Australian Pipeline Trust

Financial Results
Year ended 30 June 2006

Mick McCormack - Managing Director
Rick Francis - CFO
Stephen Ohl - Group GM Operations

Sydney 29 August 2006

Welcome

- Highlights
- Financials
- Operational Review
  - Pipeline assets
  - Electricity assets
  - Gas Facility assets
- Corporate Update
- Strategic Focus
- Business Model
- Outlook & Summary

Mick McCormack
Managing Director

Income Statement

Record Profit – Growth Continues

$ million	2006	2005	Change
Revenue*	379.0	367.3	3.2%
EBITDA*	200.4	178.9	12.0%
NPAT*#	**60.7**	**51.4**	**18.1%**
Free Cash Flow	106.5	103.4	3.0%
Ratios			
EPU cents per unit*	21.8	18.7	16.5%
FCF cents per unit	38.2	37.6	1.6%
Distribution cents per unit	24.0	22.5	6.7%

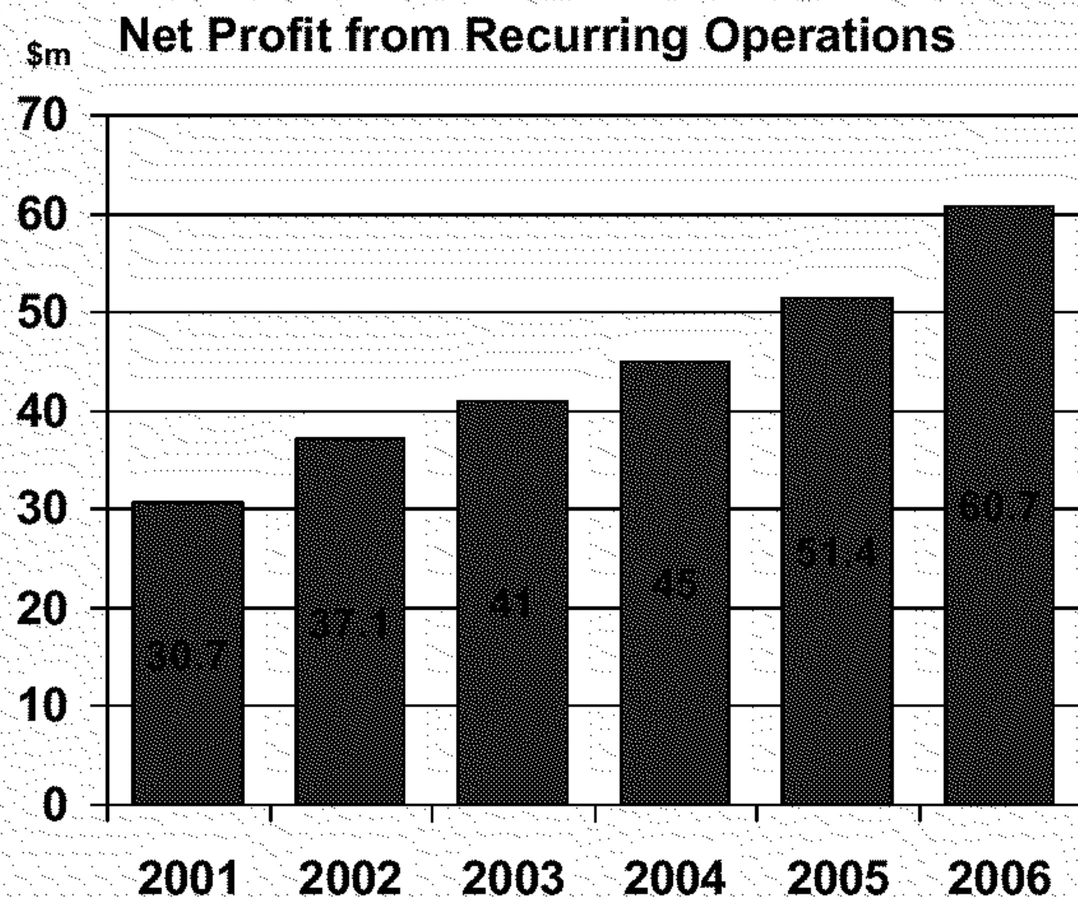
* Before significant items

After significant items – 2006 : $62.5 million (2005 : $109.5 million)

