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APA Group



Australian Pipeline Ltd
ACN 091 344 704

Australian Pipeline Trust
ARSN 091 678 778

APT Investment Trust
ARSN 115 585 441

ASX RELEASE

30 October 2009

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:

- Chairman's address to the Annual Meeting
- Managing Director's address to the Annual Meeting
- Annual Meeting presentation
- Securityholders questions and answers

Yours sincerely

Mark Knapman
Company Secretary

APA Group 2009 Annual Meeting

Chairman's Address

Ladies and gentlemen,

Despite the unprecedented environment and challenges of global financial markets, APA Group had a strong financial performance and steady, largely organic growth in the past financial year.

Financial performance

APA delivered a record underlying financial result for the 12 months to 30 June 2009.

This represents our ninth successive year of record performance.

These results were driven by the strong performance and growth of our gas transportation and distribution business.

APA's revenue was \$959 million - a 7% increase on the previous year.

EBITDA (that is, earnings before interest, tax, depreciation and amortisation) was \$459 million – also a 7% increase on the previous year.

Our business of transporting and distributing gas, and operating gas assets, is a strong, cash-generating business.

APA achieved an operating cash flow of \$234 million - a 22% increase on the previous year, which resulted in operating cash flow per security of 48.2 cents - an increase of 13% on the previous year.

The increase in operating cash flow provided the basis for increased distributions to securityholders.

The total distribution for the year was 31 cents per security – which is a 5.1% increase on the previous year, achieving the guidance provided at last year's Annual Meeting in October 2008 and repeated at the 2009 interim results announcement in February this year.

As we have done since the listing of APA, we have continued to ensure our distributions are covered by operating cash flow.

Cash remaining after distribution payouts was used to fund business growth, as was the \$79 million capital raised through the Distribution Reinvestment Plan and the Security Purchase Plan which operated during the year.

Capital management

Given the global financial crisis, our balance sheet became one of our main priorities during the year.

The crisis created an environment of fear and uncertainty, particularly in the financial and debt markets. To manage the refinancing risk that was emerging

from this crisis, we felt it was prudent to begin our refinancing program for the \$1 billion of debt due in 2010 well ahead of time.

In a tight credit environment, we received strong support from banks and global debt markets. Subsequent to the year under review, we have locked in new facilities totaling of \$1.365 billion through a successful US private placement, a new five-year bilateral facility and a new syndicated facility.

Not only have these initiatives effectively refinanced our debt maturing in June and September 2010, but they have also provided a stable base from which to finance our growth capital expenditure over the next couple of years.

During the year we obtained a Triple-B credit rating from Standard & Poor's, formalising APA's investment-grade status.

APA now enjoys greater access to new global debt markets which provide longer debt tenor in line with the long term nature of our assets.

We will continue to manage the balance sheet prudently, with levels of debt and equity maintained in accordance with an investment grade business of triple BBB or better.

The Board continues to see the operation of the Distribution Reinvestment Plan and Security Purchase Plan as important tools in the ongoing capital and balance sheet management activities. Indeed both have been operated successfully over the last few years, attracting considerable interest from securityholders.

Any future operation of the Security Purchase Plan will take into account the change to the maximum subscription allowable under the Plan that will be put in place if the changes to the constitutions of Australian Pipeline Trust and APT Investment Trust being voted on here today are approved – I'll return to that point in a moment.

Security price performance

Since listing almost a decade ago, total returns to APA securityholders have exceeded the S&P/ASX 200 accumulation index, with a compound annual return to securityholders of 13%.

This year, APA is one of the few companies whose security price increased while the value of Australian shares on the market fell.

We gained 42 cents in the 15 months to September 2009 - a 15% increase on the corresponding period the previous year - while the market fell by 3% in the same period.

As of 7 October 2009, APA became a top 100 business, as measured by the S&P/ASX 100 index.

Strategic achievements

In the midst of a period of global uncertainty, we adhered to our strategy of growing the business sustainably and profitably, whilst also strengthening our balance sheet.

We completed the establishment of the an unlisted investment vehicle, Energy Infrastructure Investments, in December 2008, selling a number of APA's annuity-style assets into the vehicle and attracting international industry experts, Marubeni Corporation and Osaka Gas Company, as co-investors.

APA continues to benefit from these assets through retention of a 19.9% equity interest in the assets, and from managing these assets under a long term operating agreement.

The \$647 million in funds received from that transaction was predominantly used to pay down debt.

Growth

APA is the country's largest natural gas infrastructure business, and our pipelines connect all major gas sources to major markets - delivering more than half of the natural gas used in Australia.

We continue to actively expand the capacity of our infrastructure to meet the growing demand for natural gas in Australia. This is an exciting challenge for APA and your Managing Director will provide more detail on how we are doing this in his address.

During the year, in addition to expanding our infrastructure, we also increased our interest in Envestra Limited during the year from 18.3% to 30.4% through participation in, and partial underwriting of Envestra's rights issue and participation in Envestra's Distribution Reinvestment Plan.

Securityholders

Following last year's Annual Meeting APA established a sale facility, providing securityholders who held APA securities worth less than \$1,000 the option to sell their securities free of brokerage costs.

Through this facility, the number of APA securityholders decreased by almost 27,000, or 26%, significantly reducing our register administration costs.

Constitutional change

Later in the meeting I will ask you to vote on amendments to the constitutions of Australian Pipeline Trust and APT Investment, and the constitution of Australian Pipeline Limited, the responsible entity – that is, resolutions 3 and 4.

The amendments to the Trusts' constitutions primarily update those constitutions to reflect current market practice, and implement recent policy changes by the Australian Securities and Investments Commission regarding capital raisings.

I mentioned earlier the possibility of the Security Purchase Plan being reoffered. One of the changes to the Trusts' constitutions being voted on today will, if the changes are approved, allow us to offer securityholders the ability to participate in the plan at various participation levels, up to the amount of \$15,000, instead of the limit of \$5,000 that applied to last year's plan.

Board and management remuneration

Moving to another matter now – I have received a number of questions concerning the remuneration of APA's Board and management.

APA has both a strong Board and management team that have been key components of producing consecutive record financial performances.

The fees payable to the non-executive directors were reviewed again in December 2008. Even though APA was performing well, the Board took into consideration global economic conditions and decided not to increase their fees at that time.

The remuneration of executives is reviewed and determined by the Remuneration Committee. The committee engages independent remuneration consultants to benchmark executives' salaries against salaries paid for comparable positions in comparable companies. The current APA policy is to pay at the median of the benchmark results.

Executive salaries include a substantial at risk component that is subject to the achievement of certain targets which must be exceeded by APA, some of which are financial targets – specifically, increasing distributions to securityholders by at least 5% over the year – as well as the achievement of individual performance objectives relating to operational and personal achievements. Executives' salaries over the year therefore reflect APA's strong performance over that period.

I will provide further answers to questions we have received from securityholders later in the meeting, just prior to opening the meeting to questions from the floor.

Outlook

Now looking ahead, the Board remains focused on ensuring APA delivers secure and growing operating cash flow from all parts of our business.

We are seeing increasing demand for our natural gas transportation, distribution and storage services, and have committed to further expanding our assets in line with contractual and regulatory arrangements.

In the first quarter of the 2010 financial year, all parts of the business are performing in line with our expectations.

Barring unforeseen circumstances, it remains our intention to increase distributions in the 2010 financial year by at least 5%, with distributions fully covered by operating cash flow.

Conclusion

In conclusion, I would like to acknowledge and thank my fellow directors for their contribution and commitment this year.

Also, on behalf of the board, I would like to thank all APA employees, led by our Managing Director Mick McCormack and his management team, for their

commitment and dedication to the improvements within all areas of the company that have contributed to our continued success.

Finally, I thank you, our valued and loyal securityholders, for your ongoing support of APA.

APA Group 2009 Annual Meeting Managing Director's Address

Thank you Chairman and good morning ladies and gentlemen.

There are few industries presenting such a safe haven for investors as Australia's natural gas infrastructure sector.

This business has proven to be resilient in times of economic uncertainty, and well positioned to capture upside during growth times.

About APA – Security and Growth

We are Australia's largest gas infrastructure business – and I'm proud to say, the most recent entrant to the S&P/ASX 100 index.

We deliver more than half the gas used across the country each year – and almost three quarters of the gas used in Australia's eastern states.

This year, our business has continued to deliver essential energy services, with revenue secured under contracts or regulatory arrangements.

