



Australian Pipeline Trust

Managing Director's Presentation

**Jim McDonald
Sydney, 20 October, 2004**

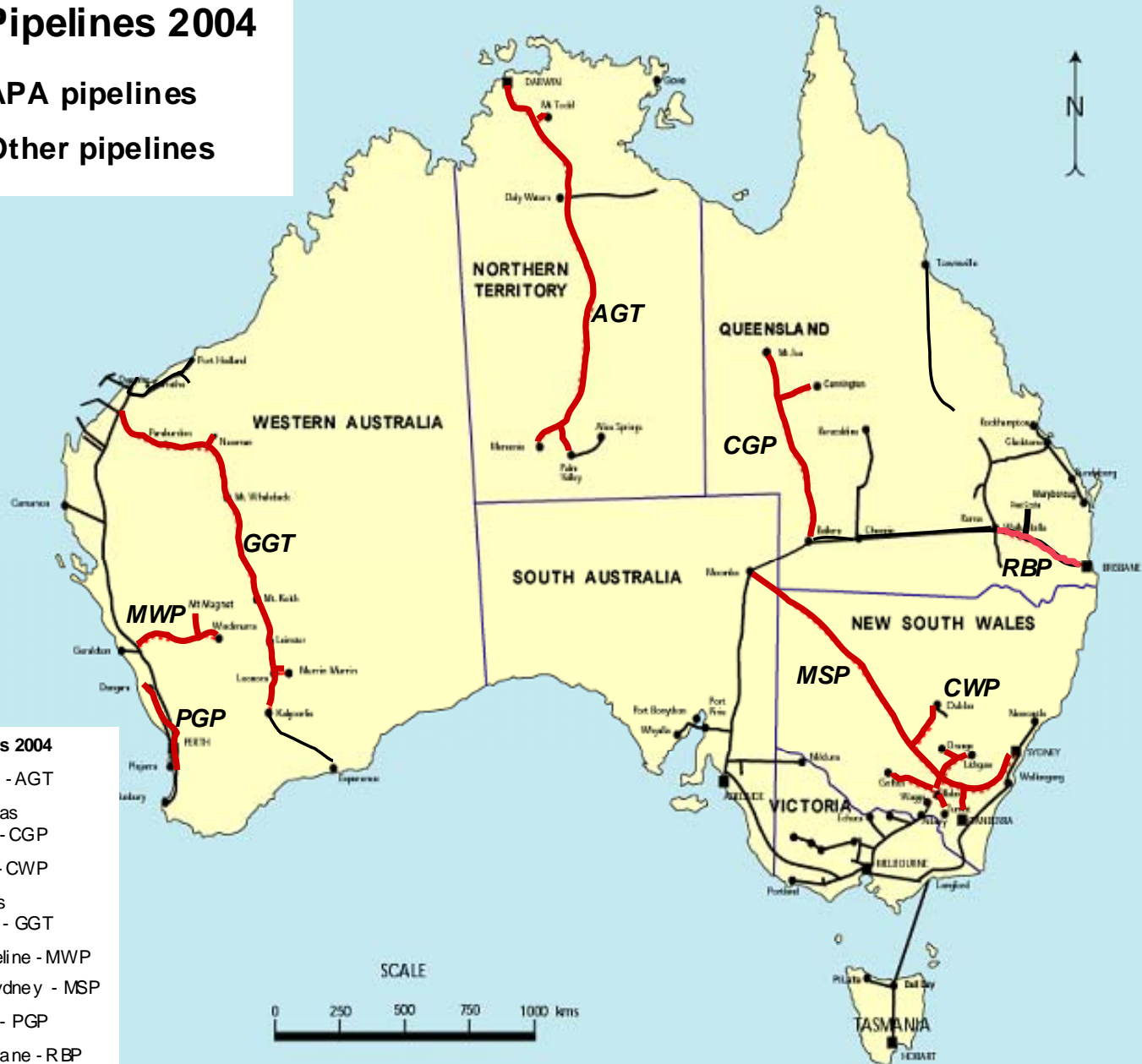
Agenda

- Operational Review
- Acquisition of the Southern Cross Pipeline Group assets.
- Gas supply for south-east Australia.
- APA's Strategy
- Industry rationalisation - consolidation and diversity