FY06 Financial Result

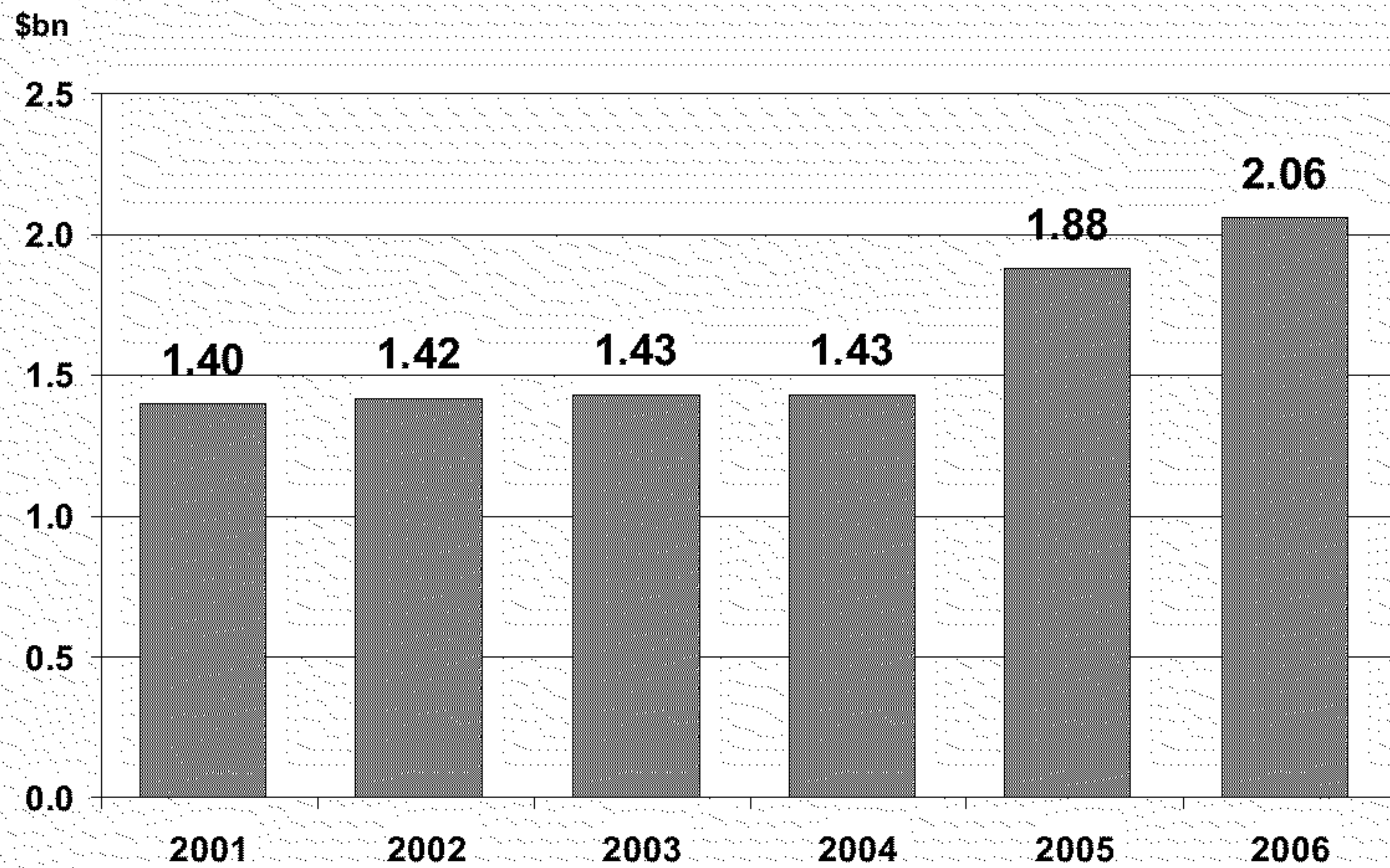
Continues Growth Trend since Listing

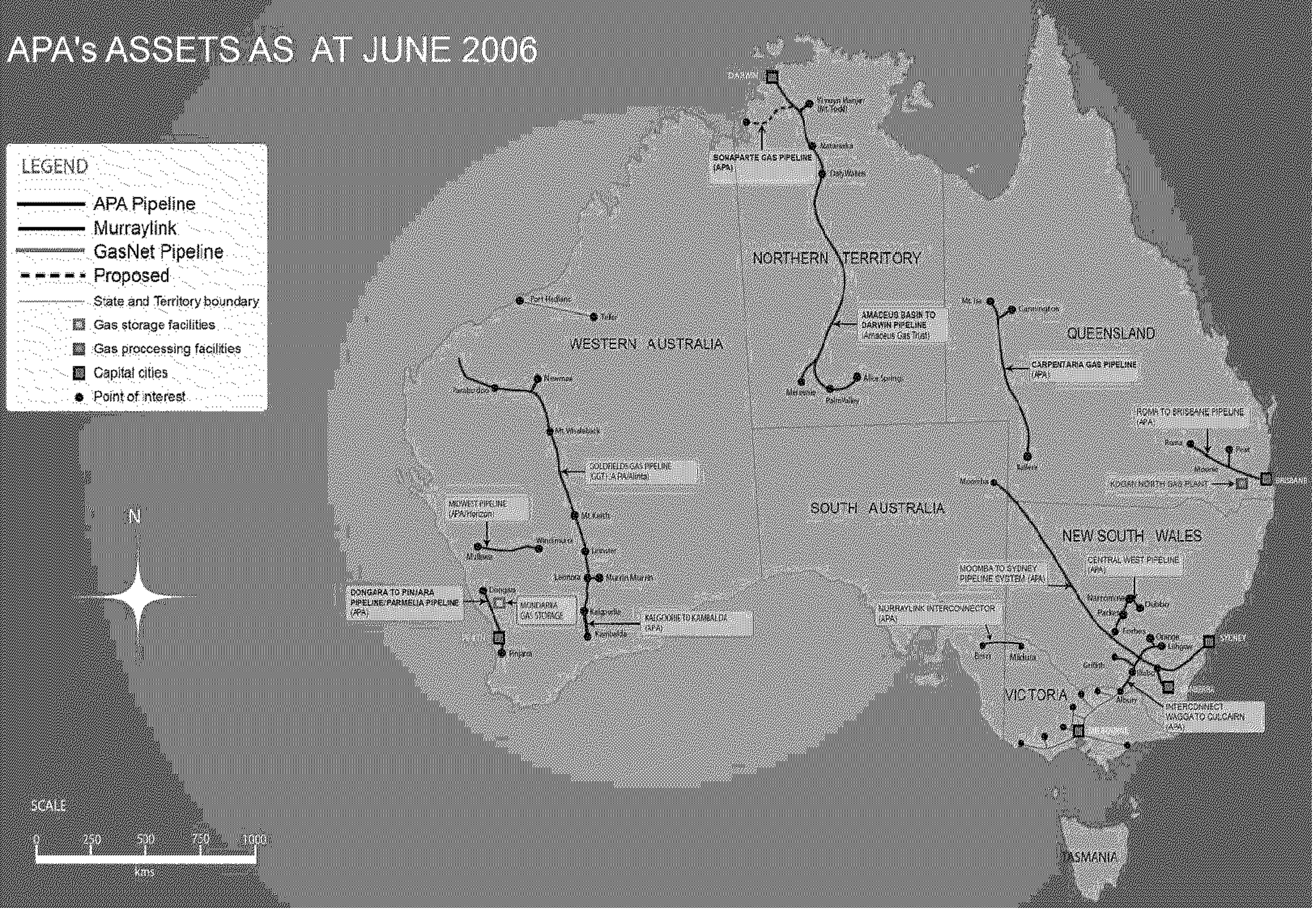
CAGR = 14.6% pa



Total assets to June 2006

Growth of Assets Set to Continue




APA's ASSETS AS AT JUNE 2006
LEGEND
APA Pipeline
Murraylink
GasNet Pipeline
Proposed
State and Territory boundary
Gas storage facilities
Gas processing facilities
Capital cities
Point of interest
N
SCALE
0
250
500
750
1000
kms
NORTHERN TERRITORY
WESTERN AUSTRALIA
QUEENSLAND
SOUTH AUSTRALIA
NEW SOUTH WALES
VICTORIA
TASMANIA
DARWIN
BONAPARTE GAS PIPELINE
(APA)
AMADEUS BASIN TO
DARWIN PIPELINE
(Amadeus Gas Trust)
Alice Springs
Palm Valley
Mereenie
Mt Isa
Cannington
Ballera
CARPENTARIA GAS PIPELINE
(APA)
ROMA TO BRISBANE PIPELINE
(APA)
Roma
Peat
BRISBANE
KOGAN NORTH GAS PLANT
Moomba
MOOMBA TO SYDNEY
PIPELINE SYSTEM (APA)
CENTRAL WEST PIPELINE
(APA)
Dubbo
Forbes
Orange
Lithgow
SYDNEY
Griffith
Albury
INTERCONNECT
WAGGA TO CULCAIRN
(APA)
MURRAYLINK INTERCONNECTOR
(APA)
Berri
Mildura
Port Hedland
Telfer
Newman
Paraburdoo
Mt Whaleback
GOLDFIELDS GAS PIPELINE
(GGT) (APA/Alinta)
Mt Keith
MIDWEST PIPELINE
(APA/Horizon)
Mullewa
Windimurra
Leinster
Leonora
Murrin Murrin
Kalgoorlie
Kambalda
KALGOORLIE TO KAMBALDA
(APA)
DONGARA TO PINJARA
PIPELINE/PARMELIA PIPELINE
(APA)
Dongara
MONDARRA
GAS STORAGE
PERTH
Pinjarra

Highlights of FY06

- Earnings growth through increased revenues on pipelines, new assets, and measured cost controls
- Distribution up by 1.5 cents (6.7%) to 24 cents per unit
