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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

MEDIA RELEASE

11 June 2008

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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:

- Presentation given by APA Group Managing Director, Mick McCormack, at the UBS Australian Infrastructure and Utilities Conference in Sydney

Yours sincerely

Sandra Dureau
Company Secretary



APA Group and its natural gas infrastructure

Mick McCormack
APA Group Managing Director

UBS Australian Infrastructure and Utilities Conference 2008, Sydney
11 June, 2008

APA Group is Australia's leading gas transmission and distribution business

APA Group owns and operates strategically positioned gas infrastructure assets across Australia

Objective

- Grow the business,
 - ... distribution and operating cash flow growth of at least 5% per annum
 - and maximise value for securityholders in the short, medium and long term

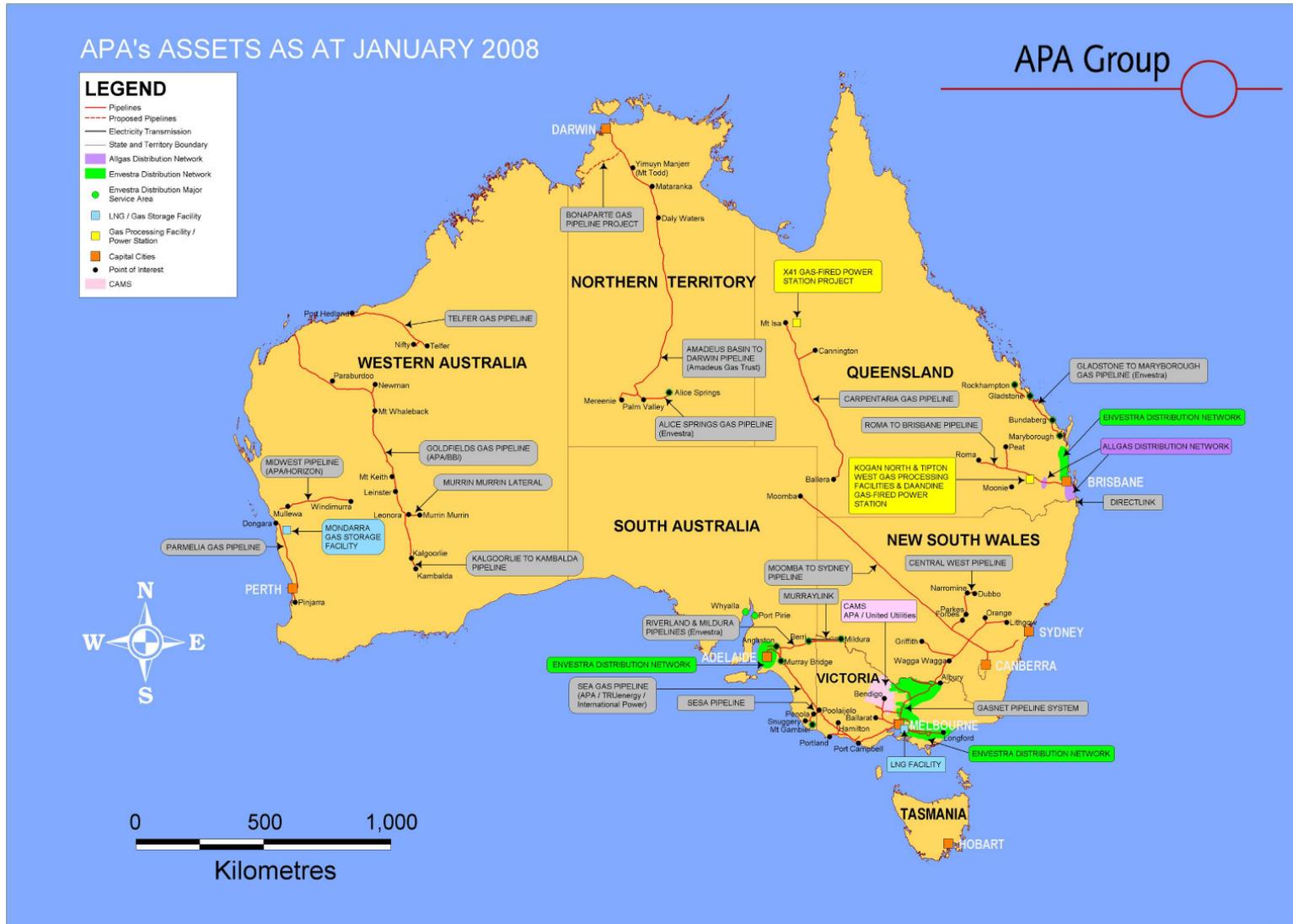
Strategy

- Focus on core gas infrastructure assets that have growth potential
 - ... transmission, storage and distribution across Australia
 - and further enhance this portfolio of assets
- Leverage internal commercial and operational knowledge and skill base