This year, we have produced our ninth consecutive record financial result and again increased distributions.

We continue to increase the capacity of our pipelines and infrastructure to meet customers' demands for more services.

This growth seems set to continue as natural gas becomes an increasing part of Australia's energy mix and greening lifestyle.

This map clearly shows the elements that make APA a secure and growing business.

Over the years we have developed an unrivalled portfolio of gas pipelines and distribution systems extending across the country, touching every gas-producing basin and connecting to every major market.

Australia has a plentiful supply of natural gas, both in the east and the west of our country.

Demand for natural gas continues to grow locally, and internationally.

Our pipelines and networks will continue to expand to meet this increasing demand for natural gas.

Business performance

Our chairman spoke earlier of our record underlying financial result this year.

I would now like to talk briefly about the performance of each business segment and the key drivers of these results.

I'll also outline the projects and opportunities ahead that will continue to add strength to our business.

This table shows how each of our three business segments contributed to our strong result. All have performed well, with some delivering outstanding performances.

Our largest business segment, **Gas Transmission and Distribution**, recorded an increase in earnings before interest, tax, depreciation and amortisation (or EBITDA) of 14%, to \$384 million - mainly due to the performance of our assets in the eastern states.

The EBITDA performance of our **Asset Management** and **Energy Investments** segments also increased. These are smaller but strategic divisions of our business.

APA's Asset Management business manages and operates in excess of \$8 billion of assets – approximately \$4 billion of these being directly owned by APA, and \$4 billion of which APA has an equity interest in – that is, the Energy Investments segment.

Asset Management EBITDA increased by 7% to \$30 million, while Energy Investments EBITDA increased by 21% to \$22 million.

As the Chairman mentioned, we sold assets into Energy Infrastructure Investments in December 2008, hence we have six month's EBITDA contribution from those assets.

I will take you on a quick tour around the country to highlight performances in 2009 as well as the projects we have planned for the 2010 financial year for our gas transmission and distribution segment.

Starting in the eastern part of the country, we'll work our way around.

Queensland

APA's three gas infrastructure assets in Queensland performed well.

We expanded the capacity of the Carpentaria Gas Pipeline by 15% with the construction of a compressor station at Davenport Downs.

The additional capacity is contracted by a number of miners on the pipeline, and the benefit of this additional revenue will be seen in the 2010 financial year.

The downturn in the resources sector did not impact the pipeline.

The Roma Brisbane Pipeline is the only pipeline delivering gas into Brisbane, and is physically interconnected with APA's Gas Network that services south east Queensland, including southern Brisbane.

We continue to grow the gas network into new housing development areas – such as the corridor between Brisbane and the Gold Coast.

Work completed in 2009 provides the infrastructure to deliver gas to 9,000 new homes in the region.

The Queensland State Government is encouraging the use of gas in homes and businesses under its Climate Smart initiative.

As a consequence we expect greater demand for gas from existing homes as well as the use of gas in new homes.

We will continue to expand the Roma to Brisbane Pipeline in line with our customers' needs.

New South Wales

The main pipeline in New South Wales is the Moomba Sydney Pipeline.

It is a large pipeline positioned in the middle of an interconnected network of pipelines in eastern Australia.

It transports gas from Moomba - sourced from the Cooper Basin or Queensland coal seam gas - as well as transports gas from Victoria, into all parts of New South Wales.

The Central Ranges Pipeline, which we acquired in August 2008 is connected to our system.

It is near the coal seam gas developments in the Gunnedah Basin.

In addition to transporting gas to Tamworth, we envisage it will also transport coal seam gas from the Gunnedah basin. In the meantime it is also providing storage capacity for New South Wales.

Our New South Wales assets performed well this year.

A combination of revised tariffs and increased utilisation of the Moomba Sydney Pipeline were the main reasons for the increased performance of this asset.

The pipeline is now fully utilised, and we completed the first of five years of incremental expansion of the mainline's capacity in line with the contractual requirements of our customers.

The additional capacity is required to meet winter peak demand, as well as gas storage within the pipeline.

With the expected increase in gas-fired power generation we expect to see an increase in demand for pipeline capacity.

Recently we announced the expansion of the southern section of our New South Wales system. The additional capacity will provide additional storage in the system to meet the needs of power generators in the region.

Because the system is interconnected with Victoria, it will be able to store gas that enters via Moomba in the north west, or from Victoria through the interconnect.

Victoria and South Australia

Victoria also performed well, and the improved result largely reflects the full year effect of the regulatory tariffs under the January 2008 access arrangement.

The delivery needs of this system continue to grow, and consequently we will increase the capacity of the system to meet the needs of customers in the northern part of Victoria, as recently announced.

By owning and operating both the Victorian and the New South Wales system, work done on either system benefits the other.

As a result of these two expansions, we will effectively increase our ability to move gas between states, adding further flexibility and improving security of supply.

Western Australia

The result in Western Australia was also pleasing.

We expected the resources downturn to affect mining operations, but the impact was very minor, and more than offset by the growth in demand for gas from other mines during the year.

We expanded the Goldfields Gas Pipeline with two new compressor stations, increasing pipeline capacity by 20%.

The capacity increase on the pipeline will deliver additional revenue in the 2010 financial year.

In March this year we submitted a revised access arrangement for the Goldfields Gas Pipeline to the Western Australian energy regulator – ERA.

The draft submission was released in October and we are currently in the process of responding to the draft.

There are some key areas of the draft where we disagree with the regulator. And as we have done many times before with our regulated assets, we will work closely with the regulator to seek to achieve a positive outcome.

Our Parmelia pipeline and Mondarra gas storage facility provide flexibility to customers who transport gas to Perth and surrounding areas.

The storage facility is becoming a more important piece of infrastructure in managing the variations of gas demand, especially in power generation.

We are currently working with our customers to see how to best match their requirements with the storage facility, and will further develop the storage facility in line with their needs.

Northern Territory

In the Northern Territory we recently constructed the 287 km Bonaparte Gas Pipeline and the smaller 13 km Wickham Point Pipeline.

Designing, constructing and operating pipelines is one of our key capabilities and it is no surprise that we completed the construction of these pipelines ahead of schedule and on budget.

These two pipelines, together with the Telfer Pipeline in Western Australia, were some of the assets sold into the Energy Infrastructure Investment vehicle.

We maintain a 20% ownership in the vehicle and continue to operate these assets on behalf of all the owners.

Energy investments

APA has a minority equity interest in a number of energy assets and energy businesses. These include

- the Energy Infrastructure Investments vehicle I just mentioned,
- Envestra – Australia's largest gas network business,
- the SEA Gas Pipeline, and
- the Ethane Pipeline in New South Wales.

As I mentioned earlier, our people manage and/or operate these assets totalling more than \$4 billion in value. As a result we play an active role in our investments and retain the operating and management skills within APA.

At the beginning of this month we announced a small investment of approximately \$20 million in a wind farm being developed by AGL, one of our customers. APA will hold a 20% interest in the wind farm, with the remaining interest held by our Energy Infrastructure Investment partners – Marubeni and Osaka Gas of Japan.

In addition to providing a very sound long term financial return, this investment gives us the opportunity to work closely with one of Australia's largest energy

retailers, and to better understand and respond to the changing energy environment.

Growth drivers

As I outlined previously, we are progressing more than \$200 million of growth projects in the 2010 financial year.

These projects will deliver secure revenue in the future, being either underwritten by contracts or included in regulatory arrangements.

This is how we are delivering security and growth to our securityholders.

As we look forward we see many more development opportunities for our business.

Natural gas has been available for commercial use in the Australian market for 40 years, and its use as a primary fuel has increased in both absolute terms and as a share of total energy use.

This growth trend is expected to continue during the next 10 years, particularly influenced by carbon reducing initiatives such as the Federal Governments' proposed Carbon Pollution Reduction Scheme and the recently legislated Renewable Energy Targets.

Gas use is being encouraged to replace less carbon-friendly fuels in homes and businesses and as a fuel for electricity generation.

These changes are good for APA, and for the environment, with the requirement of more gas, more gas-fired generation, and hence more pipeline capacity and services.

The renewable energy targets set are increasing investment in wind and other alternative energy generation. Due to the intermittent operation of generation from renewable sources, wind generation in particular, gas-fired peaking plants will be required to provide back up electricity.

