - 20 year agreement with Verve Energy
- Emu Downs wind farm acquisition ($172 million)
  - Revenue contract for all output for remaining asset life (~20 years)
  - Located near Parmelia Gas Pipeline and Mondarra Gas Storage Facility
- Amadeus Gas Pipeline acquisition ($63 million)

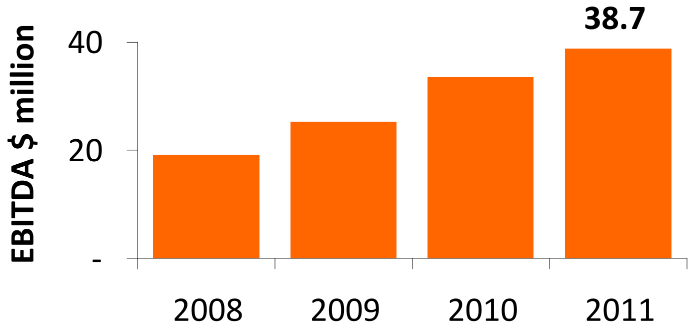
Darwin city gate, Northern Territory



Asset Management and Energy Investments

Asset Management

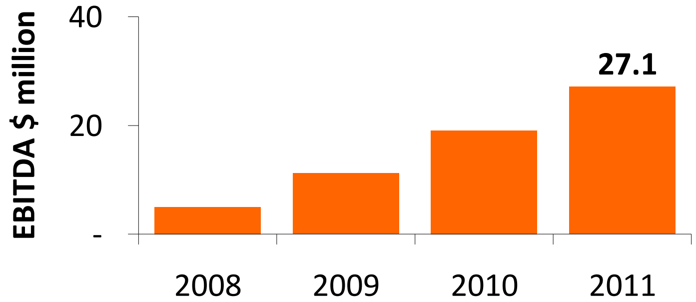
- Increased revenue from Envestra asset management and additional third party work
- Added asset management of Wagga Wagga gas network acquired by Envestra



Energy Investments

- Increased investment in
  - Envestra from 31.7% to 33.0%
  - Hastings Diversified Utilities Fund from 16.8% to 19.4%
  - SEA Gas Pipeline from 33.3% to 50%
- Completion of the North Brown Hill wind farm
  - Asset owned by EII2
  - APA 20.2% equity contribution of $20 million

Calibrating Envestra gas meters



Major capital expenditure [1]

	2011 $ million	Description of 2011 major projects	2010 $ million
Growth capital expenditure			
Regulated			
Victoria Transmission System	33.4	Northern augmentation project	32.3
APA Gas Networks (Qld)	16.1	Includes southern network expansion	21.2
Major Projects			
Queensland expansion	19.6	Roma Brisbane Pipeline expansion and lateral	11.6
New South Wales expansion	34.3	MSP mainline expansion, Young to Wagga looping project	31.1
Western Australia expansion	39.8	Mondarra Gas Storage Facility	14.4
Other	12.2	National finance and customer systems	10.0
Acquisitions			
Energy Infrastructure	228.8	Amadeus Gas Pipeline, Emu Downs wind farm	83.3
Energy investments	113.9	SEA Gas pipeline, ENV, HDF, EII2	137.2
Total growth capex	**498.0**		341.1
Stay in business capex	**18.0**		14.7
Total	**516.0**		355.8

(1) Capital expenditure represents cash payments as disclosed in the cash flow statement for FY2010 and FY2011.