- Acquired Murraylink (Vic/SA) – first electricity transmission acquisition
- Expansion of Mondarra Gas Storage facility (WA)
- Built Kogan North and signed HOA for Tipton West gas processing facilities (Qld) – strong support for coal seam gas (CSG)
- Committed to Bonaparte Gas Pipeline - major development in NT
- Developing Daandine gas-fired power station using CSG (Qld)
- Takeover offer for GasNet (Vic)

Presentation

- **Financials**
  - Income Statement
  - Financial Analysis
  - Cash Flow
  - Capital Expenditure
  - Capital Management Activities
  - Distributions

Rick Francis
Chief Financial Officer

Income Statement

Strong Financial Performance

$ million	2006	2005	Change
Revenue*	379.0	367.3	3.2%
EBITDA*	200.4	178.9	12.0%
EBIT*	161.6	142.5	13.4%
Net Interest Expense	(71.1)	(64.2)	(10.9)%
Tax*	(29.4)	(26.4)	(11.6)%
Minorities	(0.3)	(0.3)	-
NPAT – recurring*	60.7	51.4	18.1%
Non-recurring items	1.9	58.2	-
Reported NPAT	62.6	109.5	(42.9)%
Free Cash Flow	106.5	103.4	3.0%

* Before significant items

Key Financial Ratios

Sound Fundamentals

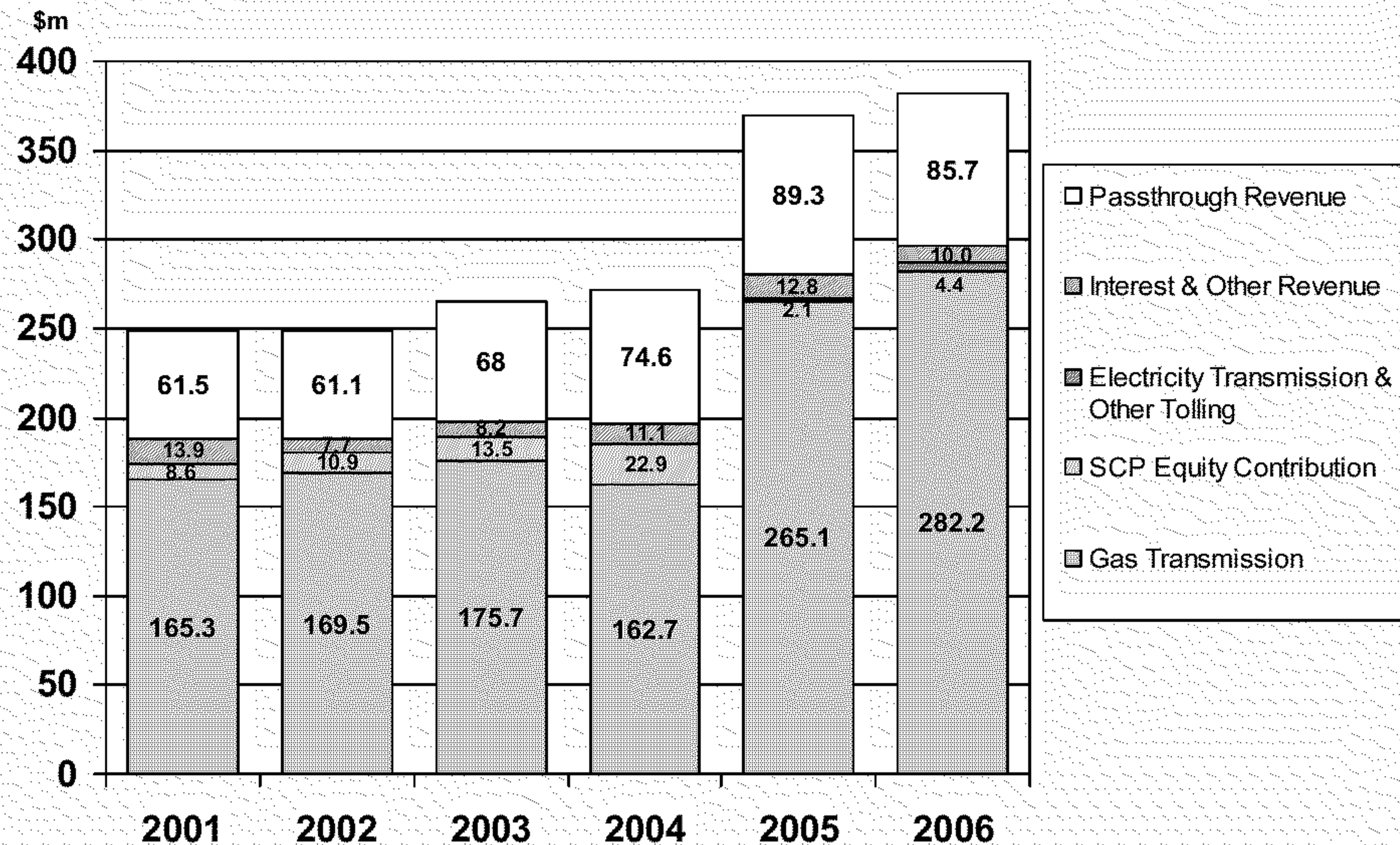
	2006	2005	Change
EPS (cpu)			
- recurring	21.8	18.7	16.5%
- including significant items	22.4	39.8	(43.7)%
Free cash flow (cpu)	38.2	37.6	3.0%
Gearing / capitalisation ratio (%)	67.9	63.0	+4.9
Interest cover ratio (times)	2.31x	2.30x	+0.01x
Average interest rate (%)	6.85	7.03	-0.18
Net tangible asset backing per unit	$2.09	$2.18	(4.1)%
Total assets	$2.06bn	$1.88bn	9.4%