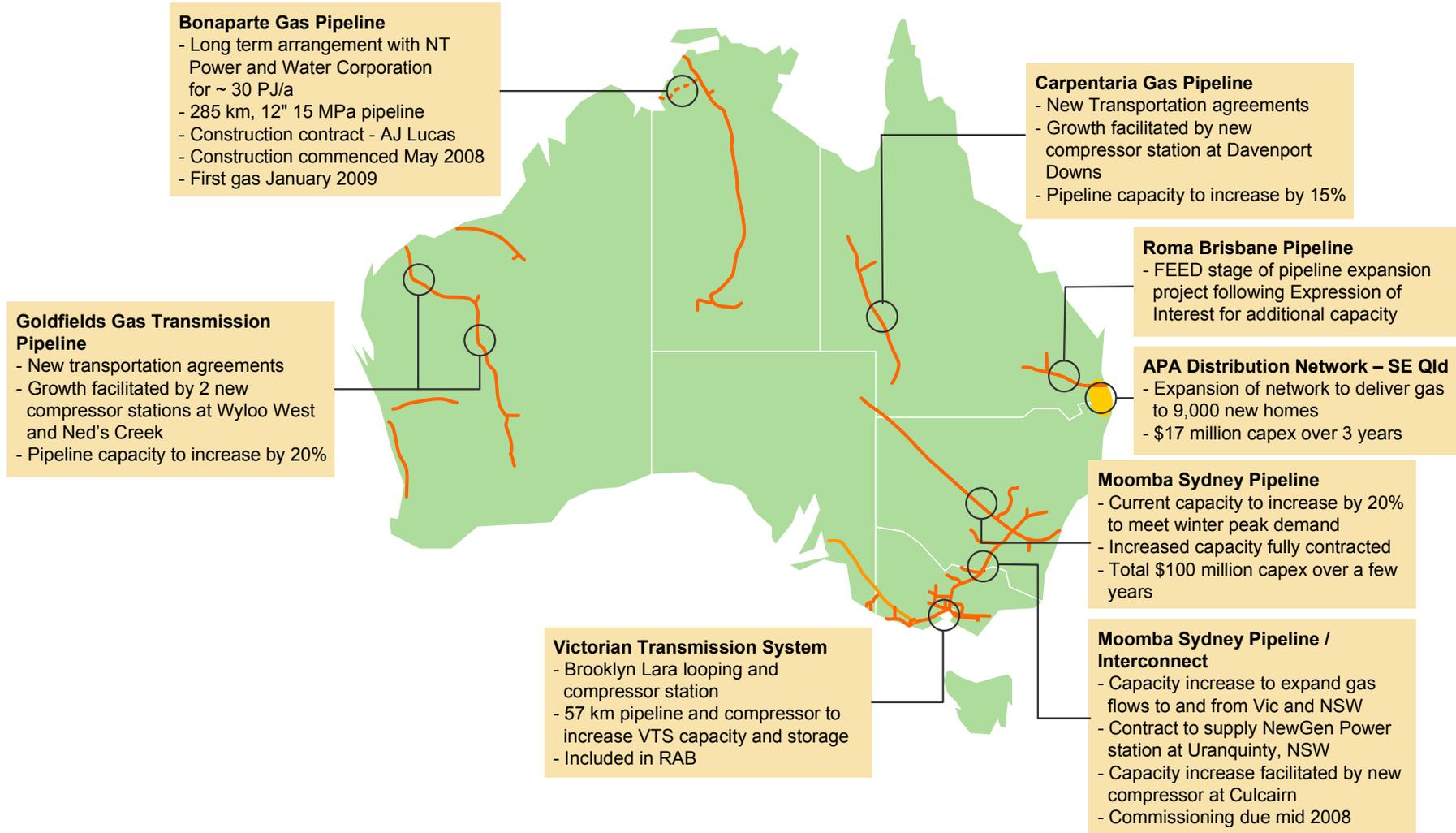
APA has grown its portfolio of gas infrastructure assets and internal operations capability

		On listing – June 2000	At present – June 2008
GAS INFRASTRUCTURE	Queensland	Roma Brisbane Pipeline (85%) Carpentaria Gas Pipeline (70%)	Roma Brisbane Pipeline (100%) Carpentaria Gas Pipeline (100%) APA Allgas Distribution (100%)
	New South Wales/ACT	Moomba Sydney Pipeline (100%) Central West Pipeline (100%) NSW interconnect with Victoria (100%)	Moomba Sydney Pipeline (100%) Central West Pipeline (100%) NSW interconnect with Victoria (100%) Ethane Pipeline equity (6%)
	Victoria		Victorian Transmission System (100%) Dandenong LNG facility (100%) Victorian interconnect with NSW (100%)
	South Australia		SEA Gas Pipeline (33%) SESA Pipeline (100%) Envestra equity (17%)
	Western Australia	Goldfields Gas Pipeline (40%) Mid West Pipeline (50%)	Goldfields Gas Pipeline (88%) Mid West Pipeline (50%) Parmelia Pipeline (100%) Mondarra Gas Storage (100%) Telfer Gas Pipeline (100%)
	Northern Territory	Amadeus Gas Trust/NT Gas (96%)	Amadeus Gas Trust/NT Gas (96%) Bonaparte Gas Pipeline (100%)
	Management	<i>Commercial management</i>	<i>Commercial management (APA assets)</i> <i>Operational management (APA and ENV assets)</i>
OTHER ENERGY INVESTMENTS			Electricity Transmission – Murraylink & Directlink Power Stations – Daandine & X41 (Xstrata) Gas Processing – Kogan North & Tipton West

