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Australian Pipeline Trust

Australian Pipeline Ltd
ACN 091 344 704

ARSN 091 678 778

21 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:

- Half year results media release

Yours sincerely

A James

Austin James
Company Secretary

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Media Release

21 February 2006

AUSTRALIAN PIPELINE TRUST ANNOUNCES 29 PER CENT INCREASE IN HALF-YEAR PROFIT

- **Pipeline transportation revenues up 14.5 per cent**
- **New supply agreements and projects lock in long-term revenue**
- **Operating costs reduced by 7.6 per cent**

The Australian Pipeline Trust (APA) today announced a 29 per cent increase in net profit after tax and minorities to $33.5 million for the six months to December 2005.

A second interim distribution of 6 cents per unit, franked to 30 per cent, has been declared and will be paid on March 30. This takes the total distribution for the half-year to 12 cents per unit, up from 11 cents per unit in the previous corresponding period.

APA Chief Executive Officer Mick McCormack said the improved performance was driven by increased pipeline revenues, especially in Western Australia and Queensland, and cost savings achieved primarily through the integration of APA's Western Australian gas business.

Total revenue grew by 9.6 per cent over the previous corresponding period to $193.7 million, with pipeline transportation revenue growing by 14.5 per cent to $142.5 million. Pipeline operating expenses decreased by 7.6 per cent to $32.8 million.

The increase in pipeline transportation revenue was helped by the full six-month contributions from APA's FY2005 acquisitions of CMS Energy's pipeline assets in Western Australia, and the remaining 30 per cent of the Carpentaria Gas Pipeline (CGP).

APA added $15 million extra revenue from the consolidation of the WA gas business, while the CGP acquisition contributed an extra $5.3 million.

"Our success means that we've been able to increase current year distributions, with total distributions 1 cent per share more than the previous corresponding period. We are aiming to grow unitholder distributions every year, at least, in line with CPI."

"We are seeing the benefits of our targeted acquisitions flowing through to our unitholders," Mr McCormack said.

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Mr McCormack said APA is evaluating a number of projects aimed at guaranteeing long-term revenue.

"We are installing a $15 million compressor to expand the Goldfields Gas Transmission pipeline in Western Australia to create additional capacity to transport gas for the Hamersley Iron mine at Paraburdoo," he said.

"We now have a 16-year contract to deliver gas to the Hamersley Iron Mine, and we have also entered into a seven-year agreement with Arc Energy to deliver gas through the Parmelia Gas Pipeline.

"We have also developed alternative revenue sources with an $11.5 million investment to date in a coal-seam gas processing facility at Kogan North on the Roma to Brisbane Pipeline in Queensland.

"On 17 February, we announced that we have entered into a Heads of Agreement for the development of Arrow Energy's 30MW power station at Daandine in Queensland.

"These projects, along with the increased revenue from third-party contracts on the Moomba to Sydney Pipeline which partially offset the reduction in the contracted gas transportation deed, help ensure that APA will continue to grow.

Mr McCormack said that significant gas sales commitments through the past six months strengthen the prospects of the Papua New Guinea gas pipeline project becoming a reality. The Moomba to Sydney Pipeline is strategically placed to deliver gas from PNG when it proceeds.

"A formal project commitment from the AGL-Petronas consortium is expected before the end of the calendar year," Mr McCormack said.

"APA has a right to purchase from AGL at least a 20 per cent interest in the PNG gas pipeline project, which will be an important part of the long-term gas supply solution for eastern Australia."

As previously advised, APA is investigating stress corrosion cracking on the Moomba to Sydney Pipeline to ensure it continues to operate safely and reliably. The estimated cost of the current repair program remains unchanged and has been fully provided for.

Mr McCormack said APA was on track to increase net profit by between 10 and 13 per cent on prior year net profit before significant items.

"Our cash flows from operations remain strong and we expect to be able to maintain the current level of distributions for the remainder of the financial year," Mr McCormack said.

No further franking credits are expected to be available for the remainder of the financial year.

The Board reviews its distribution policy regularly to ensure that it is able to return cash to unitholders in the most tax-effective manner available.

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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.

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SUMMARY OF RESULTS

Six months ended	31 Dec 2005 $'000	31 Dec 2004 $'000	Changes on previous corresponding period (pcp) $'000	%
Pipeline transportation revenue	**142,481**	124,483	17,998	14.5
Other pipeline revenue	**42,625**	40,994	1,631	4.0
Other revenue	**8,603**	11,342	(2,739)	(24.1)
Total revenue	**193,709**	176,819	16,890	9.6
Share of net profits of associates	**-**	2,148	(2,148)	(100.0)
EBITDA	**103,341**	88,554	14,787	16.7
EBIT	**84,544**	70,887	13,657	19.3
Pre-tax profit	**49,766**	38,320	11,446	29.9
Income tax expense	**(16,068)**	(12,168)	(3,900)	(32.1)
Profit after income tax and minorities	**33,532**	25,995	7,537	29.0

Financial Ratios

	31 Dec 2005	31 Dec 2004	Changes on pcp	%
Earnings per unit (cents)	**12.02c**	9.58c	2.44c	25.5
Net tangible asset backing per unit	**$2.11**	$2.05	$0.06	2.6
Operating cash flow per unit – excluding interest and tax (cents)	**34.7**	33.6	1.1	3.3
Interest cover ratio (x)	**2.6**	2.2	-	-
Gearing Ratio (%)	**64.68**	62.47	-	-