Significant Items

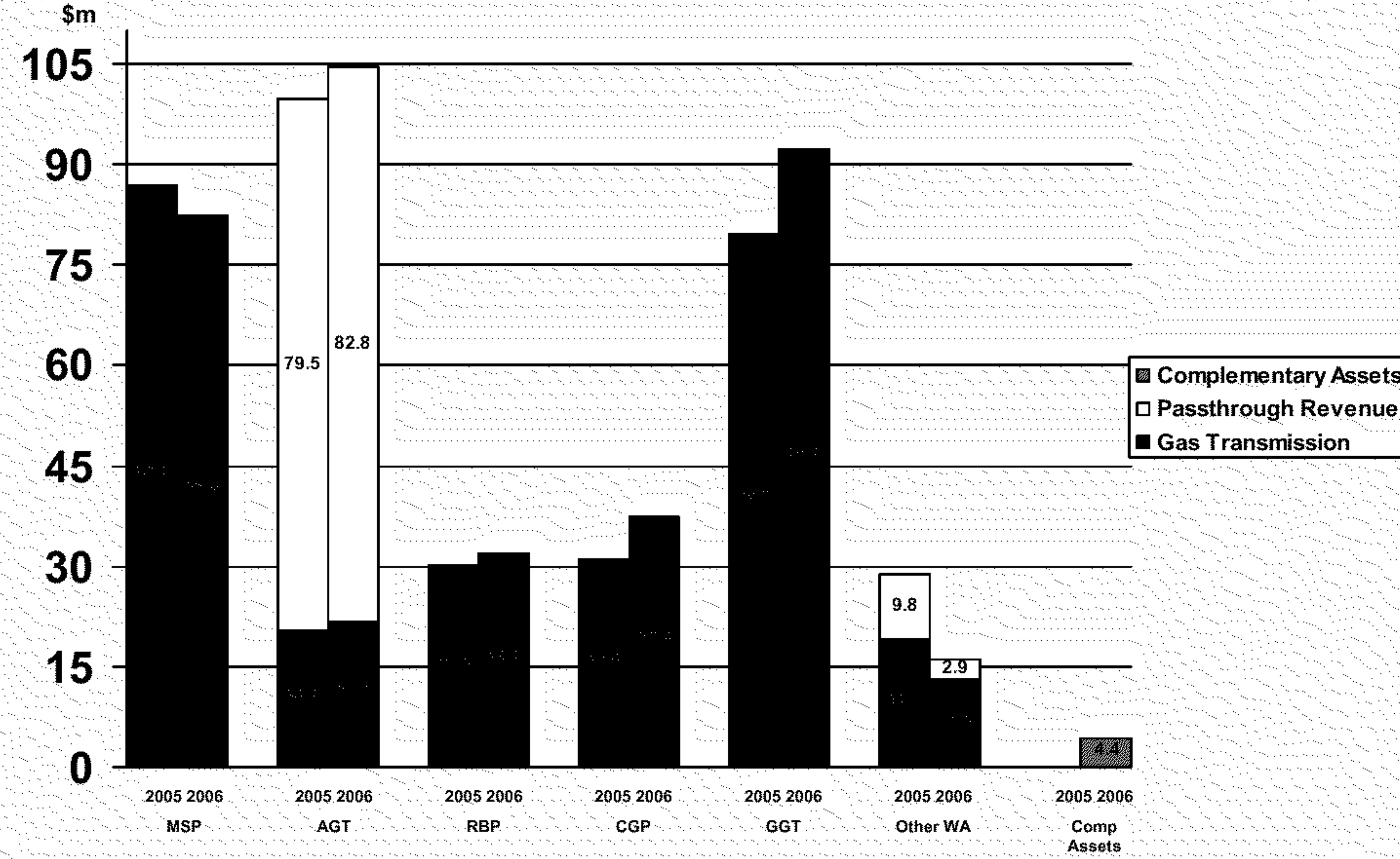
FY 2006	Pre-Tax $m	Tax $m	After Tax $m
Stress corrosion cracking provision	(11.3)	3.4	(7.9)
APA Group tax consolidation benefit	-	7.5	7.5
Settlement of tariff dispute	3.3	(1.0)	2.3
Total	(8.0)	9.9	1.9
FY 2005			
Stress corrosion cracking provision	(23.5)	7.1	(16.5)
APA Group tax consolidation benefit	-	33.7	33.7
Due diligence costs refunded	2.0	(0.6)	1.4
A-IFRS tax adjustment	-	39.5	39.5
Total	(21.5)	79.7	58.2