APA now has an asset base of \$4 billion with assets under management of over \$8 billion

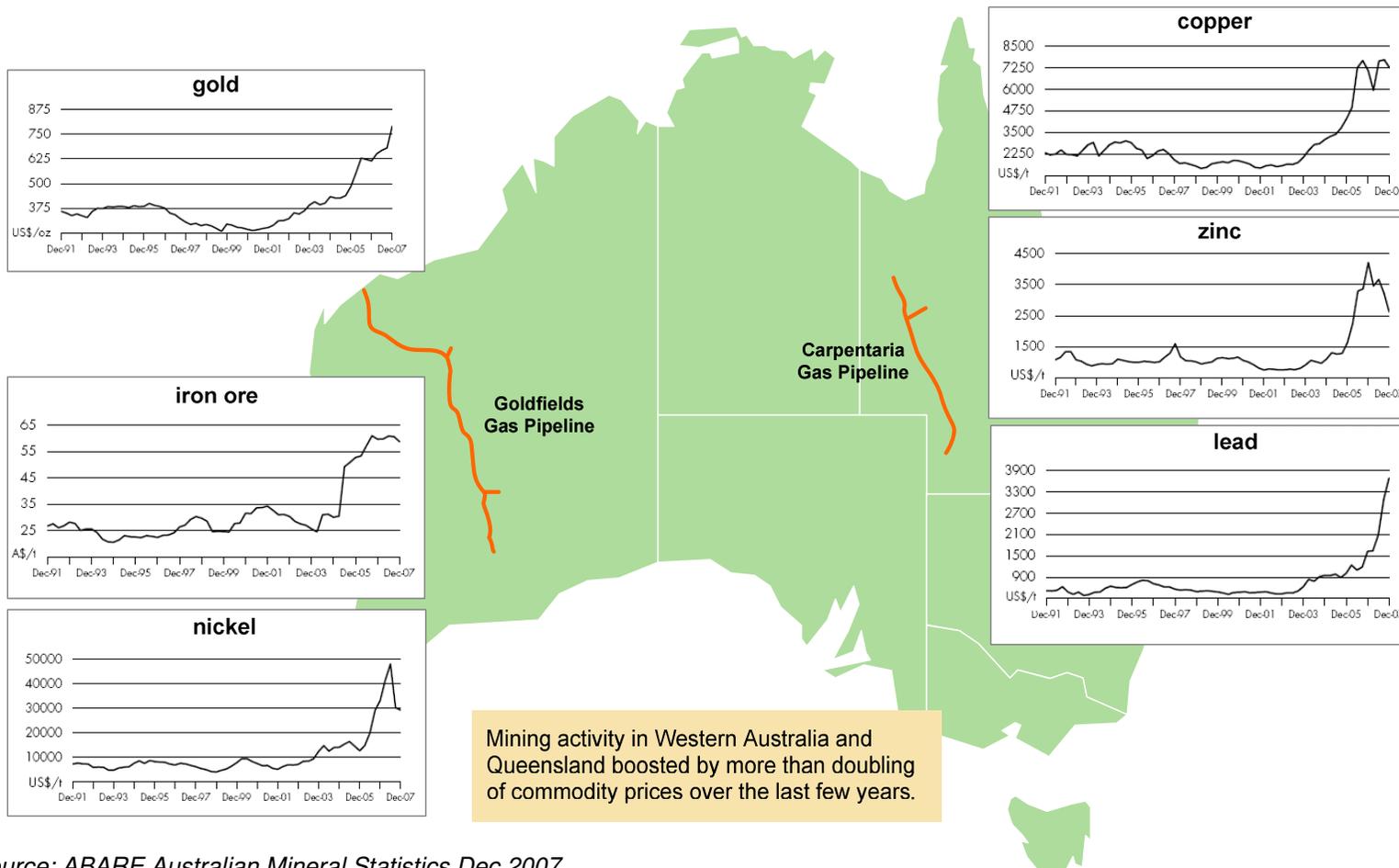


APA is focussing on enhancing existing infrastructure through expansion and new build