Funding FY11 growth capital expenditure

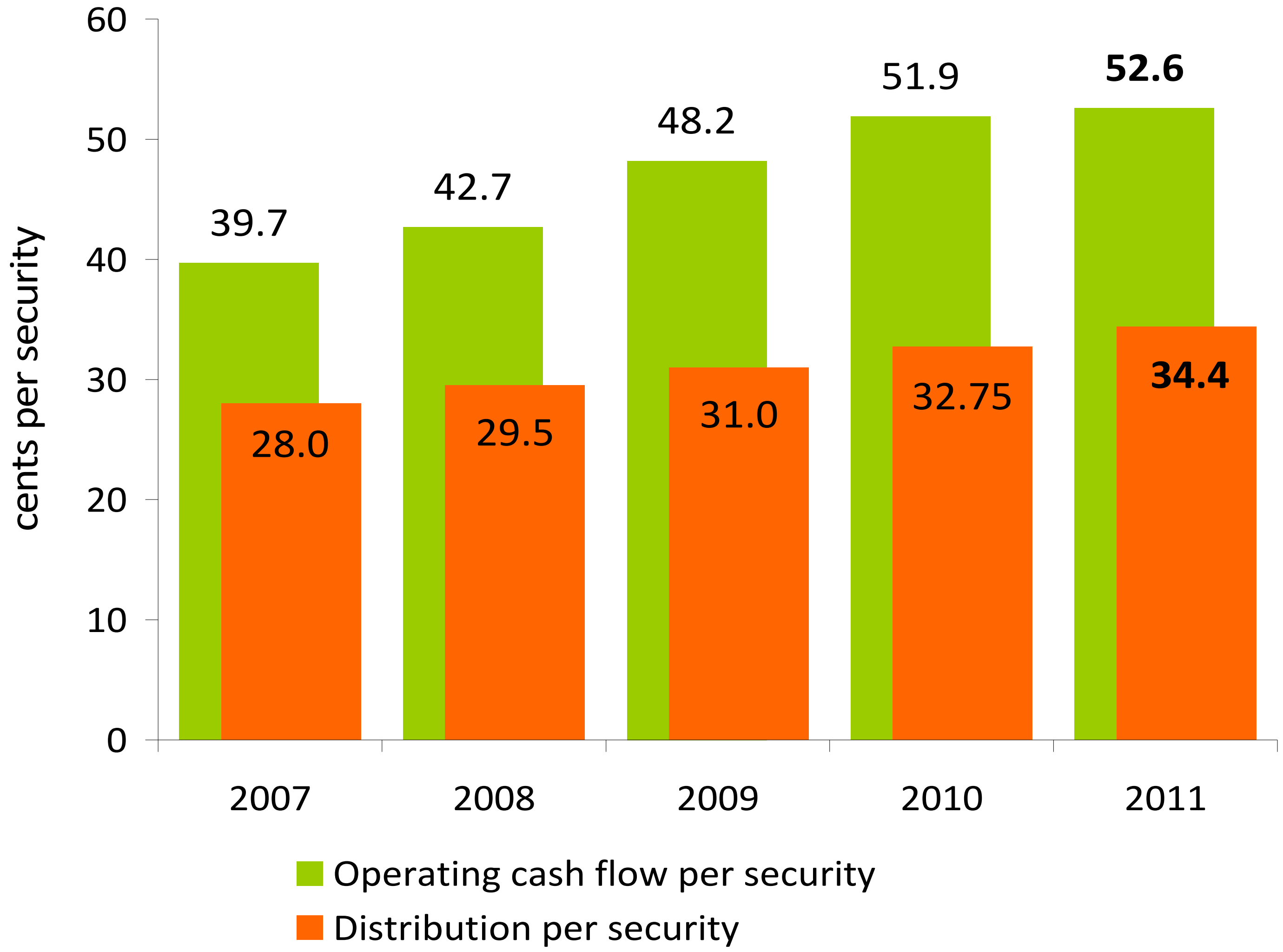
		2011 $ million	
Growth capital expenditure		**498**	
Funds			
Operating cash flow	290		
Less distributions, SIB capex, debt and security issue costs, and cash retained	(227)		
Cash	63	**63**	***12%***
Distribution Reinvestment Plan	52		
Institutional placement (1)	300		
New equity	352	**352**	***71%***
New debt		**83**	***17%***
		498	

(1) Institutional placement further supports 2012 ongoing growth capex

Cash flow remaining in the business is used to fund organic growth

Fully covered distributions

2011 distribution in line with guidance



2011 distributions payout ratio[(1)] of 65.7% (2010: 64.4%)

(1) Distribution payout ratio: total distribution payments as a percentage of operating cash flow

Prudent capital management

- Cash and committed undrawn facilities of $320 million at 30 June 2011
  - Reduced debt headroom by cancelling $412 million undrawn syndicated bank facilities
-

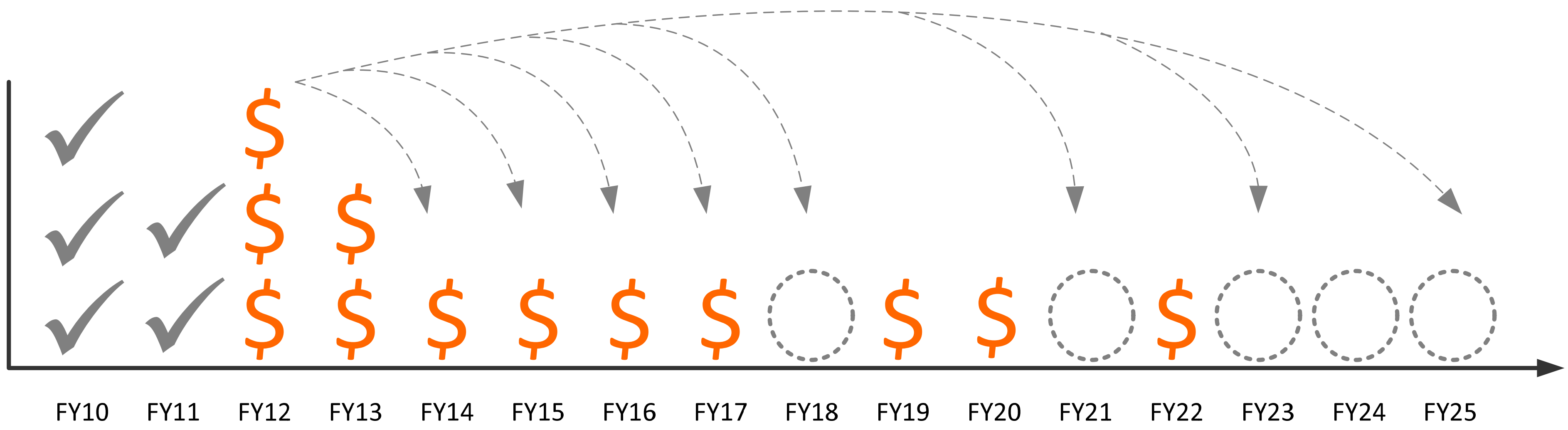
2011 metrics	2011	2010
Gearing [1] at 30 June	66.2 %	69.8 %
Interest cover ratio at 30 June	2.03 times	2.11 times
Average interest rate applying to drawn debt	7.47 %	7.52 %
Interest rate exposure fixed or hedged	73.5 %	78.7 %

- $352 million equity raised through the Distribution Reinvestment Plan and institutional placement
- $525 million of new facilities (including 10 year AMTN) put in place as part of 2011 refinancing and funding process
- APA funding efficiently and cost effectively, even in current volatile markets