Depending on the final design of the carbon pollution reduction scheme, gas-fired plants will progressively generate more base-load electricity with higher carbon costs.

Regardless of the final outcome, significant new investment in gas pipelines will be required to facilitate the uptake of gas-fired generation.

There is currently more than 10,000 MW of gas-fired generation plants in construction or planning stages, or proposed in eastern Australia.

Each of these power stations will require gas transportation and storage services, and APA is in the advantageous position of having the infrastructure in place, and the skills and experience to provide this.

Building Australia's gas infrastructure

We continue to work closely with our customers to develop the infrastructure and services they require to meet their business needs.

We will expand or augment our pipeline system, and in some cases build completely new pipelines for our customers.

And as we need to spend large dollar amounts up front to provide these services, we seek the security of contracts.

Almost all pipelines built in the last 15 years in Australia have been built on commercial terms between customers and pipeline companies such as APA.

The pipeline industry has concerns that third parties such as regulators are seeking to interfere in this process. There is no need for any government or regulatory body to instruct where, when and how to build this infrastructure.

We believe that this should remain the case and we will strongly oppose the interference of third-party planners instructing APA, and other pipeliners, how to grow our business and how to price our services.

APA people, safety and environment

I am particularly proud of our people. Within APA we have all the commercial and operational skills to manage, grow and improve our business.

Our people are engaged, working with a great sense of ownership to deliver greater value to the business and to our customers.

This is one advantage of being a truly independent operating business, and within the Australian gas infrastructure sector, APA is a leader on this front.

As a responsible employer and corporate citizen, APA strives for high standards of environmental and safety performance, and conducts its operations efficiently and according to best practice standards. In our construction projects we were active in minimising the impact to the environment, such as recycling water used in directional drilling, or salvaging plants from pipeline easements during construction for revegetation.

APA's main direct carbon emissions arise from fuel used for compressors on transmission pipelines and unaccounted for gas in distribution networks.

APA is rehabilitating older, cast-iron pipe on our distribution network with new plastic pipe to reduce system leakage and reduce emissions.

Safety remains a high priority for APA.

We have improved our safety performance during the year, and with particular focus on early recognition and reporting of potential safety risks, we will continue to focus on improving safety across the business.

Conclusion

APA is in a strong position to continue delivering security and growth in the coming years as we focus on capturing further profitable growth opportunities provided by our gas infrastructure assets across the country.

I am confident that the combination of our assets, our people, the attractive growth projects and our strengthened balance sheet will enable us to continue delivering on our objective to maximise value for our securityholders.

Thank you.

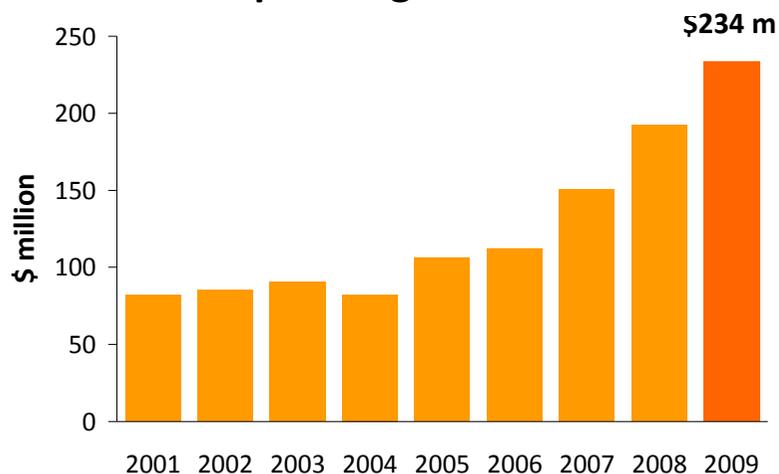


Chairman's address

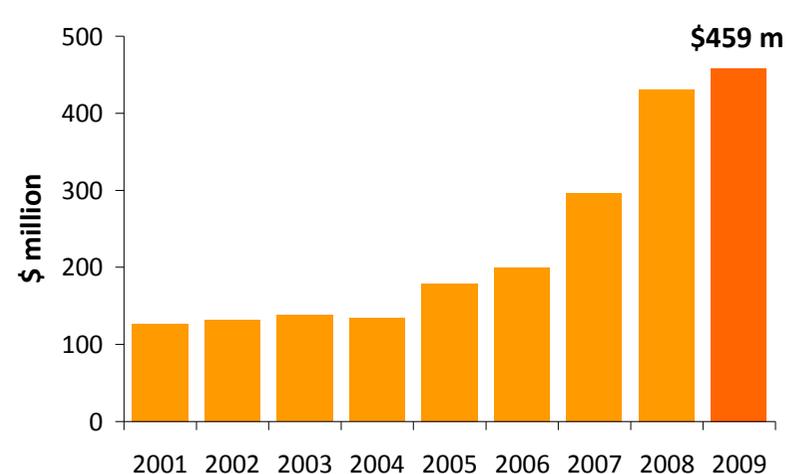
**APA Group Annual Meeting
30 October 2009**

APA's consistent performance

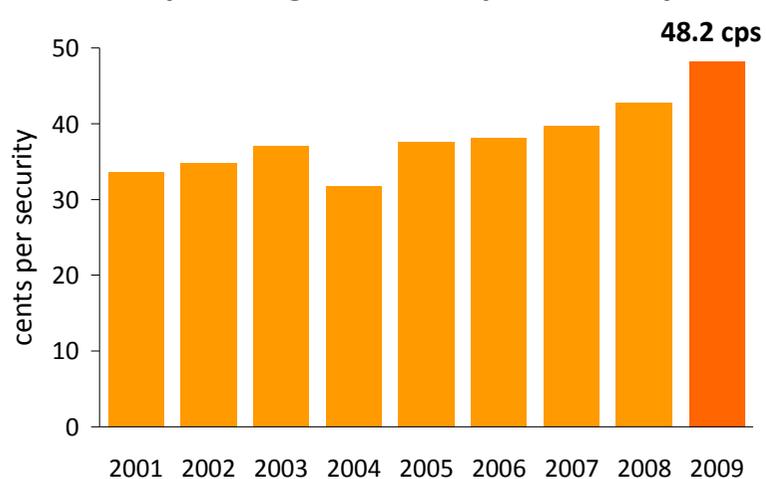
Operating cash flow



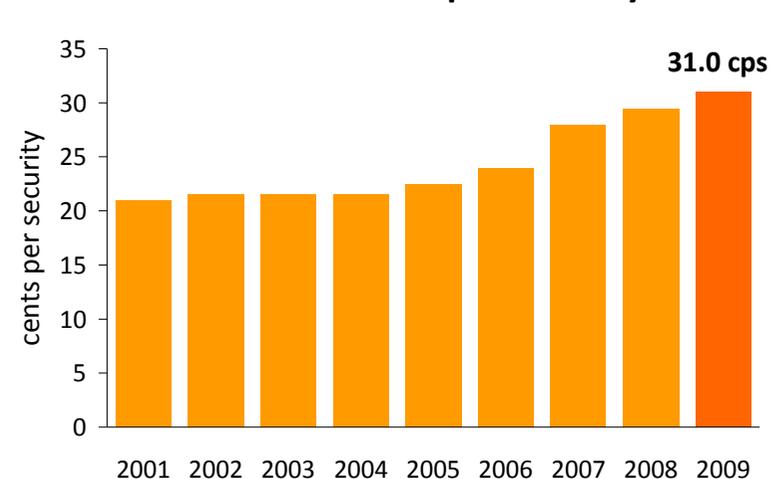
EBITDA



Operating cash flow per security



Distributions per security



Creating value for APA securityholders

Record financial results

Strong growth in all key financial measures

	FY 2009	change
Revenue	\$959 million	↑ 7%
EBITDA	\$459 million	↑ 7%
Net profit	\$110 million	↑ 34%
Operating cash flow	\$234 million	↑ 22%
Operating cash flow per security	48.2 cents	↑ 13%
Distribution per security	31.0 cents	↑ 5.1%

Underlying financial results above are adjusted for significant items, and include Envestra distributions and complementary asset finance leases.