Brownfield growth of APA's gas infrastructure: Resources boom

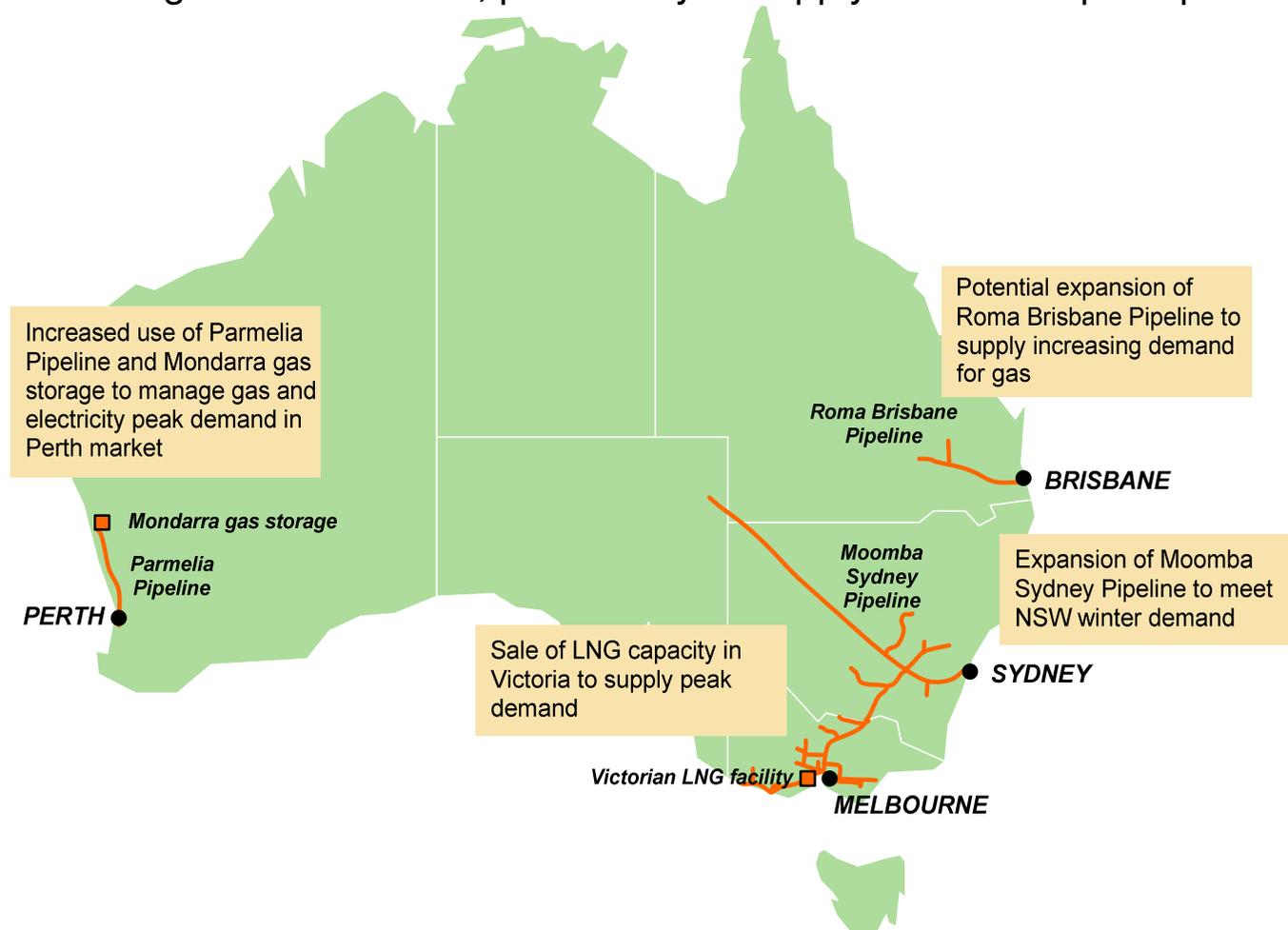
- WA and Qld pipeline expansion due to increased gas demand in resource rich mining areas, with new pipeline capital underpinned by new capacity contracts



Source: ABARE Australian Mineral Statistics Dec 2007

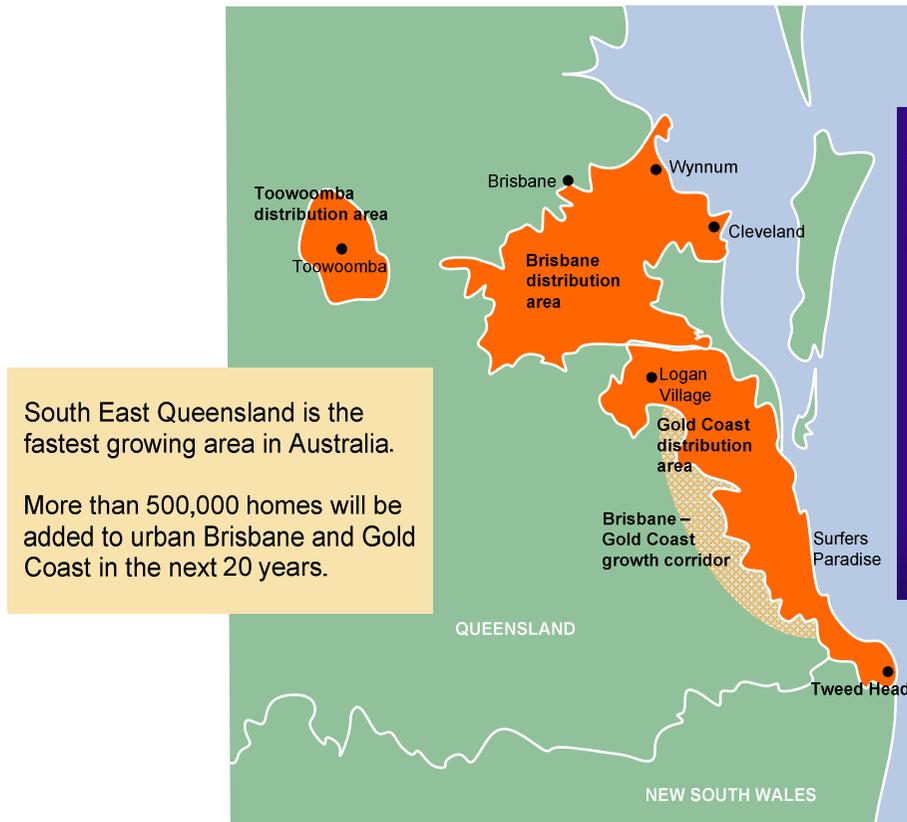
Brownfield growth of APA's gas infrastructure: Increasing gas demand

