

## PROPOSED ANNUAL TIMETABLE

The following dates are provided to assist you in keeping abreast of major events in the APA calendar, but may be subject to change: -

- Results for the half year to 31 December 2005 are scheduled to be released on 21 February 2006;
- Second interim distribution is scheduled to be announced on 21 February 2006 and paid on 30 March 2006;
- Results for 30 June 2006 are scheduled to be released to the market on 22 August 2006. As in previous years we are intending to provide a webcast. Details will be available on our website – [www.pipelinetrust.com.au](http://www.pipelinetrust.com.au) closer to the scheduled release;
- Third interim distribution is scheduled to be announced on 30 May 2006 and paid on 30 June 2006;
- Annual report for 30 June 2006 is scheduled to be delivered, if previously requested, in late September 2006, together with notice of meeting for the annual meeting;
- Fourth and final distribution for 30 June 2006 is scheduled to be announced on 22 August 2006 and paid on 29 September 2006;
- Annual Meeting is scheduled to be held on 30 October 2006 at the Hotel InterContinental, Sydney. Full details will be provided in the Annual Report and on our website closer to the date.



M J McCormack  
Chief Executive Officer

# in the Pipeline

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Cover image: the Roma to Brisbane Pipeline (RBP) runs below  
The Cascades at Forest Lake, Queensland.

Dear Unitholder,

Welcome to this issue of *In the Pipeline*. The festive season is now behind us and I hope that you all had a very happy Christmas. We all, at Australian Pipeline Trust, wish you a prosperous New Year.

This edition of *In the Pipeline* will update you on, the status of our current projects, operations, on-going regulatory issues, our 2005 annual meeting and proposed annual timetable.

## DISTRIBUTION

As you will have noted from your distribution advice, the Board approved a first interim distribution for the year of 6 cents per unit, franked to 40% at the corporate tax rate for payment on 30 December 2005. The distribution is an increase of 0.5 cents per unit compared with the first interim distribution for FY 2005, which was an income distribution of 5.5 cents per unit, franked to 40% at the corporate tax rate.

APA is performing to management expectations and the Board intends to maintain the current level of distribution for the remainder of FY 2006, subject to unforeseen circumstances. It is unlikely that APA will be able to maintain the same level of franking for all four FY 2006 distributions.

## OPERATIONAL REVIEW

The commercial opportunities of our pipelines have been well demonstrated over the last five months.

### Goldfields Gas Transmission Pipeline (WA)

In October 2005, we announced the expansion of the Goldfields Gas Transmission Pipeline. An additional gas turbine compressor will be installed at the Paraburdoo compressor station site for a cost of \$15 million. The additional capacity will be used to transport gas to the Hamersley Iron mine.

### Parmelia Gas Pipeline (WA)

In September 2005, we announced a seven-year contract with ARC Energy to transport gas from ARC's Perth basin gas fields through the Parmelia Gas Pipeline for supply to Midland Brick in Perth.

The new transportation contract is worth up to \$10 million revenue over the seven-year period.

### Coal Seam Methane Gas Processing (QLD)

In August 2005, we announced a plan to build, own and operate a \$13 million coal seam gas processing facility at Kogan, west of Brisbane. The facility will process four petajoules of gas a year – approximately enough energy to supply about 35,000 homes.

The coal seam gas will be extracted from the Arrow Energy and CS Energy Kogan North gas fields.

### Stress Corrosion Cracking (Moomba to Sydney Pipeline)

Since my last report outlining our investigation of stress corrosion cracking on parts of the Moomba to Sydney Pipeline, we have implemented a repair program which will address the majority of major defects identified in the affected area.

As foreshadowed additional investigation of the pipeline will be conducted during the quiet period of January to February 2006 to ensure minimal impact on our customers.

The actions being taken are within the amount previously provided and ensures that the pipeline is being operated safely for all concerned and will meet all contractual obligations.

## REGULATORY REVIEW

As reported in our last edition/newsletter, the ACCC lodged an appeal against the decision by the Australian Competition Tribunal in the Moomba Sydney Pipeline case. The appeal was heard by the Federal

Court on 17-19 August 2005. We expect to receive the Court's decision in early 2006. We expect that the Court will uphold the substantial elements of the Tribunal's decision.

Because APA owns many regulated gas pipelines, we are actively involved in regulatory policy development. The current regulatory environment creates uncertainty, and discourages investment in new pipeline capacity. Instead of this, Governments need to put in place a framework that is balanced and supports all stakeholders. We need more mature regulation that recognises the commercial drivers in pipeline development, and therefore promotes sensible long-term decisions for the benefit of the pipeline owner, customers, industry and the Australia economy.

The Commonwealth and State Governments, through the Ministerial Council of Energy, are undertaking an extensive review of the regulatory framework for the whole national energy market, including gas. We are contributing to this debate by encouraging Governments to reform the current regulatory system to create a more positive environment for investment in essential infrastructure such as gas pipelines.

The decisions taken by Governments now will significantly influence major investment decisions needed for the future of gas supply in Australia.

## ANNUAL MEETING 2005

APA held its annual meeting at InterContinental Sydney on 21 October 2005. The main order of business was the nomination for re-election as directors of Australian Pipeline Limited, of Robert Wright and Russell Higgins. Both were elected unopposed.

The Meeting was considered by all who attended as informative and useful. Copies of the Chairman and CEO's addresses and of unitholder questions and APA answers can be found on our website – [www.pipelinetrust.com.au](http://www.pipelinetrust.com.au).