



17 February 2006

The Manager

Company Announcements Office
Australian Stock Exchange
4th Floor, 20 Bridge Street
Sydney NSW 2000

Electronic Lodgement

Dear Sir or Madam

Company Announcement

In accordance with the listing rules, I attach the following announcement for release to the market:

- APA signs heads of agreement with Arrow Energy

Yours sincerely

Austin James
Company Secretary



Media Release

17 February 2006

APA signs heads of agreement with Arrow Energy

Australia Pipeline Trust (APA) has signed a heads of agreement with Arrow Energy to fund, own and operate the new Daandine Power Station in Queensland.

The 27.4MW Daandine power station will be built on land owned by Arrow, adjacent to APA's Kogan North Central Gas Processing Facility, west of Brisbane, which processes coal seam methane gas.

The Daandine station will supply power to southern Queensland by Arrow through its agreement with Country Energy.

Initial discussions indicate the total cost of the project will be about \$30 million.

APA Chief Executive Officer, Mick McCormack, said Arrow and APA had agreed to set a target of the end of the month for completion of documents and financial close, with construction to begin immediately afterwards.

"This project showcases the expertise that APA has in developing complementary projects," he said.

"We have the technical expertise and the vision to help develop and bring these sort of projects to fruition.

"We're pleased to once again be working in partnership with Arrow Energy, after the success of the work we have done with them on the Kogan North gas processing facility."

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About Australian Pipeline Trust (APA)

The Australian Pipeline Trust is the major ASX-listed natural gas pipeline company in Australia, with interests in more than 7,500km of pipeline infrastructure. The trust has a varied and quality customer base including AGL, Cooper Eromanga Basin Producers, Xstrata, Newmont, CS Energy, BHP Billiton, Zinifex, Incitec Pivot, Origin, Energex, Rio Tinto, Nickel West and WMC.