

# Australian Pipeline Trust



## Takeover Offer for GasNet

**Mick McCormack - Managing Director**  
**22 August 2006**



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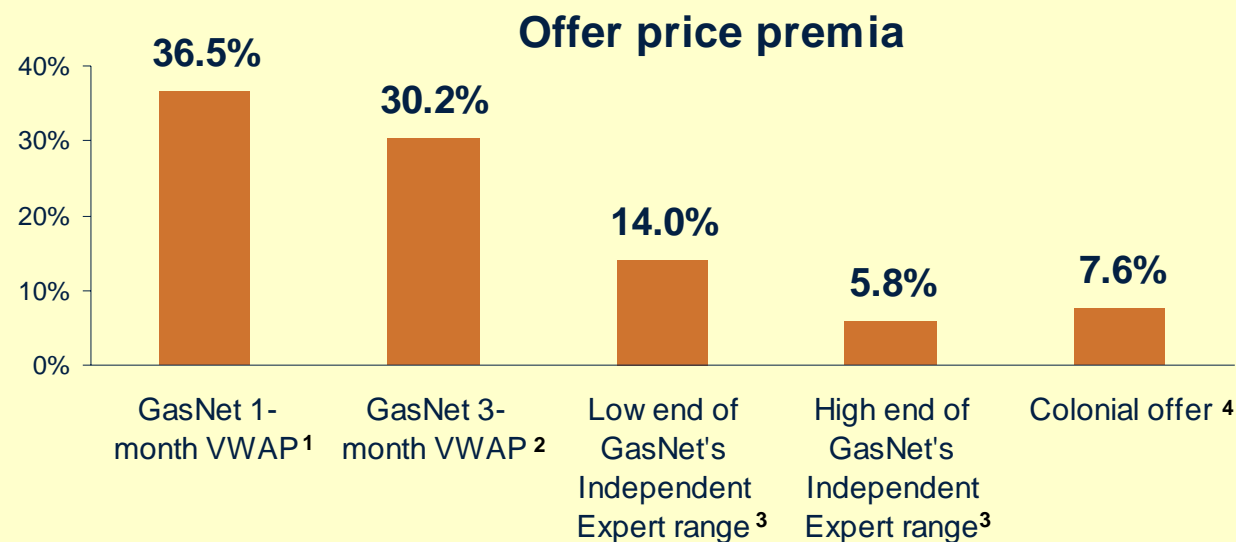
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# The offer

- Cash offer of \$3.10 per GasNet stapled security
  - The offer values GasNet at \$452m
  - Conditions less onerous than the Colonial offer
  - Accelerated payment terms
- APA is the sole bidder
  - Joint bidding agreement with BBI terminated
  - APA can identify greater value given its complementary portfolio
- Financially and strategically, a compelling offer
- EPU and yield accretive in the first year
- B&B Group intends to accept the Offer

# Outstanding offer to GasNet securityholders

- Superior to the Colonial offer, GasNet's Independent Expert valuation range and GasNet's historic trading levels
- Higher price, less onerous conditions: expect Board recommendation



#### Notes

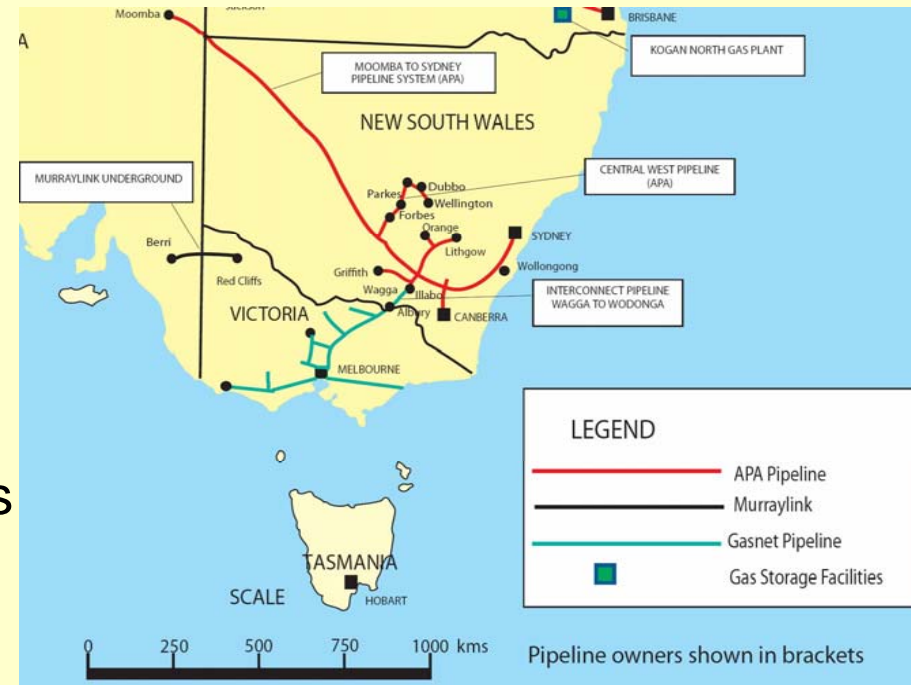
1. \$2.27 VWAP from 17 May to 16 June 2006 (source: Bloomberg), being the day prior to the announcement of APA initial joint bid with BBI
2. \$2.38 VWAP from 20 March to 16 June 2006 (source: Bloomberg), being the day prior to the announcement of APA initial joint bid with BBI
3. GasNet's Independent Expert range of \$2.72 to \$2.93, included in GasNet's Target's Statement dated 9 August 2006
4. \$2.88 offer from Colonial First State Global Asset Management announced on 15 August 2006

# Strategic rationale

- Highly complementary business to APA's existing asset portfolio
- Meets APA's investment criteria and enhances ability to grow securityholder distributions
- Reinforces APA's position as a leading owner and operator of energy transmission assets in Australia
- Greater gas flows into Victoria and NSW and increased competition with the Eastern Gas Pipeline

# Significant synergistic benefits

- Better use of the NSW/VIC Interconnect
  - Increased gas throughput
  - Other opportunities include gas storage services
- Increased competition of APA's Moomba to Sydney Pipeline with the Eastern Gas Pipeline
- Expansion opportunities in VIC and WA
- Reduction in operating costs



***Strong strategic fit for APA expected to deliver significant value***

# Details of the offer

- Key terms and conditions
  - 50.1% minimum acceptance
  - Accelerated payment terms (5 business days) after the offer becomes unconditional
  - Broker handling fee
  - The offer price will be reduced by GasNet's distributions
  - Other conditions as set out in the ASX Announcement on 22 August
- Funding
  - APA will fund the offer through committed facilities
- Indicative timetable
  - Announcement of offer 22 August
  - Bidder's Statement lodged Late August
  - Bidder's Statement dispatched / offer opens Mid September
  - Expected offer close (unless extended) Mid October



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