- Gas fired generation and increasing gas demand in major markets is driving expansion of gas infrastructure, particularly to supply demand in peak periods

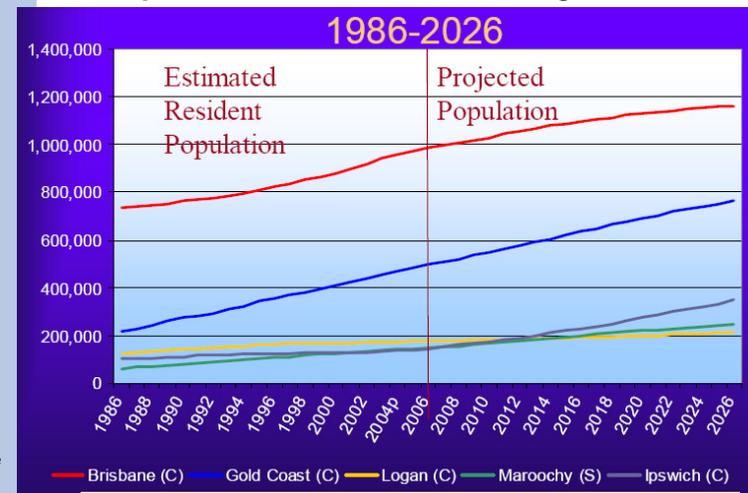


Brownfield growth of APA's gas infrastructure: Gas distribution

- Growth in residential and commercial gas use within South East Queensland
 - Fast growing population and housing in Brisbane and Gold Coast – APA Allgas area
 - State Government initiatives encouraging gas use for water heating (Climate Smart 2020)



Population for Queensland's largest LGA's

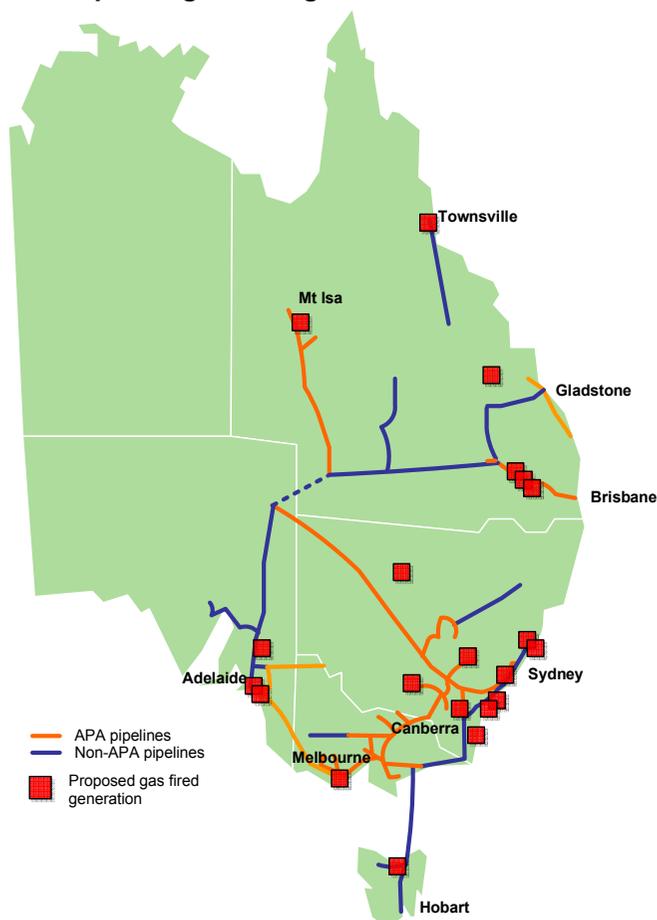


APA Allgas Distribution system covers Brisbane, Gold Coast and Logan – three of the five largest LGA's in Queensland