Analysis of Total Revenue

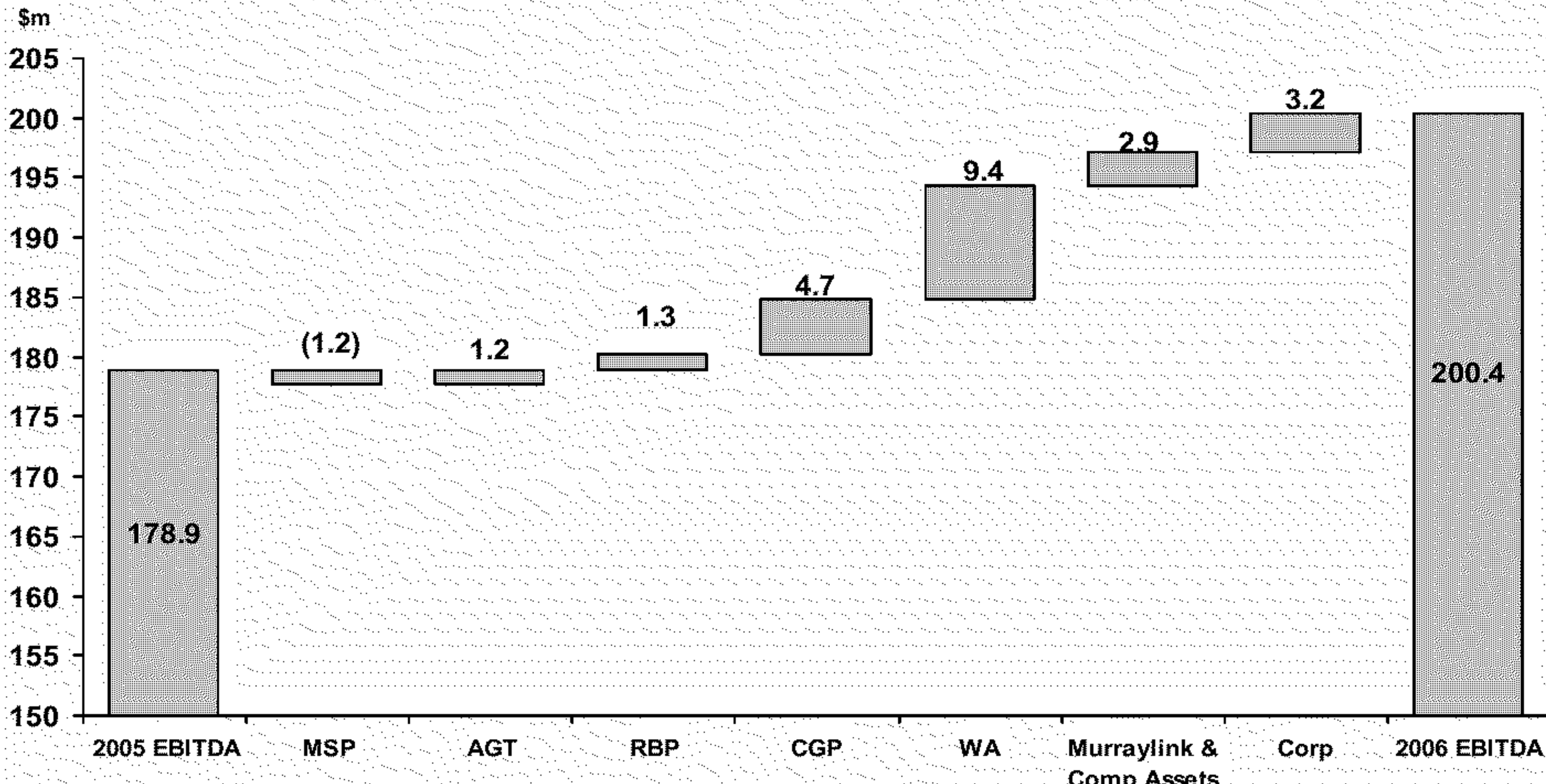
Continued Revenue Growth



Analysis of Transportation Revenue by Asset



Year on Year Movement in EBITDA



EBITDA movements are before significant items

Cashflow Summary

	2006 $m	2005 $m
Net cash from operations	112.2	106.2
Investing Activities:		
- SIB Capex	5.7	2.8
- Acquisitions & Growth	249.8	200.0
	255.5	202.8
Financing Activities		
- Distributions paid (net of DRP)	(61.7)	(52.2)
- Issue of units (net)	-	61.7
- Debt issue costs	-	(1.1)
	(61.7)	8.4

Free Cash Flow

Strong Cash Flow Underpins Distribution Growth

	2006 $m	2005 $m	%
EBITDA pre-significant items	200.4	178.9	12.0%
Non-cash movements	4.0	-	
Net working capital movements	2.7	(1.6)	
SCC payments	(14.9)	(4.2)	
Other	(8.6)	11.9	
Net cash received	183.6	185.0	(0.8)%
Net interest paid	(72.6)	(64.3)	
Tax refunds/payments	1.2	(14.5)	
Operating cash flow	112.2	106.2	5.6%
Payments for SIB Capex	(5.7)	(2.8)	
Free Cash Flow	106.5	103.4	3.0%
Free Cash Flow (cpu)	38.2c	37.6c	1.6%

Capital Expenditure

Growing Business Opportunities

	2006	2005
Stay-in-business	**$m**	**$m**
SIB	5.7	2.8
Growth		
Kogan North – QLD	8.0	3.4
Daandine – QLD	5.9	-
Compressor – WA	10.1	-
Other	2.0	6.6
Disposal - Dongara assets	(2.5)	-
Investment in GasNet	22.5	-
Murraylink / 2005: WA businesses & CGP	158.1	190.0
Settlement of acquisition liabilities	45.7	-
	249.8	200.0
Capital Expenditure	255.5	202.8