(1) Ratio of net debt to net debt plus book equity

Capital management strategy

- Managing balance sheet to maintain minimum investment grade credit rating metrics
  - Standard & Poor's BBB; Moody's Baa2
- Refinancing program focused on extending debt maturity, diversifying funding sources and reducing borrowing costs
  - Next refinancing obligation in June 2012
  - AMTN and EMTN programs in place, and preparations advanced for a possible debt offering in another major market
  - Optionality available in volatile markets



APA Group

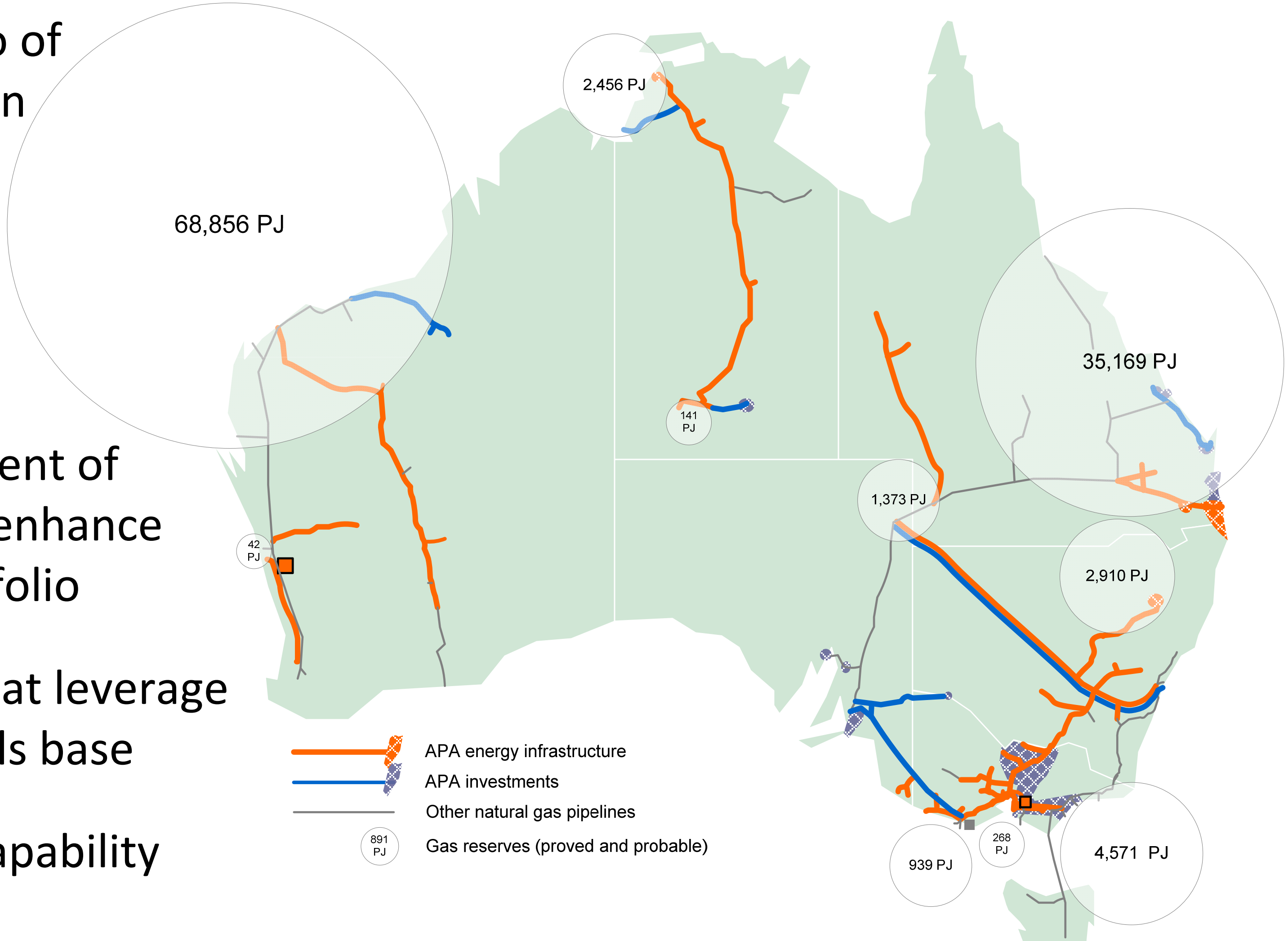
Outlook and guidance

Mick McCormack
Managing Director and CEO

Maintain strategy for profitable growth

Continue to maximise value for securityholders

- Enhancing APA's portfolio of gas infrastructure assets in Australia's growing energy market
- Capturing revenue and operational synergies
- Facilitating the development of gas related projects that enhance APA's infrastructure portfolio
- Pursuing opportunities that leverage APA's knowledge and skills base
- Strengthening financial capability