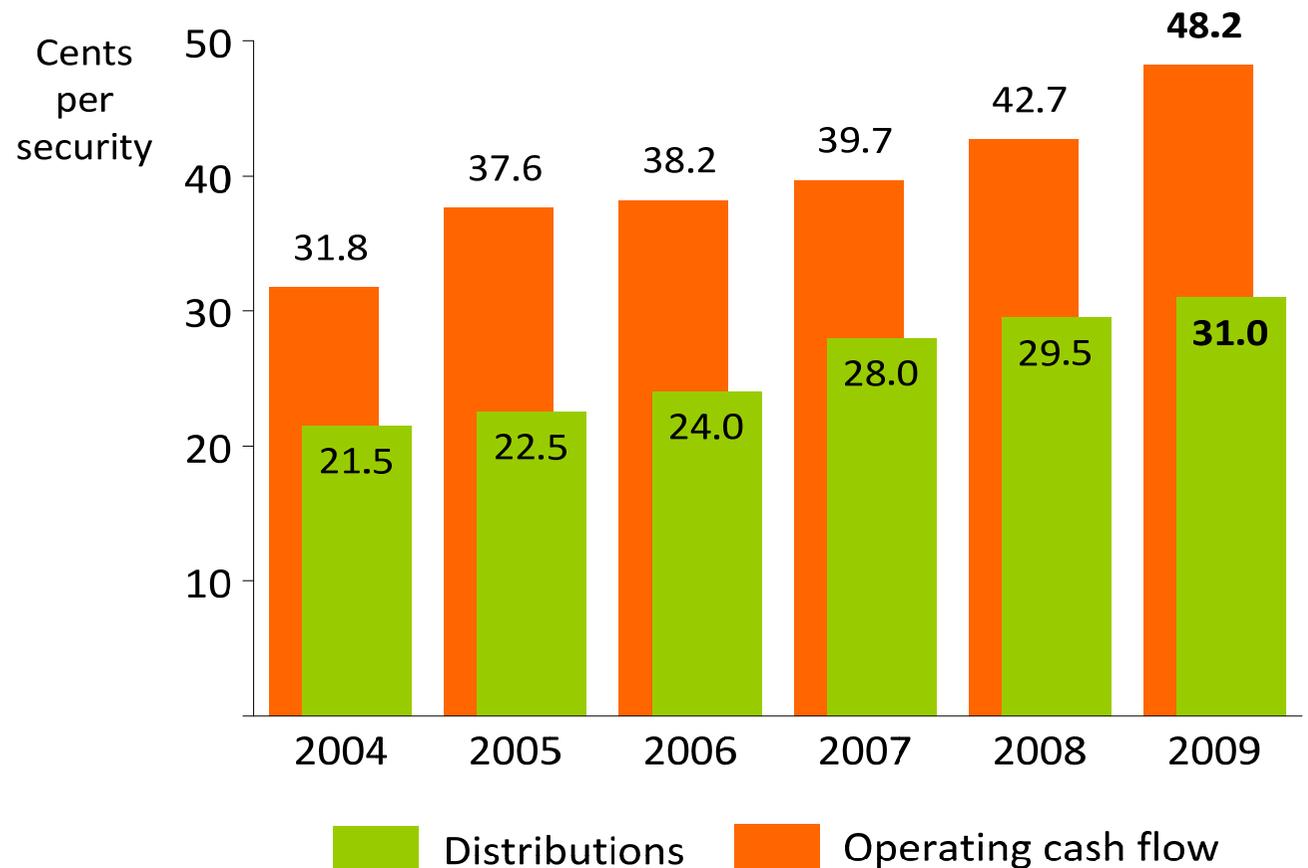
Operating cash flow = net cash from operations after interest and tax payments, adjusted for significant items.

APA distribution growth

Growing distributions by at least 5%

- 2009 full year distribution of 31.0 cents per security – an increase of 5.1%
- Distributions are well covered by operating cash flow
- Surplus cash contributes to funding further business growth

Distributions and operating cash flow per security



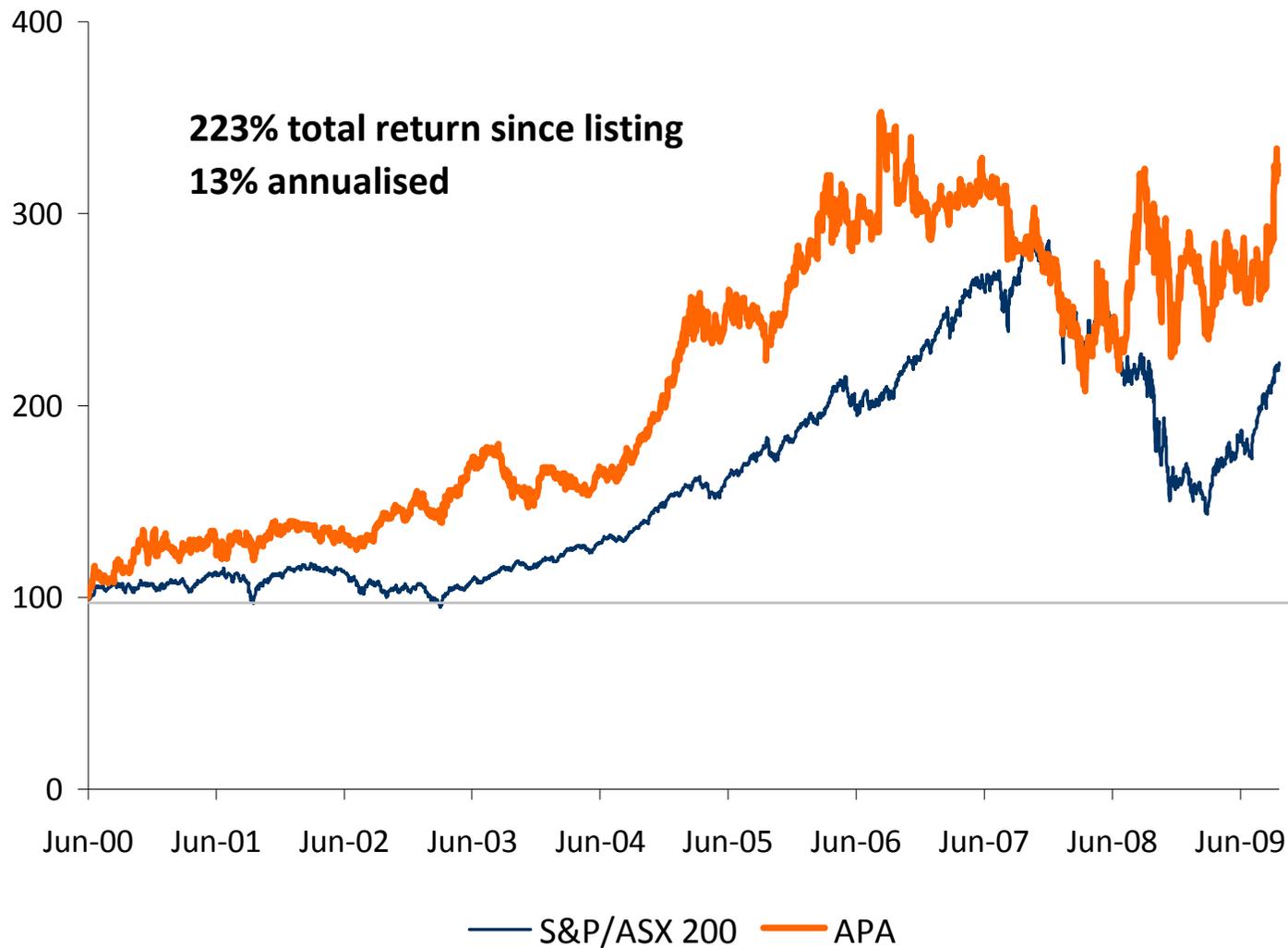
Prudent capital management

Strengthened balance sheet

- Capital raising from APA securityholders
 - Continued operation of the Distribution Reinvestment Plan (DRP) and Security Purchase Plan (SPP)
 - \$79 million capital raised in 2009 through the DRP and SPP
- Strong support for refinancing in tight credit environment
 - Early refinancing of \$1 billion debt maturing in 2010
 - Locked in \$1.365 billion in new debt facilities through US private placement, bilateral facility and new syndicated facility.
- Standard & Poor's 'BBB' credit rating
 - Greater access to global debt markets

Security price performance

Total returns
13 June 2000 (listing) to 30 September 2009



APA security price

- \$2.75 (1 Jul 08)
- \$3.17 (30 Sep 09)