Source: Queensland Government – Department of Local Government and Planning Nov 2006

Greenfield developments: Gas infrastructure for power generation

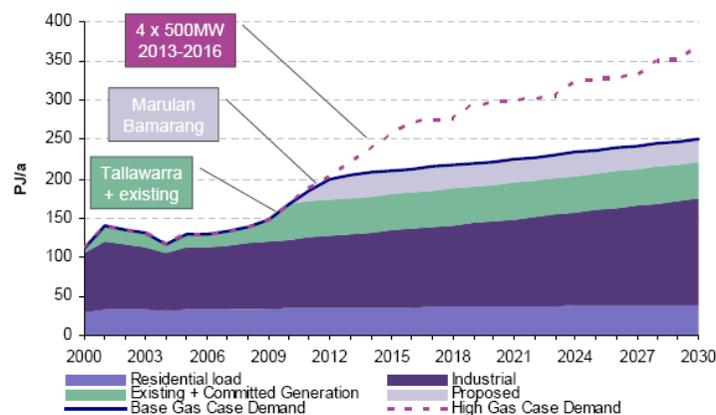
Proposed gas fired generation locations



Source: Data from AER State of the Energy Market 2007

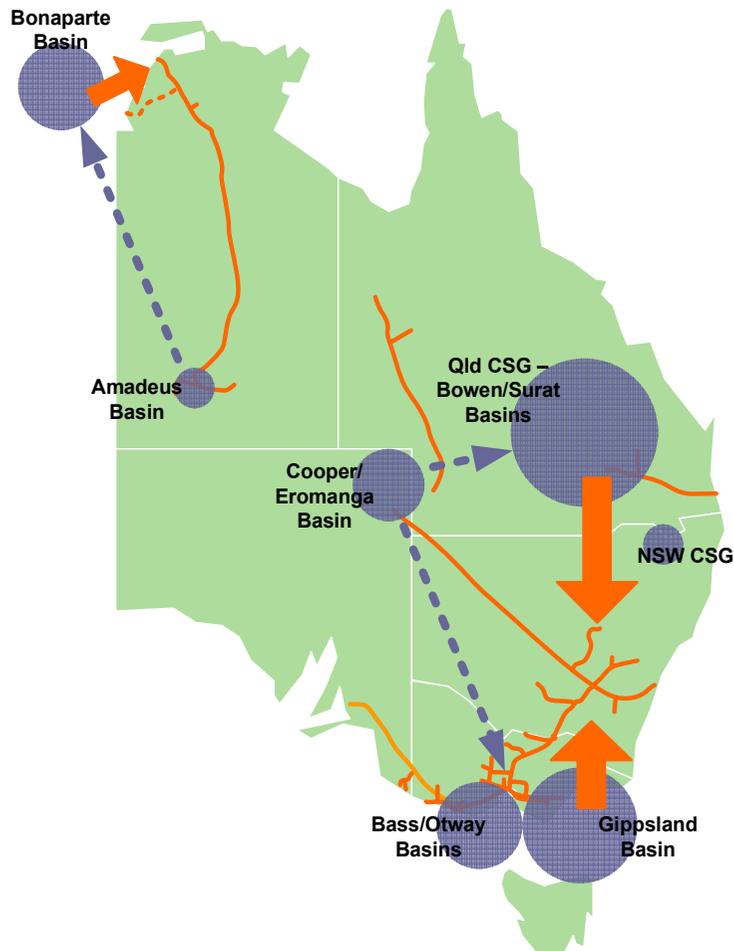
- Gas fired power generation – OCGT and CCGT
 - CCGTs meeting new base load requirements
 - OCGTs for peak demand
 - Gas infrastructure requirements are a function of generation capacity, not gas volume
 - Renewable targets affect gas volume, not generation capacity
- NSW electricity privatisation – Owen Report
 - 1,300 MW of base load generation for NSW by 2013/4
 - NSW gas demand forecast to double by 2015