Capital Management

Strong Balance Sheet

Debt – at 30 June 2006

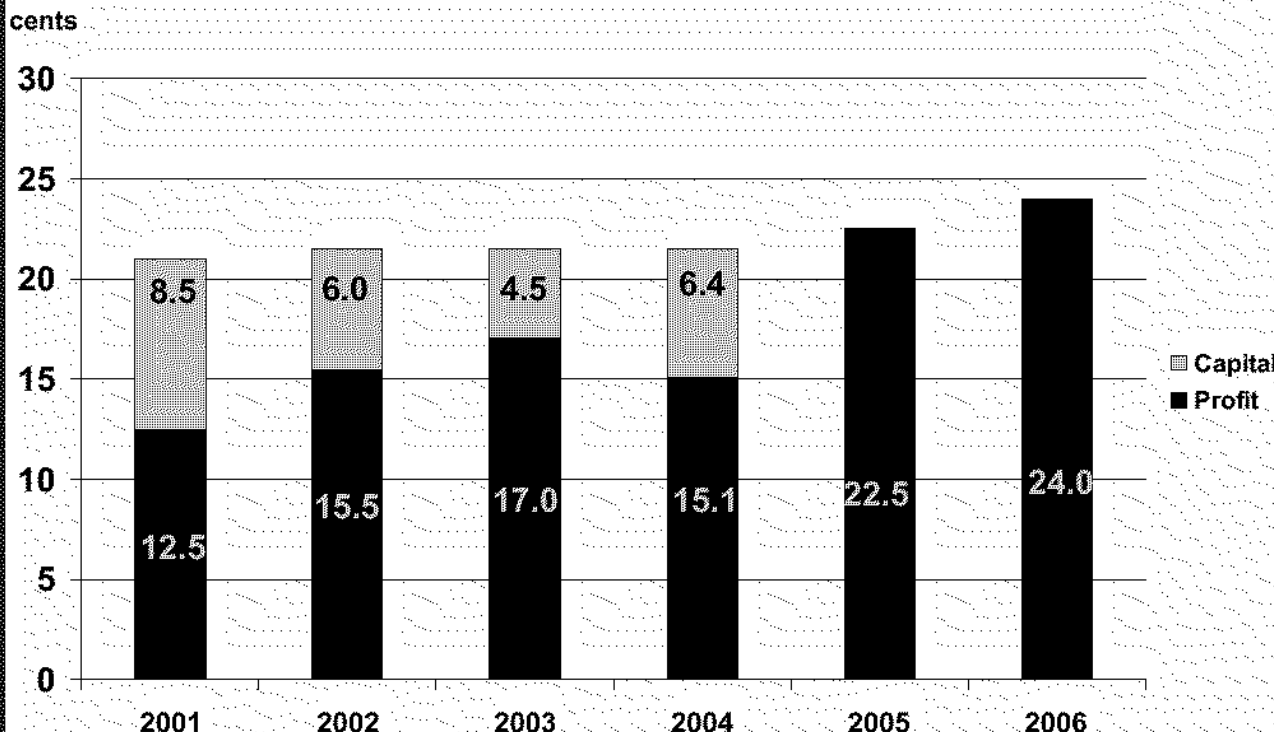
- reduced borrowing margins on Australian facilities following repricing
- effective interest rate at year end was 6.85% (down 0.18%)
- debt levels $1,260m, undrawn facilities $94m
- variable interest rate exposure 84.4% hedged (excl. Murraylink bridge)
- gearing up 4.9 points to 67.9 at 30 June 2006 following debt funding of Murraylink acquisition

Equity

- DRP reactivated from 3rd quarter distribution
- Raised $5.26m (1.29m units issued)

Distributions

Annual Distribution Up 6.7%



- FY 2006 final distribution of 6.0c declared 29 August 2006 (unfranked)
- YTD distributions 24.0c, up 1.5c
- DRP reactivated from 3rd quarter distribution and will continue in 2007

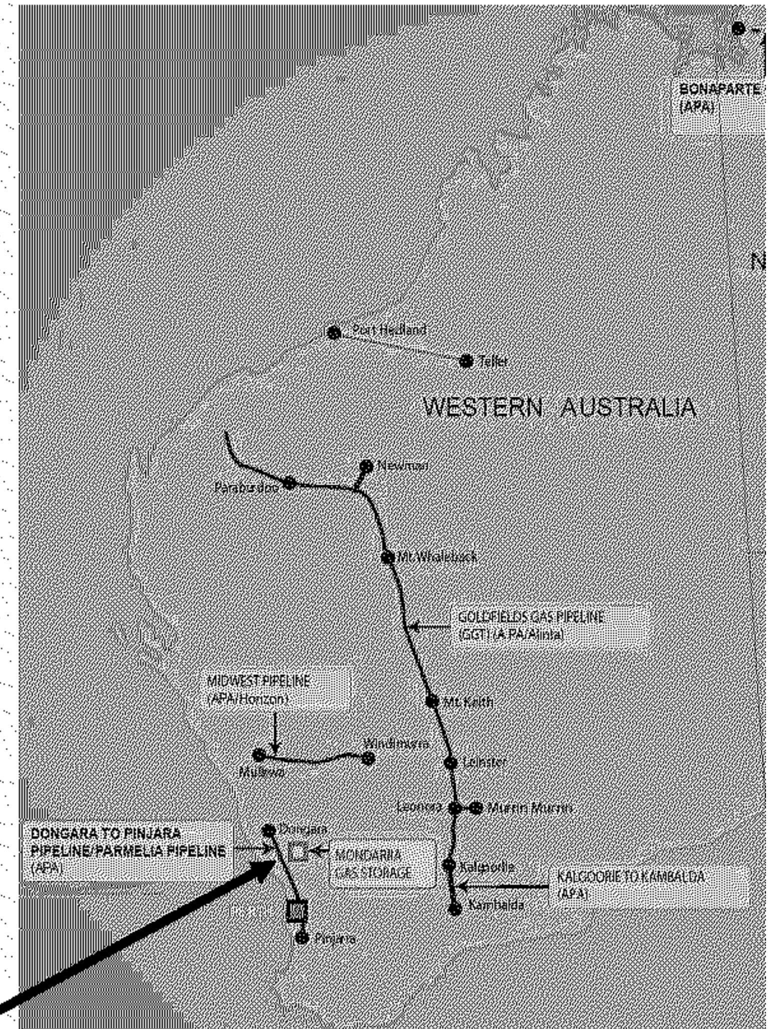
Presentation

- Operational Review
  - Gas Facility assets (WA)
  - Pipeline assets
  - Electricity assets
  - Gas Facility assets (QLD)