Strategic achievements

- Establishment of Energy Infrastructure Investments (EII)
 - Sale of assets, with transaction funds of \$647 million used to pay down debt
 - APA retains 19.9% interest in EII, and continues to operate the assets under a long term operating agreement
- Enhancement of APA's gas infrastructure assets
 - Capacity expansion of APA's infrastructure to meet growing demand for natural gas
- Increase interest in Envestra to 30.4%



X41 Power station, Mt Isa, sold to EII



Construction of the Ned's Creek compressor station on the Goldfields Gas Pipeline

Growing the business profitably and strengthening the balance sheet

Structure and governance

- Security sale facility for holdings less than \$1,000
 - Reduction in number of securityholders by almost 27,000 or 26%
 - Reduction in administration costs
- Constitutional changes
 - Update Australian Pipeline Trust and APT Investment Trust constitutions to reflect current market practice and ASIC policy changes
- Board and management remuneration
 - Remuneration reviewed by independent remuneration consultants
 - No changes to Board fees in light of the global economic conditions
 - Executive remuneration at median level of benchmark results, with performance component dependent on APA achieving financial targets

Outlook

- Focus on ensuring APA delivers secure and growing operating cash flow
- Continue enhancing APA's portfolio of gas infrastructure assets
- First quarter 2010, business is performing in line with expectations

Distribution guidance

- Increase in FY 2010 distributions of at least 5%, fully covered by operating cash flow



Managing Director's address

APA Group Annual Meeting
30 October 2009

Australia's largest gas infrastructure business



Source: APA data; Energy Quest August 2009

- Australia has an abundance of natural gas reserves ...
with increasing demand for natural gas
- APA delivers gas from all major gas production sources to all major gas markets ...
transporting more than 50% of natural gas used in Australia
and more than 70% of natural gas in Australia's eastern states
- APA has long life assets ...
which generate secure and predictable revenue

***APA's unrivalled national portfolio connects all major gas sources
to major markets***

Business segment performance

EBITDA growth across all business segments

	FY 2009	change
Gas transmission and distribution ⁽¹⁾	\$384 million	↑ 14%
Asset management	\$30 million	↑ 7%
Energy Investments	\$22 million	↑ 21%
Assets sold to EII ⁽²⁾	\$23 million	↓ 53%
Total underlying EBITDA	\$459 million	↑ 7%

(1) Excludes Telfer/Nifty Gas Pipeline

(2) Assets include electricity transmission, gas power generation, gas processing plants and Telfer/Nifty Gas Pipeline; sold December 2008

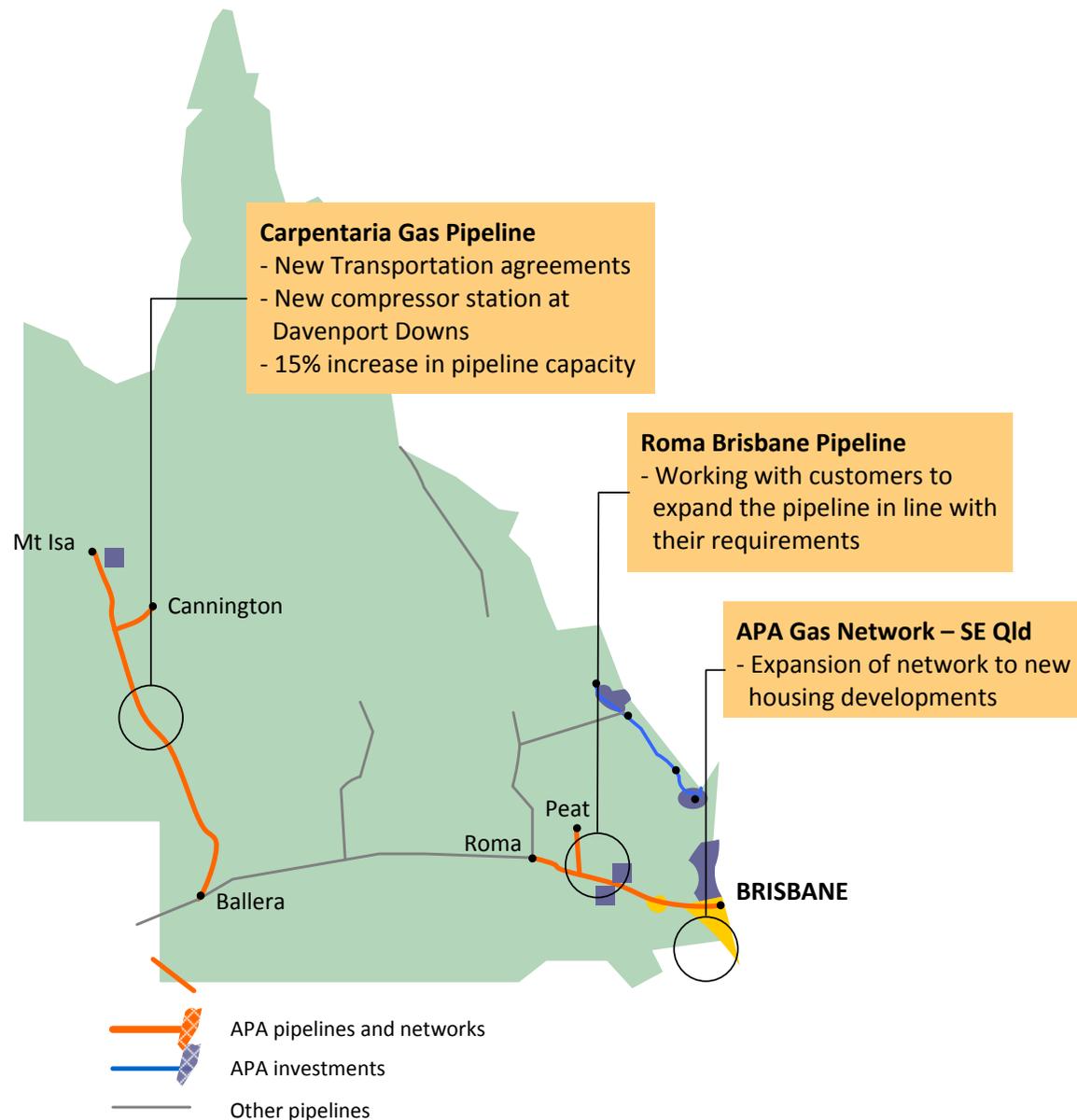
Underlying financial results above are adjusted for significant items, and include Envestra distributions and complementary asset finance leases