NSW Gas Demand 2000-2030



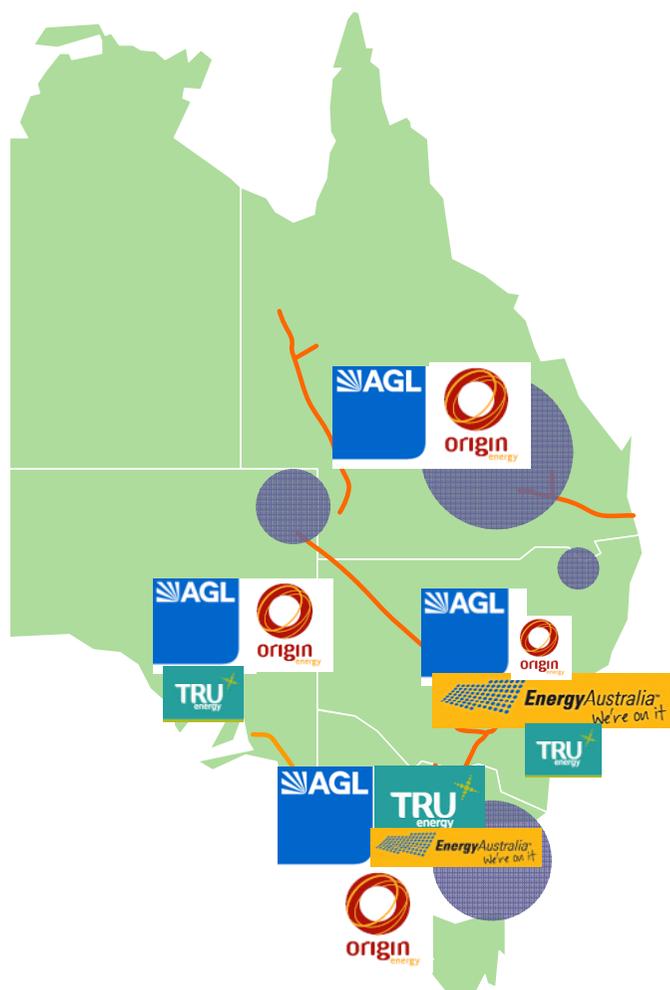
Source: Wood Mackenzie

Greenfield developments: New supply routes



- Shifting gas supply source for Northern Territory
 - Bonaparte Gas Pipeline - shift from Amadeus Basin to Bonaparte Basin
- Shifting gas supply sources for NSW
 - Gas into the NSW market – shift away from Cooper Basin to Queensland and Victoria
 - Victorian gas north
 - Queensland CSG south
 - NSW CSG to market
- APA will provide a competitive offering of infrastructure to move Queensland and NSW CSG to southern markets.
- APA able to offer competitive mechanism for utilisation of its new and existing infrastructure across East Australia

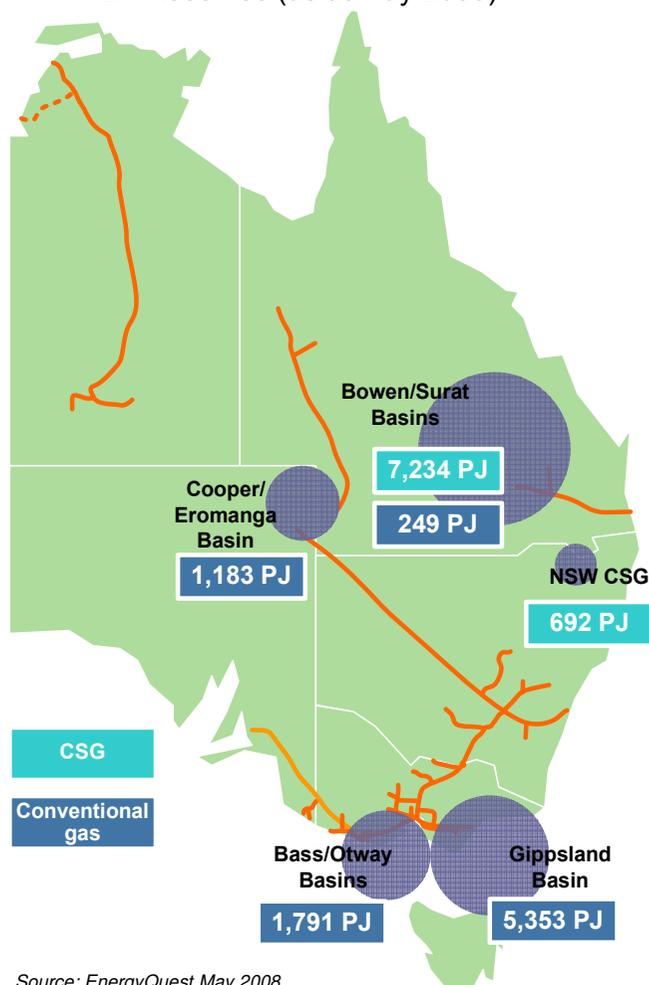
Greenfield developments: Multiple point delivery



- Small number of retailers across the East Australian gas and electricity markets
 - Three largest retailers (excluding NSW electricity) supply majority of the East Australian retail market
- Retailers' gas portfolios are diversified across gas basins and producers
 - Three largest retailers hold more than two thirds of East Australia's contracted gas
- APA's new and existing infrastructure can move gas from multiple sources to multiple markets