Gas Pipelines 2004

- APA pipelines
- Other pipelines



APA Pipelines 2004

- Amadeus Gas - AGT
- Carpentaria Gas Transmission - CGP
- Central West - CWP
- Goldfields Gas Transmission - GGT
- Mid West Pipeline - MWP
- Moomba to Sydney - MSP
- Parmelia Gas - PGP
- Roma to Brisbane - RBP

Australian Pipeline Trust

Operational Review

Innovative Haulage Contracts

- Roma to Brisbane
 - Transportation Agreement with Incitec Pivot to commence from 1 October 2007. Gas supplied - coal bed methane.
 - Transportation agreement with Energex on a spot basis to existing peaking gas-fired power stations.
 - AGL - Santos / Origin swaps coal bed methane for Moomba gas for delivery to Southern markets.
- Moomba to Sydney
 - Short term contracts. Indicates competitive gas market emerging in NSW and ACT.



Operational Review Cont'd

- Moomba Gas Plant Fire
 - Fire at Santos Moomba gas plant in January 2004 disrupted gas supplies
 - APA met all contractual obligations
 - No financial impact due to GTD
 - Moomba now back in full production



Operational Review Cont'd

- X-Strata mine closure in WA
 - Write-off of Mid West Pipeline following closure of vanadium mine
 - Meekathara mineral province may offer opportunities from further mine development



Operational Review Cont'd

- Stress Corrosion Cracking
 - Identified on MSP in remote areas of SA.
 - Pressure management plan implemented.
 - Further investigation planned - intelligent pig.
 - Repair and rehabilitation program being prepared.



Industry Rationalisation

- Industry rationalisation is now nearly complete.
- Bid costs of \$5.8 million were necessary to ensure APA did not over bid.
- APA was successful in acquiring Southern Cross Pipeline Group assets at a good price.