Source: APA data; Energy Quest August 2011

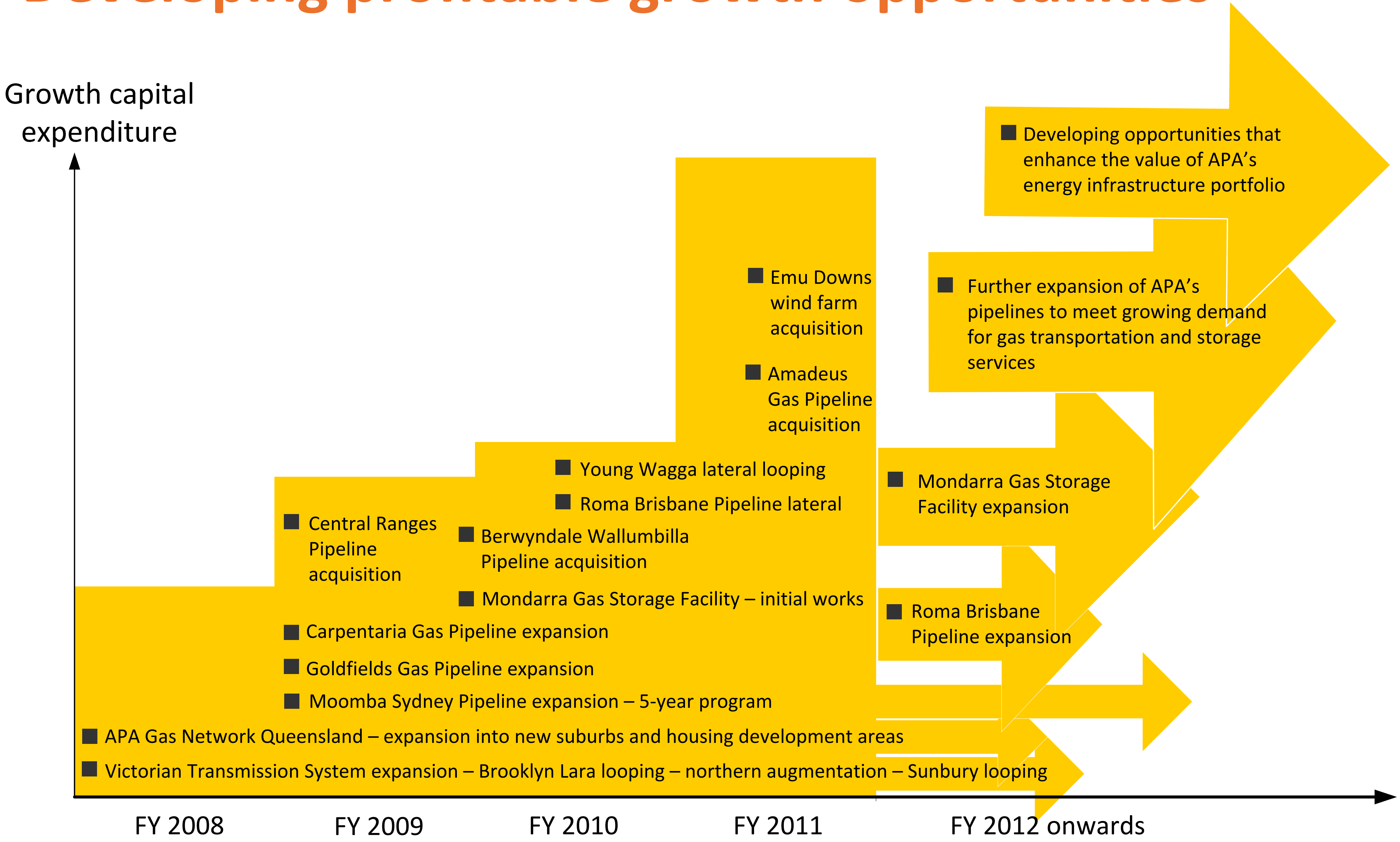
Opportunities in the energy landscape

Growth catalysts

Carbon reduction policy	■ Carbon reducing measures increase price competitiveness of natural gas – Natural gas produces 30 to 50 per cent of the carbon emissions produced by current coal technologies in generating electricity – New electricity demand to be met by gas-fired generation and renewables ■ Renewable energy targets – Gas fired generation supporting intermittent renewable generation, such as wind and solar
Gas developments	■ Further discoveries of gas, and improved technologies to extract coal seam gas, tight gas and shale gas – Additional infrastructure required to move gas to markets
Retailer activity	■ Increasing diversity of customer base ■ Services to optimise customers' supply and demand portfolios

Investment in gas infrastructure imperative to deliver policy and market outcomes

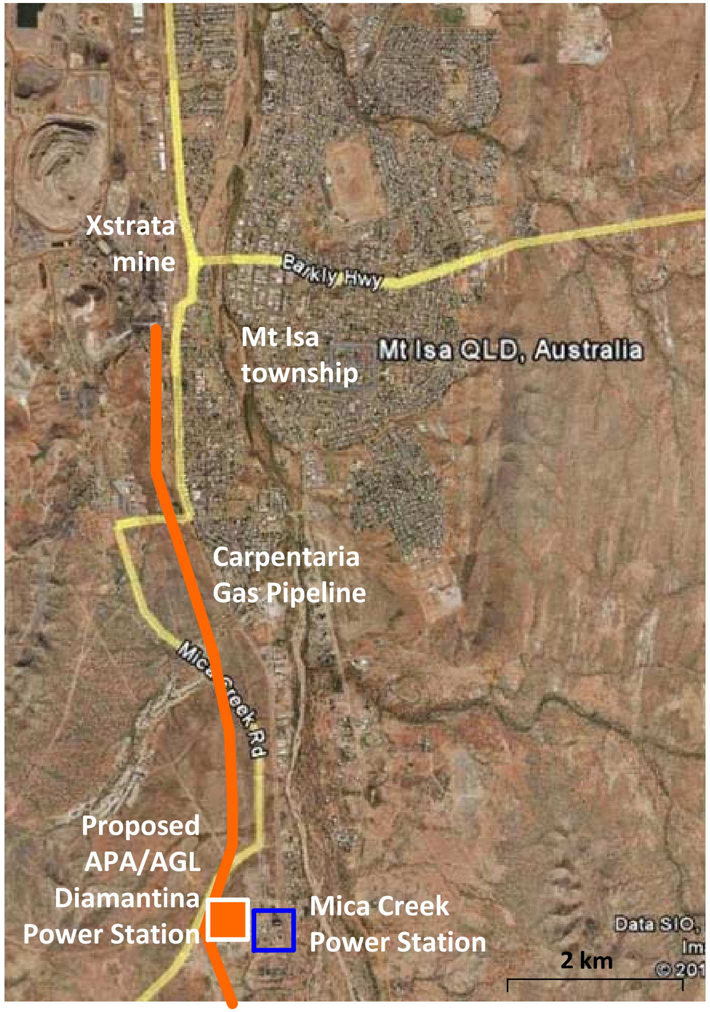
Developing profitable growth opportunities