Stephen Ohl
Group General Manager Operations

Gas Facility Assets - WA

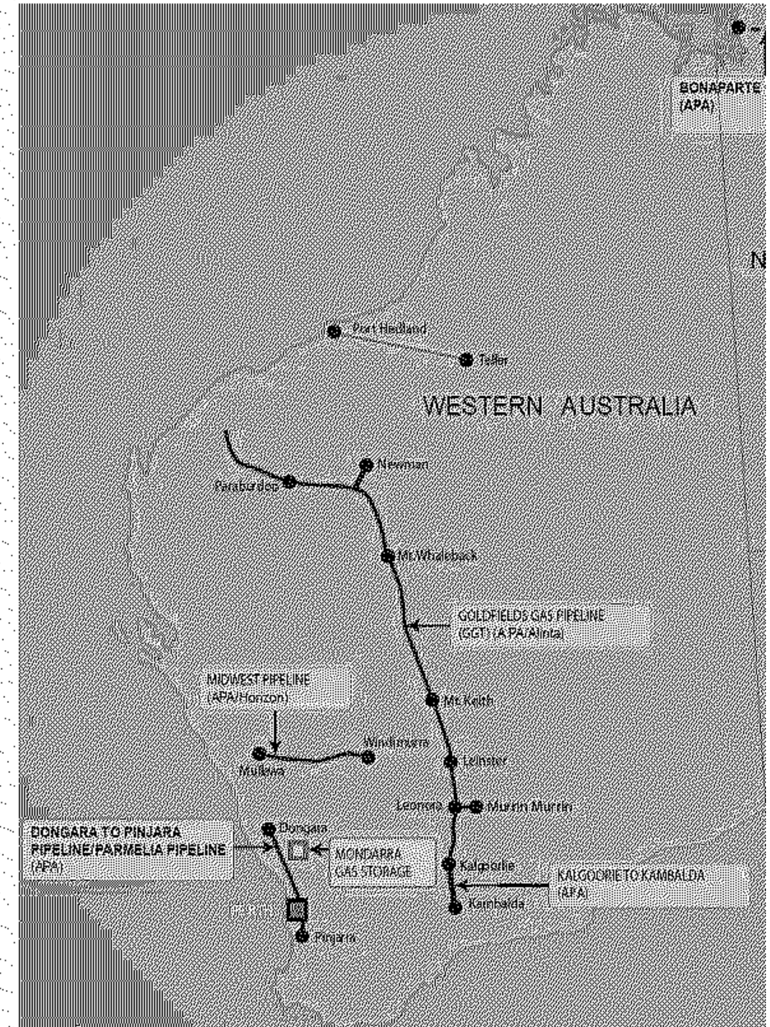
- Mondarra Gas Storage Facility
  - Expansion of Mondarra Gas Storage Facility at a cost of $10 - $15 million
  - 5 year agreement, plus 5 year option, with WA's Verve Energy
  - Additional peak gas supply services will help ease supply constraints in the Perth region
  - Another step in the development of the "Mondarra Gas Hub" and increasing competition in WA gas market



Mondarra

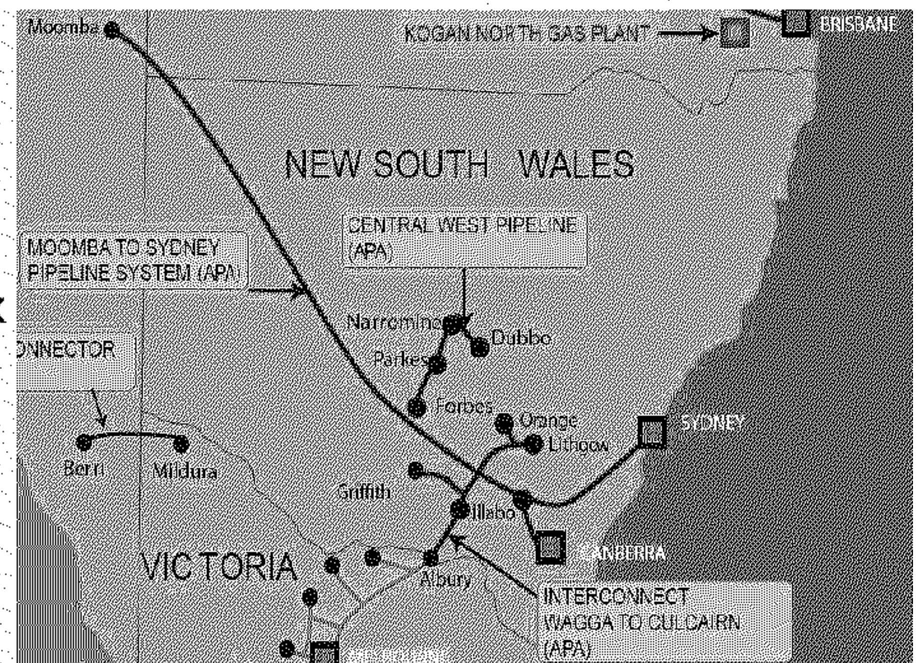
Pipeline Assets - WA

- Goldfields Gas Transmission (GGT)
  - Commenced construction of $15 million compressor expansion for transportation of gas to Hamersley Iron Paraburdoo mine
    - Signed 16 year contract with Hammersley Iron
  - Operating at record capacity due to resources boom in WA
  - Access arrangement finalised in July 2005.
- Parmelia Gas Pipeline (PGP)
  - Signed 7 year contract with Arc Energy to transport gas from Perth basin to Midland Brick



Pipeline Assets – NSW

- Moomba to Sydney (MSP)
  - GTD contracted revenue down by $5.8 million
    - Third party revenue up 51% to approx $4 million – growth expected to continue
  - Further investigation and repair of SCC
    - $23.5 million expensed in FY05
    - $11.3 million expensed in FY06
  - Federal Court decision upheld some elements of ACCC appeal on ICB
    - Tribunal will re-determine value of ICB
    - No material impact on MSP revenues