APA's gas infrastructure portfolio

Queensland



Gas facility at Swanbank Power Station, near Brisbane

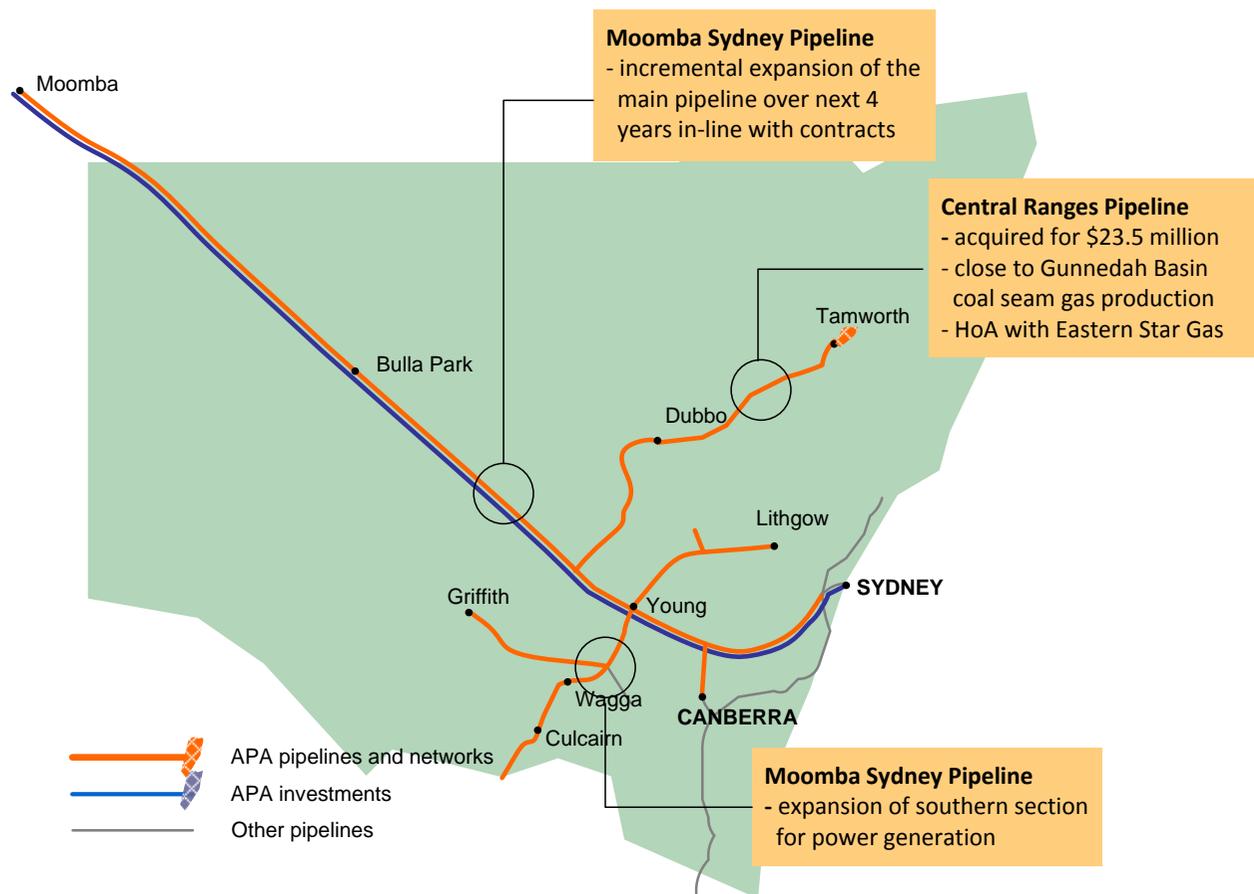


APA's gas infrastructure portfolio

New South Wales



Gas facility at Uranquinty Power Station

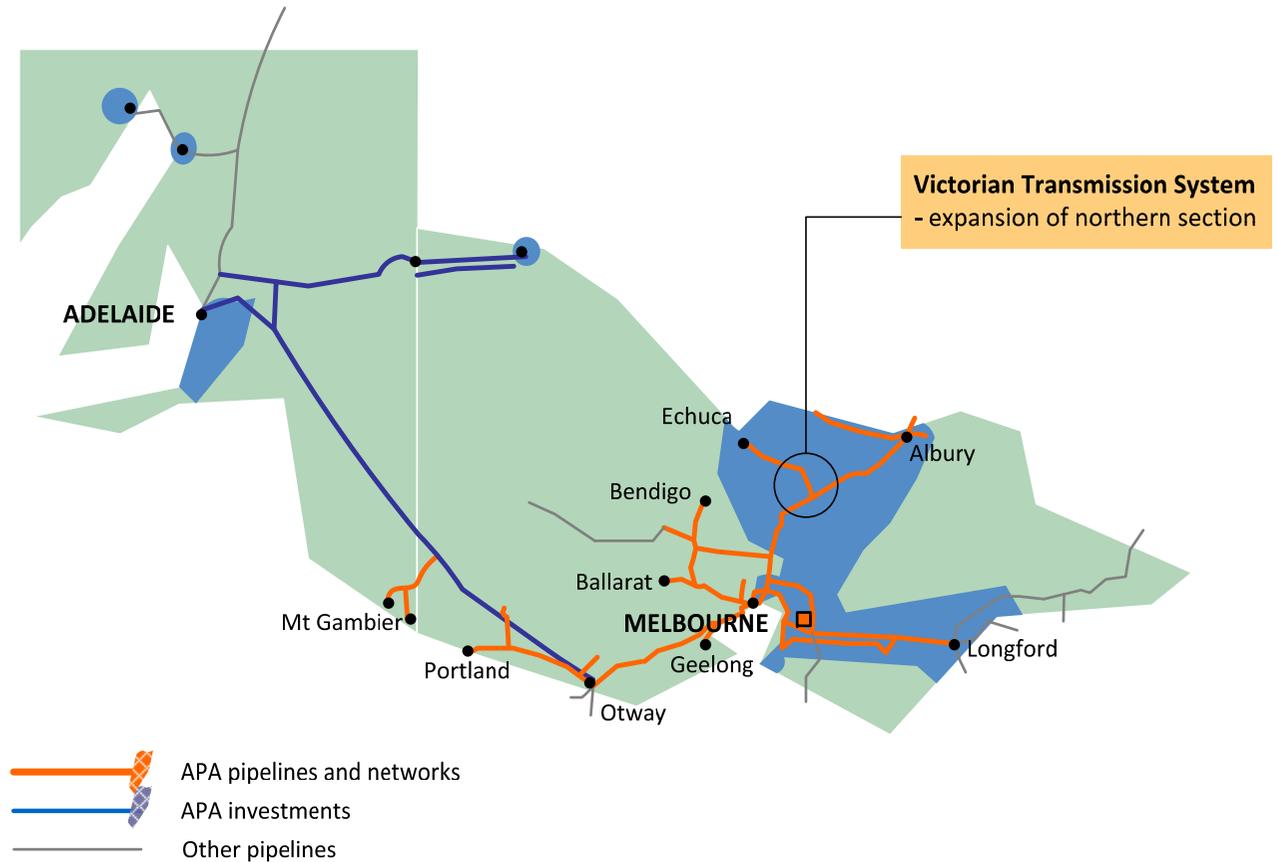


APA's gas infrastructure portfolio

Victoria and South Australia



Brooklyn city gate



APA's gas infrastructure portfolio

Western Australia



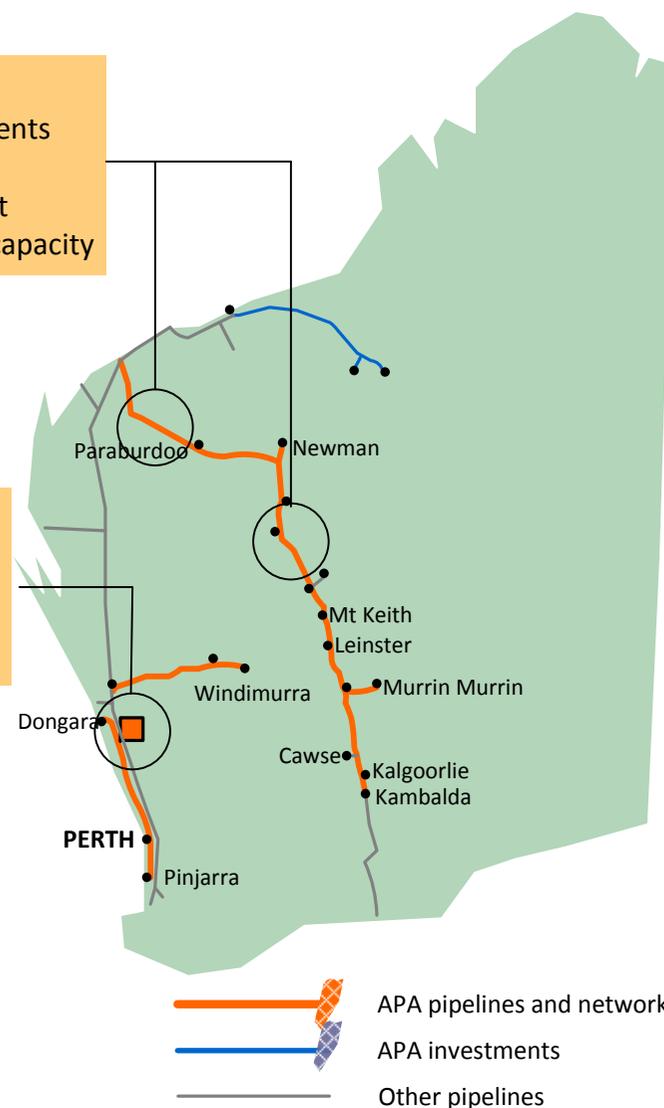
Ned's Creek compressor station, Goldfields Gas Pipeline

Goldfields Gas Pipeline

- New transportation agreements
- 2 new compressor stations:
Ned's Creek and Wyloo West
- 20 % expansion of pipeline capacity

Mondarra Gas Storage Facility

- Working with customers to increase storage capacity in line with their requirements