Greenfield developments: East coast CSG opportunities

**East Australia Natural Gas and Ethane
2P Reserves (as at May 2008)**



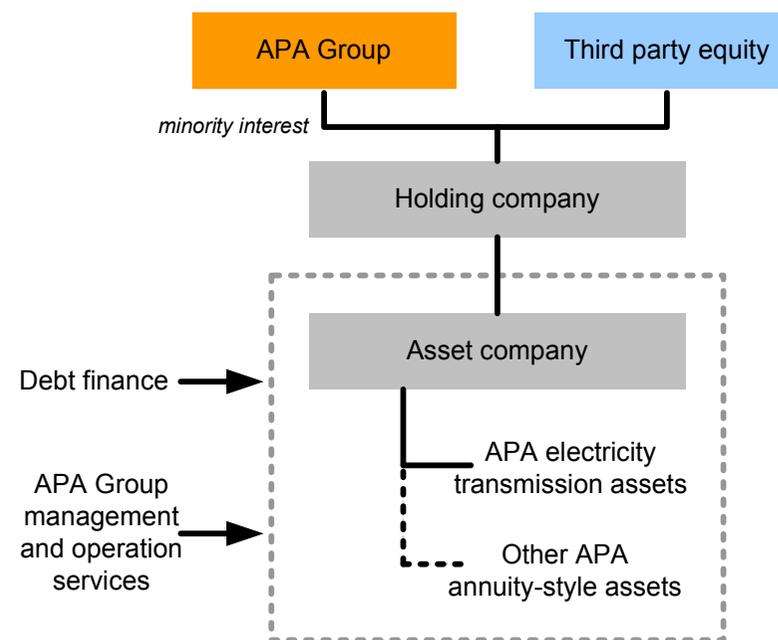
Source: EnergyQuest May 2008

- Vast CSG reserves being proved and developed in Queensland and New South Wales
- Significant growth opportunities to deliver CSG to markets
 - LNG export and new gas infrastructure requirements
 - Queensland power generation – 18% of electricity from gas fired generation by 2020 (Climate Smart initiative)
 - New South Wales power generation (Owen Report)
 - Growing gas demand in southern markets
- APA is a major owner and operator of gas infrastructure in Queensland and New South Wales
 - APA is continuing to participate in CSG development and growth opportunities

Selling down APA's position in assets that have a low growth profile

- Unlisted vehicle to hold a number of APA's annuity-style assets
 - Electricity cables: Murraylink and Directlink
 - Other APA assets with long term stable annuity-style revenue streams
- APA's continued involvement
 - Retain minority interest in the vehicle
 - Provide long term management and operation of the assets
- Funds of around \$500 million released to focus on greenfield and brownfield growth opportunities
- Timing – target to complete the transaction within the current calendar year

Structure of proposed vehicle



Integration and leveraging of internal industry knowledge and skills

- APA Group's internal industry knowledge and skill base is a valuable resource from which we extract value
 - Deep understanding of the assets – operations, commercial and regulatory
 - Alignment of operations and commercial
 - Alignment of thinking across assets
- Leveraging internal operations to create profit generators
 - Identifying and developing unique solutions – commercial/operations
 - Extracting synergy benefits across assets
- With its internal capabilities, APA is extracting more value from its assets by running its business smarter and adapting to a changing market

APA Group's business is built on a solid base

- Secure cash flow through regulated returns and long term agreements
 - Recent regulatory reset accounts for market conditions – higher debt and equity costs
 - Contract revenue indexed to CPI
- Able to grow distributions by at least 5% per annum
 - Operating cash flow growing by more than 5% per annum
 - Distributions continue to be fully funded by operating cash flow
- Strong capital management
 - Able to refinance debt – \$150 million refinanced
 - Facilities in place to fund growth over the next 12 months (prior to funds from unlisted vehicle)
- Quality portfolio of gas infrastructure assets spread throughout Australia
- Internal management and operations
 - No fee drain
 - Able to deliver unique and profitable solutions

APA Group is able to deliver continued strong results with growth

- APA Group's focus is on growing and enhancing its extensive gas infrastructure portfolio across Australia
- Brownfield growth of APA's infrastructure
 - Capacity expansion to meet new and increased gas demand in resource rich areas
 - Capacity expansion to meet increasing gas and peak demand
 - Growth of APA Allgas Distribution in South East Queensland
- Greenfield developments
 - Developing competitive mechanism for new and existing infrastructure to deliver gas to East Australian markets
 - for gas fired generation
 - via new supply routes
 - and facilitating multiple point supply and delivery
 - Continuing to participate in CSG development and growth opportunities
- Redirecting capital to new growth opportunities
- Leveraging internal commercial and operational knowledge and skill base

We deliver energy

www.pipelinetrust.com.au

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About APA Group (APA)

APA Group, comprised of Australian Pipeline Trust and APT Investment Trust, is the major ASX-listed energy transmission company in Australia with interests in almost 12,000 kms of natural gas pipeline infrastructure, over 2,300 kms of gas distribution networks in south east Queensland, Coal Seam Gas processing plants, gas fired power stations, gas storage facilities and two high voltage direct current interconnector systems.

APA manages and operates all its assets and also provides management and operation services to gas distribution and transmission company Envestra (which owns 19,100 km of natural gas distribution networks and 1,029 km of natural gas transmission pipelines). It also holds an 18.3 percent stake in Envestra and a one-third interest in the SEAGas pipeline. APA Group has a varied and quality customer base including AGL Energy, Cooper Eromanga Basin Producers, Xstrata, Newmont, CS Energy, BHP Billiton, Zinifex, Incitec Pivot, Origin, RioTinto, Nickel West, Synergy and Verve Energy.