$900 million of growth capital expenditure over the last four years

A cost effective energy solution for Mt Isa

APA and AGL are jointly proposing a cost effective and sustainable electricity solution for energy users in Mt Isa and surrounding regions



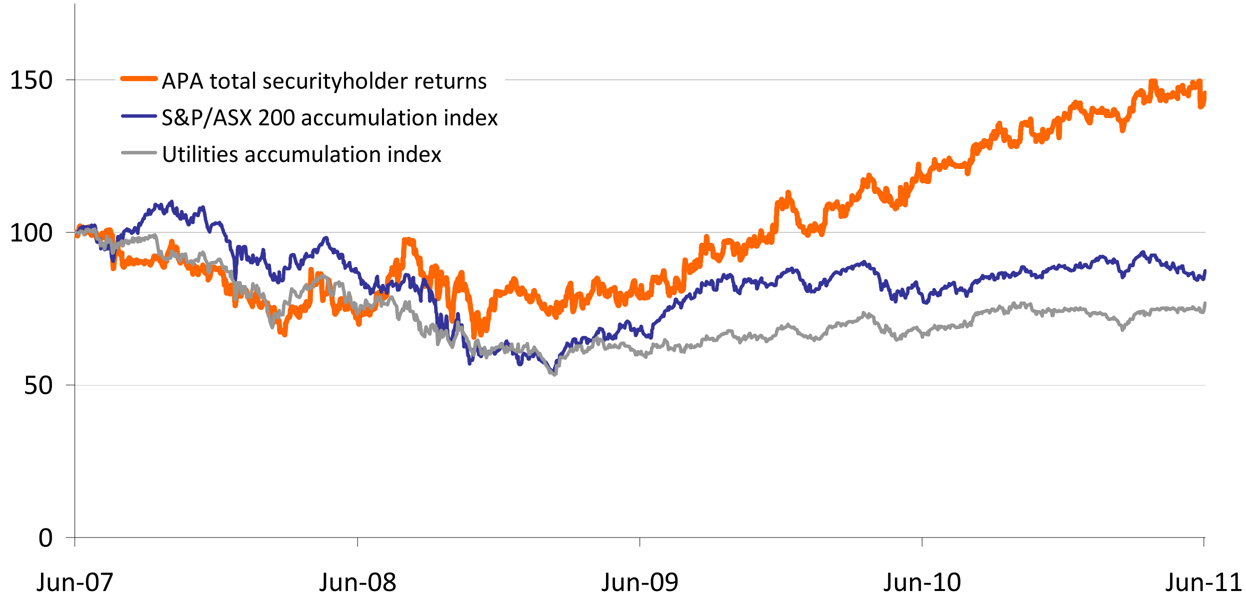
- Energy efficient
  - 240 MW combined cycle plant, with high energy efficiency of 55% (compared with Queensland coal fired generation efficiency of 35%)
  - Local generation, with no transmission losses
- Cost efficient
  - Use existing gas and electricity transmission infrastructure
  - Ideally suited to expand in line with regional growth
  - Significantly lower cost compared with Copper String transmission line alternative
  - Significantly lower carbon impact than state grid electricity
- User pays
  - No government subsidies
  - No cost smearing across the state

Maximising value for securityholders

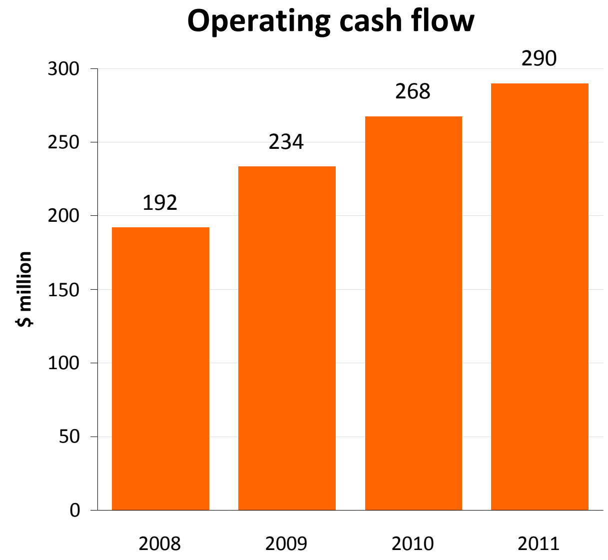
- Four years of organic growth
  - Operating cash flow CAGR of 17.8%[(1)]
  - EBITDA CAGR of 13.5% [(1)]
  - Total securityholder return of 46%