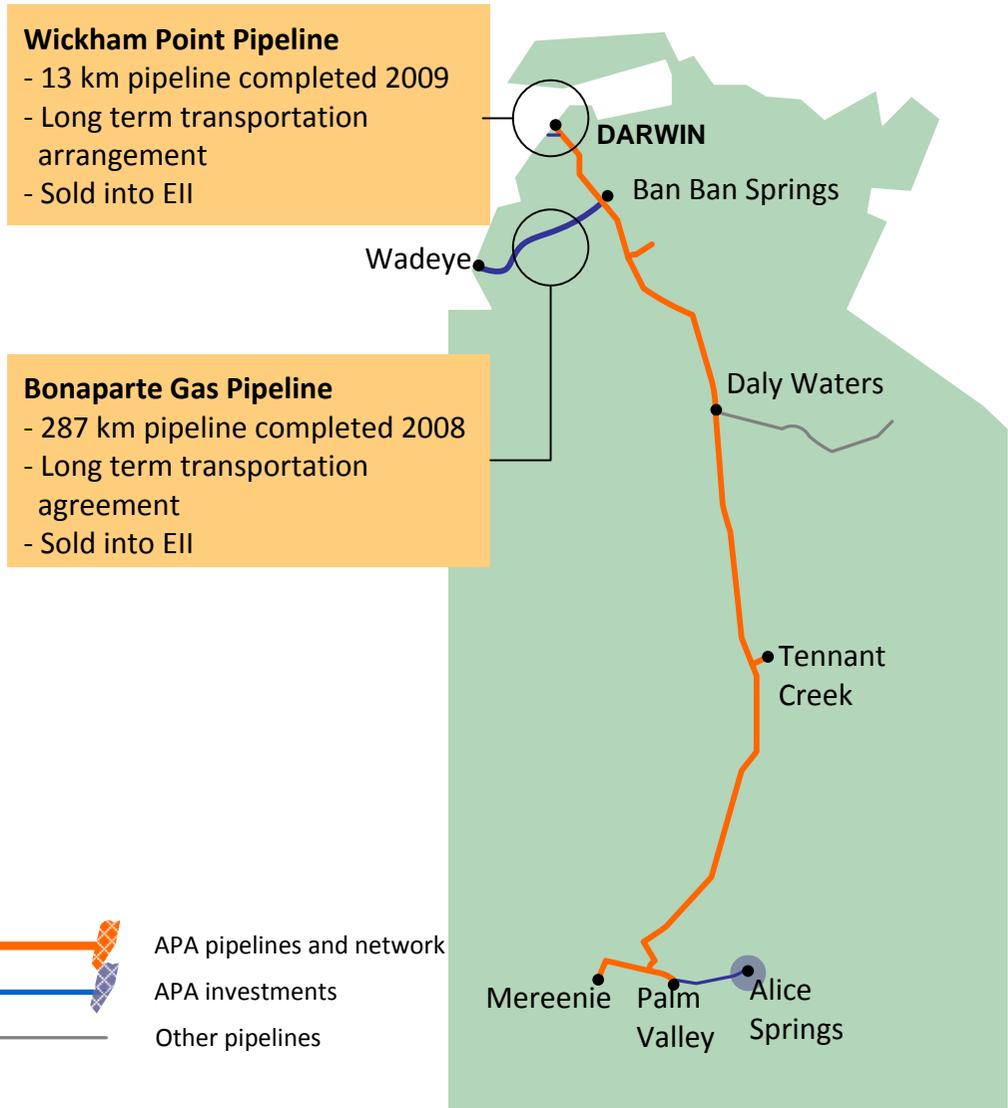


APA's gas infrastructure portfolio

Northern Territory



Construction of the Bonaparte Gas Pipeline



APA's energy investments



■ Envestra Ltd



■ Energy Infrastructure Investments



■ SEA Gas Pipeline



■ Moomba Sydney Ethane Pipeline



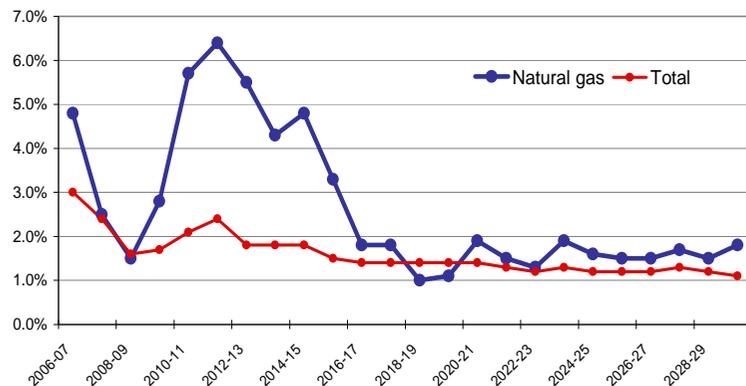
■ North Brown Hill wind farm

APA manages and/or operates its energy investments

Growth driven by natural gas use

- Growing demand for natural gas - 4% per annum
- Increased use of gas fired generation

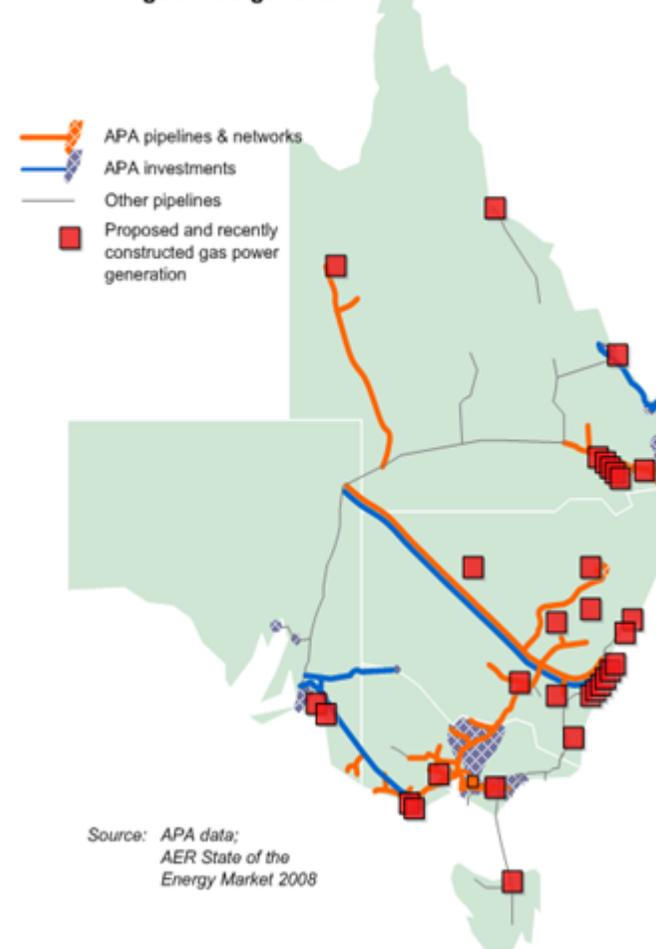
Natural gas and Australian primary energy consumption
Growth rates



Source: ABARE - Energy Update 2008

- Carbon reduction policies encourage the use of natural gas
 - Renewable Energy Target and proposed Carbon Pollution Reduction Scheme
 - State based schemes (eg Queensland's ClimateSmart 2020)