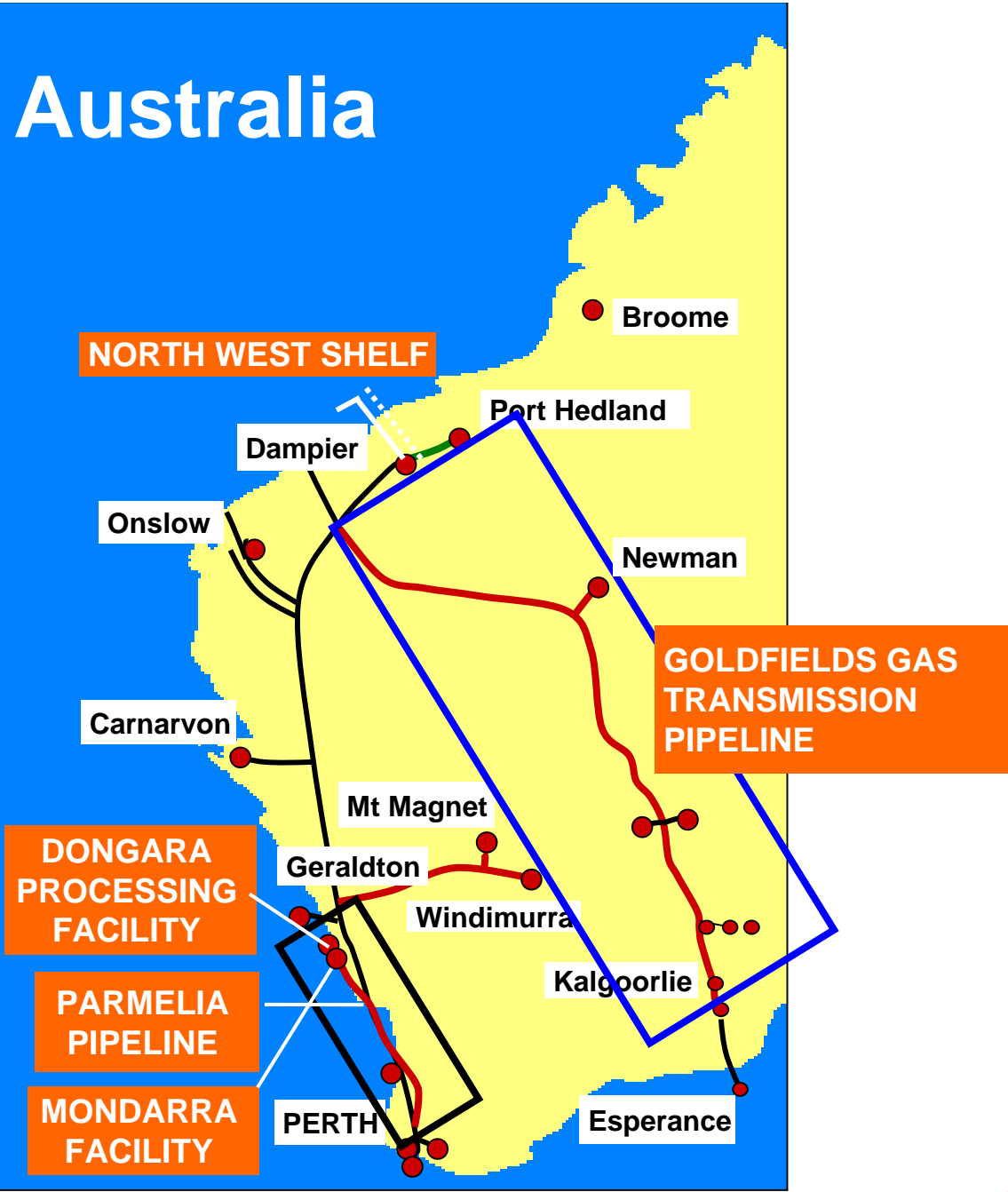


Consolidation & Diversity

- Industry rationalisation may now lead to consolidation of major gas industry players.
- APA will consider diversity of asset portfolio through complementary businesses (other fluid pipelines, power generation, power transmission).
- Diversity will require APA to obtain new skill sets.



Western Australia



Acquisition Overview

Goldfields

■ Pipeline

- 1,380km pipeline
- Transports competing gas streams from Harriet and East Spar, NW Shelf to North Eastern and Eastern Goldfields regions in WA
- Capacity 105 TJ/d increasing to 164 TJ/d under full compression

■ Major Customers

- WMC - MDQ 45.8 TJ/d
- Newmont - MDQ 20.4 TJ/d
- Numerous third parties - balance



GGT Growth

- Projects under active consideration
 - Thunderbox Gold - 1.5TJ/d transport contract.
 - Esperance Lateral
 - Paraburdoo Iron Ore
 - Murrin Murrin Expansion
- Spot Market Development
 - arising from potential shortage of gas transportation on DBNGP.
 - Power generated in Kalgoorlie area to be provided to Perth region.



Acquisition Overview cont'd

Parmelia

- Parmelia gas business
 - 416km gas pipeline (capacity - 70TJ/d)
 - Mondarra storage (capacity 6-9PJ)
 - Dongara gas processing plant
 - Small Gas Retail business

- Customers
 - 24 active contracts - approx 35 TJ/d
 - long-term contracts to process gas at Dongara gas processing plant
 - Delivered gas service to commercial and industrial customers in Perth region



Growth Potential

- Spot market
- Connection to Ainta Network
- Pipeline connection between Perth Basin and Perth & southern industrial centres
- Mondarra Gas storage services



Benefits of Acquisition

Advancing Strategic Goals

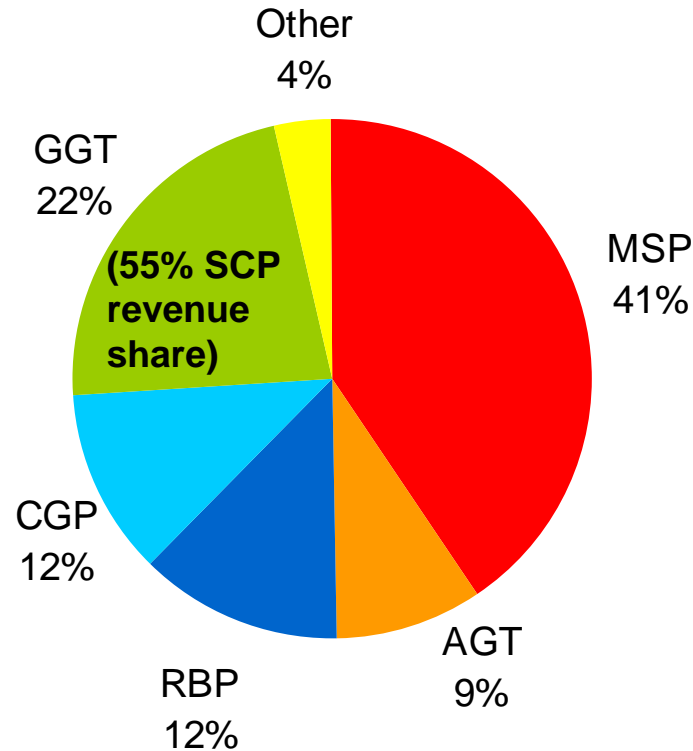
- Positive financial impact on APA (cash and earnings accretive)
- Enhanced footprint in WA
- Sound long-term prospects
- Commercial control by APA
- Diversification of APA's portfolio