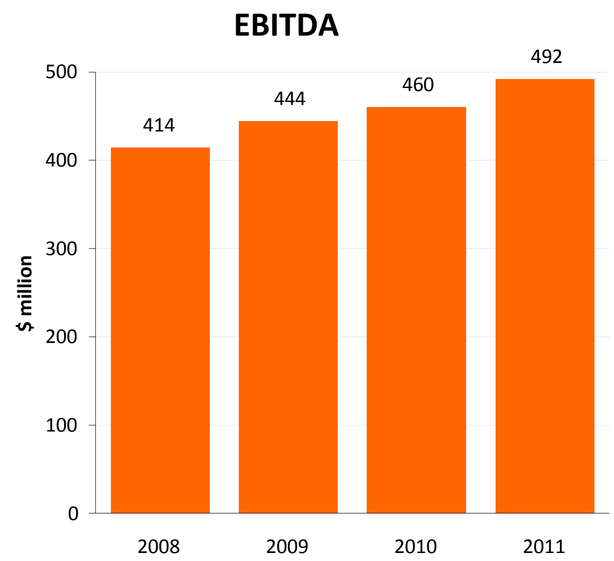
Total securityholder return

(4 financial years from 30 June 2007)



Indexed to 100 from 30 June 2007 to 30 June 2011
Source: APA based on IRESS data





(1) Compound annual growth rate (CAGR) calculated from 2007 base year to 2011

Capital management and distribution policy

Capital management policy

- Continue to target strong BBB/Baa2 investment grade ratings through maintaining sufficient flexibility to fund organic growth and investment from internally generated and retained cash flows and, where appropriate, additional debt and equity funding

Distribution policy

- Maximising total securityholder returns by balancing the need to support funding of APA's growth opportunities with the need to sustain and grow distributions over the long term
  - distributions to continue to be sustainable over time and to be funded from operating cash flows
  - distribution growth in step with the business and its funding requirements
- Distributions determined annually with regard to
  - organic growth and investment opportunities available to APA
  - ongoing capital markets environment
  - focus on maintaining its strong investment grade ratings (BBB/Baa2)
  - continue enhancing long term securityholder value

Guidance

- EBITDA – expected within a range of $530 million to $540 million
- Net interest cost – expected within a range of $260 million to $265 million
- Distribution – at least equal to FY2011 total distributions per security

APA - developing attractive growth projects and enhancing its position in the fast-growing energy infrastructure industry

APA Group

Supplementary information

APA profile

- APA is Australia's largest natural gas infrastructure business
  - **Energy Infrastructure**: gas pipelines, interconnected gas storage facilities across Australia, gas distribution networks in Queensland and New South Wales, and Emu Downs wind farm in Western Australia
  - **Asset Management**: provides asset management, operating and maintenance services to the majority of its investments and other third parties
  - **Energy Investments**: minority interests in energy infrastructure investments, including Envestra, SEA Gas Pipeline, Energy Infrastructure Investments, Hastings Diversified Utilities Fund, EII2 and Ethane Pipeline Income Fund
- APA generates secure cash flows from contractual and regulatory arrangements on its assets
  - with more than 90% of revenue from regulated (natural monopoly) assets and long term contracts
- APA has direct management and operational control over its assets and investments
  - no fee leakage or conflicts that arise with external management model
  - employing over 1,100 skilled and experienced people who perform all commercial, engineering and operations functions for APA's assets and investments

APA delivers more than half of Australia's domestic gas usage

Financials

Key financial ratios

	2011	2010
Operating cash flow per security (cents)	**52.6**	51.9
Weighted average securities on issue (million)	**551.2**	516.2
Payout ratio	**65.7 %**	64.4 %
Earning per security (cents)	**19.7**	19.4
Interest cover ratio (times)	**2.03**	2.11
Gearing ratio	**66.2 %**	69.8%
Total assets ($ million)	**5,428**	4,982
Net assets ($ million)	**1,668**	1,395
Net tangible asset backing per security	**$1.51**	1.28

Financials

Cash flow

	2011 $ million	2010 $ million	Change
Operating cash flow	**290.0**	267.8	14.6 %
Distributions (net of DRP)	**130.9**	103.1	
Available operating cash flow	**159.2**	164.7	18.9 %
Operating cash flow per security (cents)	**52.6**	51.9	7.7 %
Distributions per security (cents)	**34.4**	32.75	5.6 %
Distribution payout ratio	**65.7 %**	64.4 %	
Capital expenditure	**173.3**	135.4	
Investments	**113.9**	137.2	
Acquisitions	**222.8**	83.3	

Financials

Revenue analysis by business segment

	2011 $ million	2010 $ million	Change
Energy Infrastructure			
Queensland	***164.3***	*151.2*	*8.7 %*
New South Wales	***126.7***	*120.8*	*4.9 %*
Victoria & South Australia	***153.3***	*138.9*	*10.4 %*
Western Australia & Northern Territory	***157.5***	*155.4*	*1.4 %*
Energy Infrastructure total	**601.7**	566.2	6.3 %
Asset Management	**68.6**	60.1	14.3 %
Energy Investments	**27.1**	19.4	39.7 %
Total segment revenue	**697.5**	645.7	8.0 %
Pass-through revenue	**381.7**	329.9	15.7 %
Unallocated revenue	**12.9**	13.9	(6.7%)
Significant item (1)	**9.8**	-	
Total revenue	**1,102.0**	989.5	11.4 %

(1) Significant item of $9.8 million relates to APA's equity share of the EII2 Investment Allowance Concession benefit