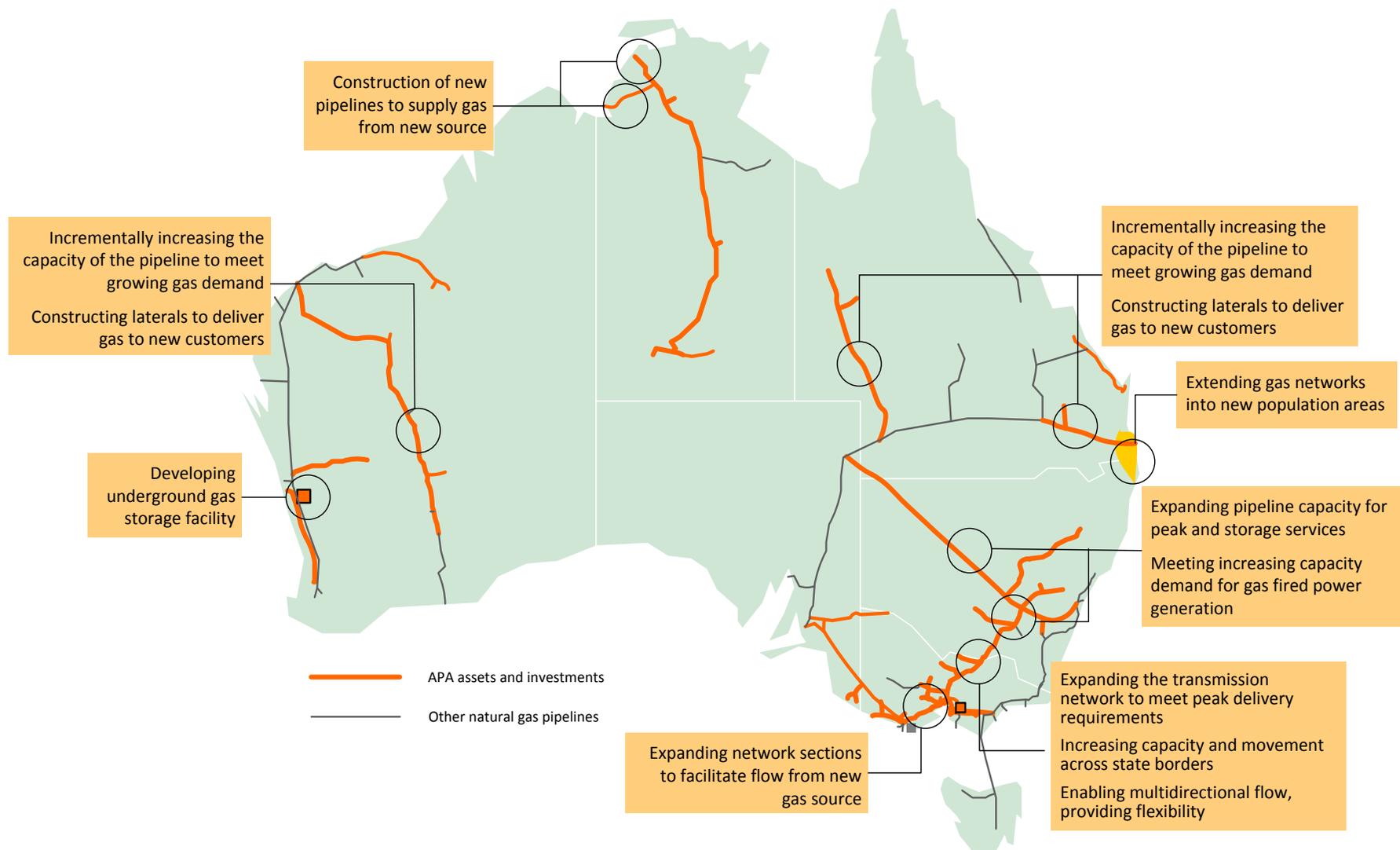
Location of new and proposed gas fired generation



Source: APA data;
AER State of the Energy Market 2008

APA is well positioned to transport growing demand for natural gas

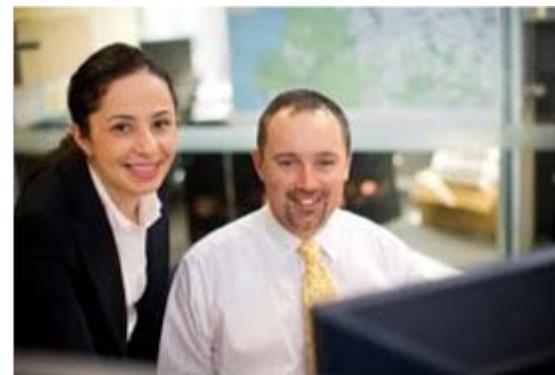
Building Australia's natural gas infrastructure



APA responds to customer's requirement for expanded and additional natural gas infrastructure

People, environment and safety

- APA business model unique among peers
 - Fully operating business, with 1,100 operating, commercial and support personnel
 - APA personnel operating from 57 locations across the country
 - Extensive in-house skills and experience – engineering, technical, regulatory, commercial, etc
- Environment and safety performance
 - Minimising the environmental impact during construction
 - Reducing gas leakage in distribution networks
 - Safety remains a company-wide priority



Delivering security and growth

- Committed expansion projects are underpinned by secure agreements
- Focused on capturing further profitable growth opportunities provided by APA's gas infrastructure portfolio
- Maintaining a strong balance sheet



Delivering Australia's energy

For more information on APA Group
visit our website www.apa.com.au

APA Group 2009 Annual Meeting Securityholders Questions and Answers

In my address, and in the Managing Director's address, we have already covered a number of questions we received in writing from securityholders. I'd now like to respond to some other questions that have been raised.

Timing of tax statements

As occurred last year, we received questions about the tax statement being sent to securityholders in September. APA changed the record date for the final distribution in June 2008 so that securityholders would not be disadvantaged in regard to income distributed from APT Investment Trust. This income is taxed at securityholders' own marginal rates, rather than the taxable income of the trust being taxed at the top marginal rate of 46.5%, which would be the case if the record date was not prior to the end of the 2009 financial year.

A further consequence of this was that securityholders must declare that income (this year received in September) in their 2009 tax return and some have expressed disappointment that they are unable to complete their tax returns until the tax statement is received.

Currently, the determination of the final distribution is based on the audited annual results, which were not finalised until the 25th August. In that regard APA's timetable is not out of step with similarly structured businesses. While tax statements were sent in September, details of the distribution and its different components sufficient to allow the preparation of a tax return were published on the same day that the financial results were released, on the 25th August.

Location of annual meetings

Some interstate securityholders ask why annual meetings are held in Sydney, and not in other capital cities. The Board has given this consideration on numerous occasions, and their decision has been based on the fact that

investors holding more than half of the issued securities in APA are domiciled here in New South Wales.

However, to reach as many of our investors as is reasonably possible we do a number of things:

- firstly, we invite all securityholders to send any questions they may have to the company prior to the Annual Meeting and from those questions received, we identify the common themes and attempt to answer them, as I'm now doing;
- secondly, we webcast this meeting over the internet so that anyone with an internet connection can listen to proceedings live, or at a later date; and
- finally, my address and the Managing Director's address, together with these answers to some of the written questions we received, are made available on our website.

We will continue to monitor each year as to where is the most appropriate place to hold the annual meeting.

Participation of securityholders in future capital raisings

Securityholders have asked how they can continue to be involved in the issue of new securities. Firstly, let me say as Chairman I am pleased to hear this. It reflects a confidence APA and its future.

We do this at present in the form of the Distribution Reinvestment Plan, or DRP, whereby securityholders elect to reinvest their distribution into APA, receiving new securities at a discount to the market value and free of brokerage. This form of equity raising is exclusively available to securityholders at the time. The participation rate is high, with more than 36% of September distributions reinvested through the DRP. As a growing business, we are pleased with this participation and encourage our securityholders to consider this reinvestment as a means of increasing their ownership of APA.

We also have from time to time operated a Security Purchase Plan. The plan is only available to securityholders, allowing them to increase their holdings by up

to \$5,000 in the past. With the approved changes to the constitutions, the Board will be able to offer this facility at various participation levels, up to a maximum of \$15,000.

Questions for the auditor

On the form sent with the notice of meeting we invited securityholders to submit written questions to the auditor on the conduct of the audit or the content of the auditor's report. While a number of questions were received, the auditor has advised that in their opinion none relate to those issues. If however any of you here today have a question on the conduct of the audit or the content of the auditor's report, as I've mentioned our auditor is in attendance today and willing to take such questions, through me as Chairman of this meeting.

Compliments

Finally, reading through the questions submitted by securityholders, I was delighted to see the support and interest of securityholders in APA, with many thoughtful questions.

It was also gratifying for me to read the positive comments submitted, that reflected securityholder support of the business, and I quote

“management and staff are doing a very good job at a difficult time”

“keep up the good work, one of the better managed companies in Australia”

“you are my favourite investment speaking as a self funded retiree”

“why has APA performed so well through a difficult time?”

I trust the information presented about APA at this year's Annual Meeting has satisfied that last question.

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APA Group



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ASX RELEASE

30 October 2009

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About APA Group (APA)

APA Group (ASX: APA) is Australia's largest natural gas infrastructure business, owning and/or operating more than \$8 billion of gas transmission and distribution assets. Its pipelines span every state and territory in mainland Australia, delivering more than 50% of the nation's gas usage. Unique among its peers, APA has direct management and operational control over its assets and investments. APA also holds minority interests in energy infrastructure enterprises including Envestra, SEA Gas Pipeline and Energy Infrastructure Investments (EII). For more information visit APA's website www.apa.com.au.