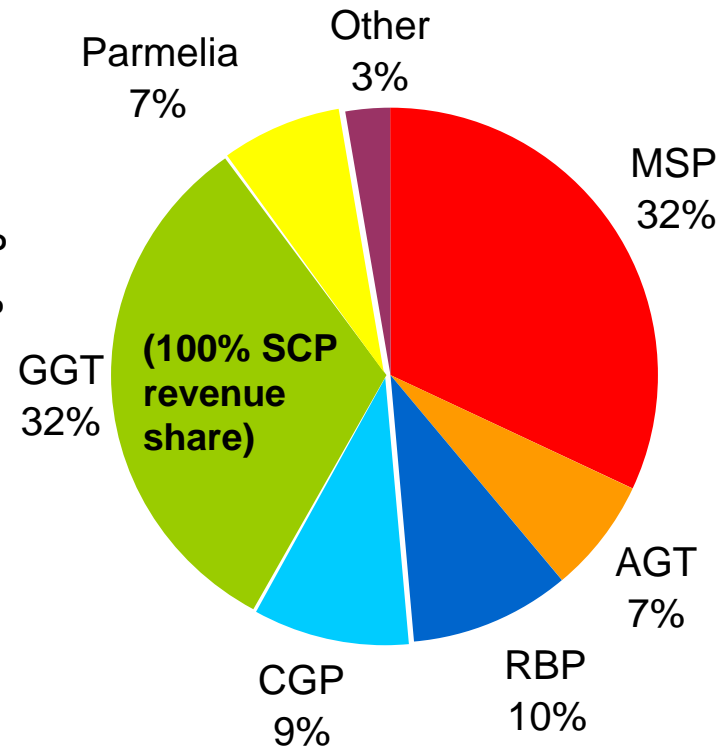
Portfolio Diversification

MSP Reliance Reduced

APA 2004 Revenues
Pro forma pre-acquisition



APA 2004 Revenues
Pro forma post acquisition



Note: GGT revenues shown on an equity share consolidated basis pre & post acquisition for accurate comparison

Revenues exclude pass-through revenue

Australian
Pipeline Trust

Gas Supply to South-East Australia

- Coal Bed Methane
 - becoming commercially viable and producers signing new contracts to supply CBM.
- PNG Highlands Gas Project
 - Oil Search has announced Front End Engineering Design program.
 - Full FEED Program expected to take 12-18 months.
 - APA has a right to participate in the gas pipeline project at no less than 20%.



Strategy

- Continue to build profitability by: -
 - Filling our existing pipelines and expanding their capacity
 - Acquiring minority interests
 - Participating in industry rationalisation;
 - Diversifying asset base. Requires two-pronged approach:
 - diversifying asset dominance;
 - considering complementary businesses.



Summary

- Fourth years of compound profit growth.
- Acquisitions enhancing and balancing asset portfolio.
- Balance sheet in good shape.
- APA positioned for industry consolidation and diversification of asset base.



A large, clear, faceted diamond is the central focus, resting on a vibrant green leaf. The leaf's intricate vein structure is visible, and several small, glistening water droplets are scattered across its surface. The diamond's facets catch the light, creating a brilliant, multi-colored reflection. The overall composition is clean and natural, suggesting purity and high quality.

We Deliver

www.pipelinetrust.com.au