Financials

Total committed debt facilities at 30 June 2011

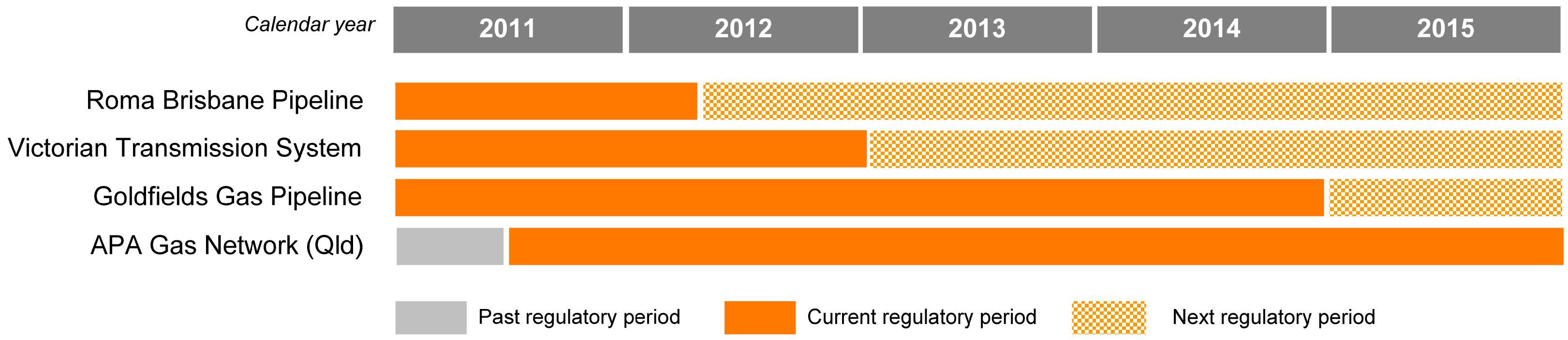
Facility	Facility amount (1)	Tenor
2009 Bilateral borrowing (2)	$150 million	August 2014
2011 Bilateral borrowings (3)	$225 million	July 2014
2007 Syndicated facility (2)	$900 million	June 2012
2009 Syndicated facility (4)	$618 million	2 and 4 year tranches maturing July 2011 and July 2013
2003 US private placement (5)	$394 million	10, 12 and 15 year tranches maturing Sept 2013, 2015 and 2018
2007 US private placement	$811 million	10, 12 and 15 year tranches maturing May 2017, 2019 and 2022
2009 US private placement	$185 million	7 and 10 year tranches maturing July 2016 and 2019
2010 Medium Term Notes	$300 million	10 year tranche maturing July 2020

(1) Australian dollars. Any USPP notes issued in US dollars have been hedged into fixed-rate Australian dollar obligations.
(2) These facilities fully drawn at 30 June 2011.
(3) Comprises three facilities of $75 million each. Undrawn at 30 June 2011 but since fully drawn.
(4) Comprised a $103 million commitment maturing in July 2011 and a $515 million commitment maturing in July 2013. Nil drawn under the July 2011 tranche. Amount drawn under the July 2013 tranche was $506 million at 30 June 2011, but reduced to $230 million in August 2011.
(5) $102 million of 7 year notes were repaid upon maturity on 9 September 2010.

