



30 July 2004

ANNOUNCEMENT TO THE MARKET

**APA AGREES TO PURCHASE CMS INTERESTS IN GOLDFIELDS AND
PARMELIA PIPELINES**

The Australian Pipeline Trust (APA) has today signed an agreement to purchase CMS's Energy Corporation's interest in the Parmelia and Goldfields pipeline assets in Western Australia for \$206 million, including all transaction costs.

APA will acquire 100 per cent of the Parmelia business, including the 420km Parmelia pipeline which supplies gas from the Perth basin, associated gas processing and storage infrastructure, and a small gas retail business. APA will also acquire CMS Energy Corporation's 45 per cent interest in SCP No 1 Pty Ltd (SCP).

SCP, which is already 55 per cent owned by APA, owns 88.2 per cent of the 1380km Goldfields Gas Transmission pipeline (GGT) in north-western WA. The acquisition will give APA operating control of GGT.

APA Managing Director Jim McDonald said: "The acquisition of these assets is right on strategy for APA and we believe we've got them at a fair price.

"These pipelines will strengthen our core business and the acquisition of Parmelia will allow us to move into gas storage and processing businesses, which is what we have said we intended to do.

"Parmelia delivers gas to industrial areas of Perth and has storage facilities to allow peak supply to the Perth region.

"The Goldfields Gas Transmission pipeline serves a world-class mineral province and is fully utilised in the short term. There are plans to add capacity via compressors.

"We have repeatedly said that we will maintain our growth rates and build our business by acquiring other transmission lines and ensuring that our existing pipelines are filled. Our success today is a significant step along that path.

"The draft regulatory decision for Goldfields Gas Transmission pipeline released on 29 July 2004 is in line with APA's expectations of the regulator's position at this stage in the process."

The sale will be funded by a combination of cash, existing debt facilities and an equity raising by way of a bookbuild placement of approximately \$60 million. APA's stock has been placed in trading halt while the placement is conducted.

"The acquisition is expected to be cash flow and earnings per unit accretive from year one." Mr McDonald said.

APA was advised by ABN AMRO on the acquisition.

JK McDonald
Managing Director

About Australian Pipeline Trust (APA)

The Australian Pipeline Trust is the major ASX-listed natural gas pipeline company in Australia with interests in over 7,500km of pipeline infrastructure. APA has a varied and quality customer base including AGL, Cooper Eromanga Basin Producers, MIM, Normandy, CS Energy, BHP Minerals, Pasminco, Incitec Pivot, BP, Energex and WMC.

For further information please contact:

Jim McDonald, Australian Pipeline Trust
Telephone:- (02) 9693 0011
Email:- jmcdonald@pipelinetrust.com.au
<http://www.pipelinetrust.com.au>

Matt Horan, Cato Counsel
Telephone:- 0403 934 958