Regulatory update

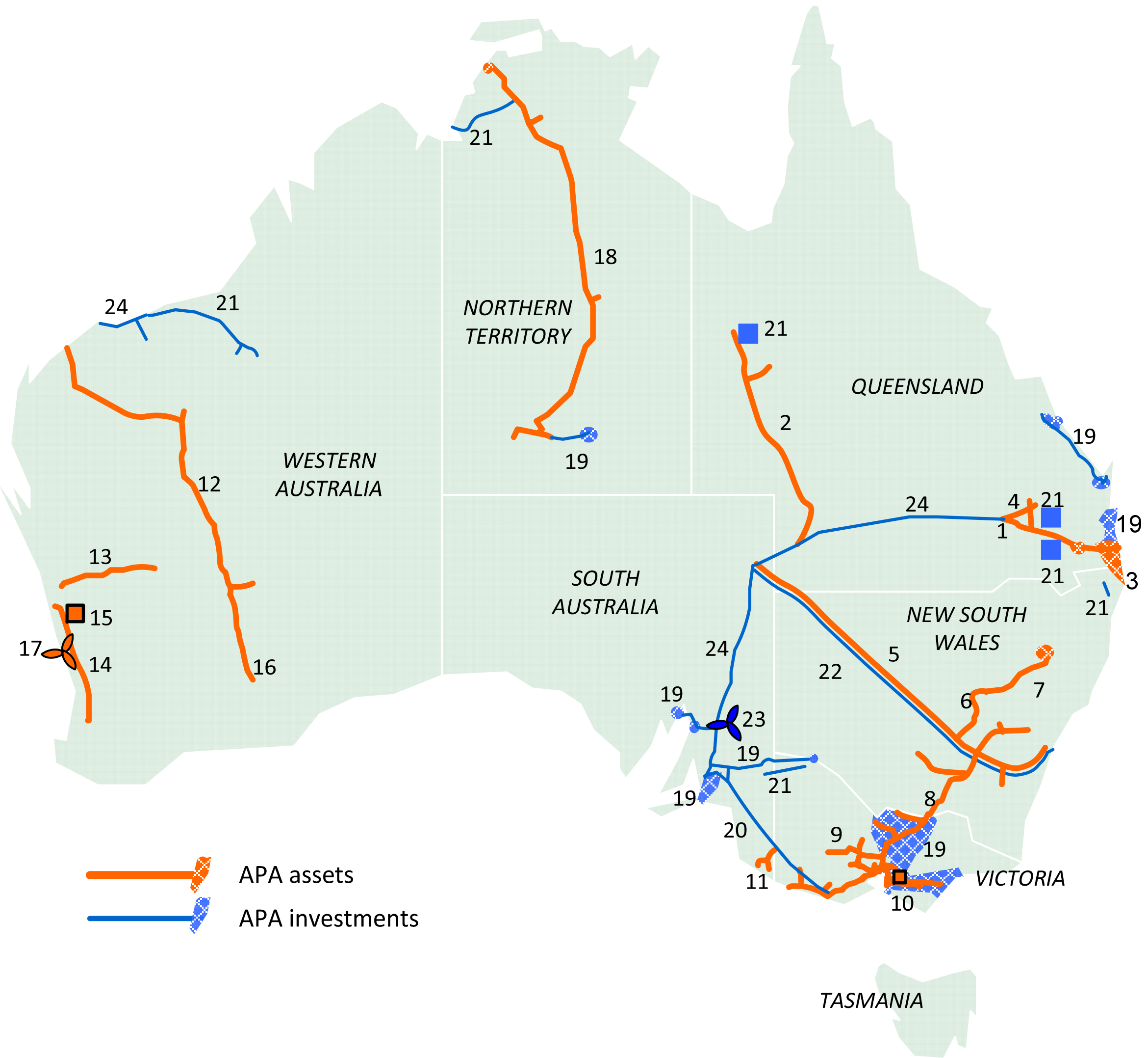
APA's major price regulated assets

Regulatory resets over the next five years



- Regulatory resets are spread out over five years, with on average one reset per year
  - Goldfields Gas Pipeline new access arrangement commenced on 20 August 2010
  - APA Gas Network (Queensland) new access arrangement commenced on 1 July 2011
  - Roma Brisbane Pipeline proposed access arrangement to be submitted October 2011
- Merits Review
  - Goldfields Gas Pipeline written and oral submission to Western Australian Electricity Review board completed – decision expected by end 2011
  - APA Gas Network (APT Allgas) has commenced merit review proceedings on AER's determination of the debt risk premium parameter within the WACC – hearings expected within 2011 calendar year

APA asset and investment portfolio



APA Group assets and investments

Gas transmission and distribution

Queensland
(1) Roma Brisbane Pipeline
(2) Carpentaria Gas Pipeline
(3) APA Gas Network
(4) Berwyndale to Wallumbilla

New South Wales
(5) Moomba Sydney Pipeline
(6) Central West Pipeline
(7) Central Ranges Pipeline
(8) NSW interconnect with Victoria

Victoria
(9) Victorian Transmission System
(10) Dandenong LNG facility

South Australia
(11) SESA Pipeline

Western Australia
(12) Goldfields Gas Pipeline (88.2%)
(13) Mid West Pipeline (50%)
(14) Parmelia Pipeline
(15) Mondarra Gas Storage
(16) Kalgoorlie Kambalda
(17) Emu Downs wind farm

Northern Territory
(18) Amadeus Gas Pipeline

Asset Management

Commercial and/or operational services to:
- Energy Infrastructure Investments
- Envestra Limited
- Ethane Pipeline Income Fund
- SEA Gas Pipeline
- EII2
- other third parties

Energy investments

(19) Envestra Limited (33.0%)
Gas distribution networks and pipelines
(SA, Vic, Qld, NSW & NT)

(20) SEA Gas Pipeline (50%)

(21) Energy Infrastructure Investments (19.9%)
Annuity gas pipelines, electricity transmission, small gas-fired power stations and gas processing plants

(22) Ethane Pipeline Income Fund (6%)

(23) EII2 (20.2%)
North Brown Hill wind farm

(24) Hastings Diversified Utilities Fund (19.4%)

Disclaimer

This presentation has been prepared by Australian Pipeline Limited (ACN 091 344 704) the responsible entity of the Australian Pipeline Trust (ARSN 091 678 778) and APT Investment Trust (ARSN 115 585 441) (**APA Group**).

Summary information

This presentation contains summary information about APA Group and its activities current as at the date of this presentation. The information in this presentation is of a general background nature and does not purport to be complete. It should be read in conjunction with the APA Group's other periodic and continuous disclosure announcements which are available at www.apa.com.au.

Not financial product advice

Please note that Australian Pipeline Limited is not licensed to provide financial product advice in relation to securities in the APA Group. This presentation is for information purposes only and is not financial product or investment advice or a recommendation to acquire APA Group securities and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and consult an investment adviser if necessary.

Past performance

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Future performance

This presentation contains certain "forward-looking statements" such as indications of, and guidance on, future earnings and financial position and performance. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

This presentation contains such statements that are subject to risk factors associated with the industries in which APA Group operates which may materially impact on future performance. Investors should form their own views as to these matters and any assumptions on which any forward-looking statements are based. APA Group assumes no obligation to update or revise such information to reflect any change in expectations or assumptions.

Investment risk

An investment in securities in APA Group is subject to investment and other known and unknown risks, some of which are beyond the control of APA Group. APA Group does not guarantee any particular rate of return or the performance of APA Group.

Not an offer

This presentation does not constitute an offer, invitation or recommendation to subscribe for or purchase any security.

APA Group

Delivering Australia’s energy

For further information contact

Chris Kotsaris
Investor Relations, APA Group
Tel: +61 2 9693 0049
E-mail: chris.kotsaris@apa.com.au

or visit APA’s website

www.apa.com.au