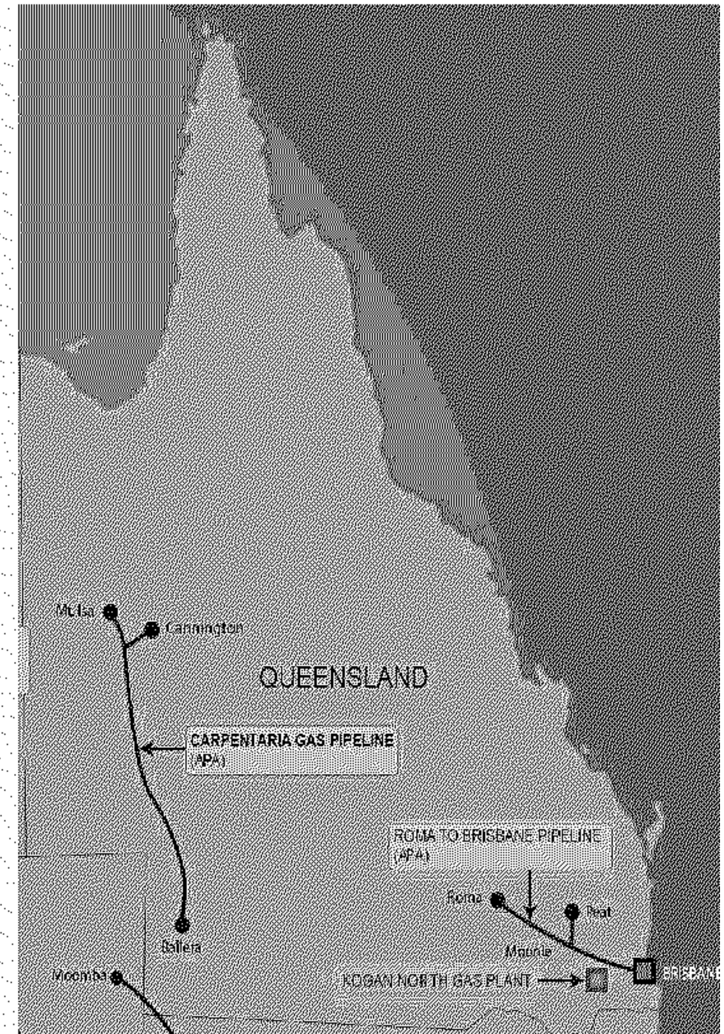


Pipeline Assets – NSW

- Central West Pipeline (CWP)
  - 10 year contract with Central Ranges Pipeline owner to extend gas supply to regional NSW
  - New meter station constructed at the inlet of the new Central Ranges Pipeline – commissioned July
  - Additional revenue of $1-2 million per annum

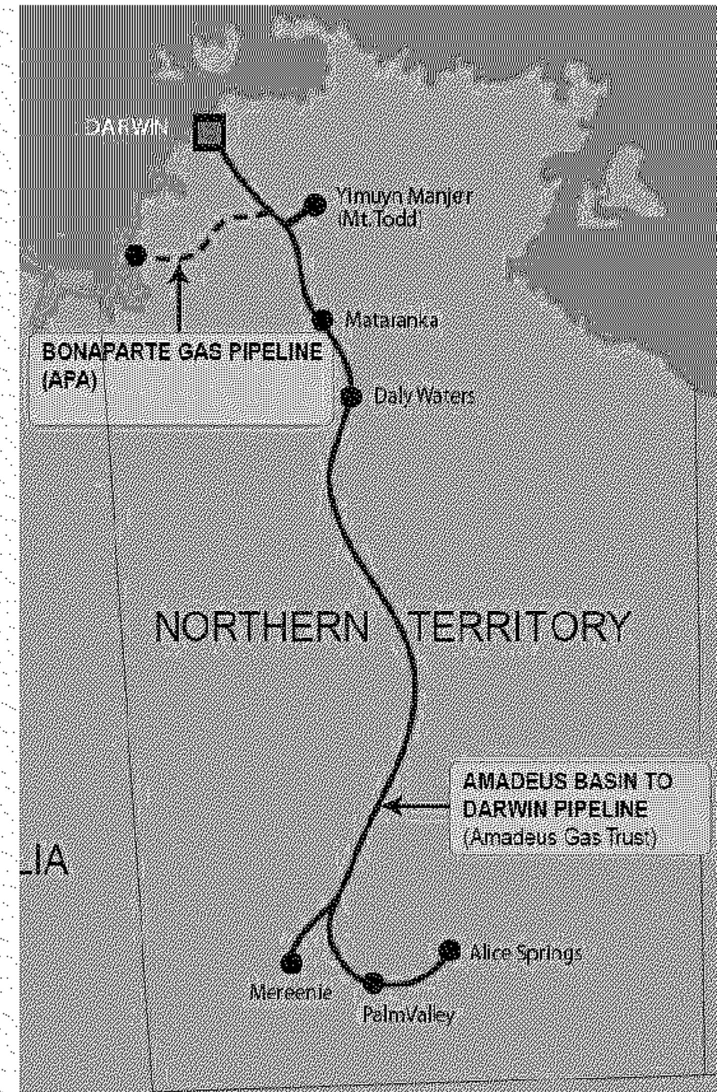
Pipeline Assets – QLD

- Roma to Brisbane Pipeline (RBP)
  - ➢ Revenue +5.6% to $31.9 million principally due to new CS Energy contract – commenced in February '05
  - ➢ Proposed Access Arrangement lodged with ACCC in January '06
    - – Draft decision released, final decision in late 2006
    - – Revenues unaffected until 2012
- Carpentaria Gas Pipeline (CGP)
  - ➢ Revenue +20.6% to $37.4 million reflecting first full year consolidation following acquisition of minorities in February 2005



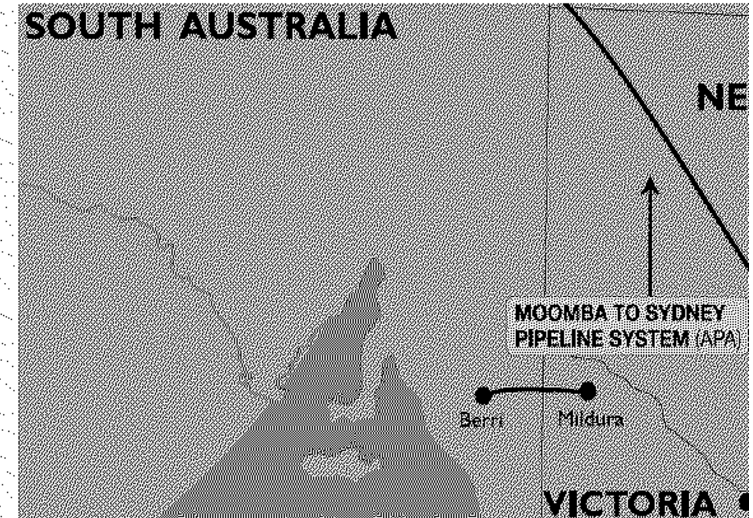
Pipeline Assets – NT - replace

- Bonaparte Gas Pipeline (BGP)
  - 278km pipeline route from Wadeye to Amadeus Pipeline
  - Estimated cost $130 - 150 million
  - Signed $400 million, 25 year, gas transportation agreement with Power & Water Corporation
  - Commences January 2009
  - Important step in realising long-term vision of bringing northern gas into Australia



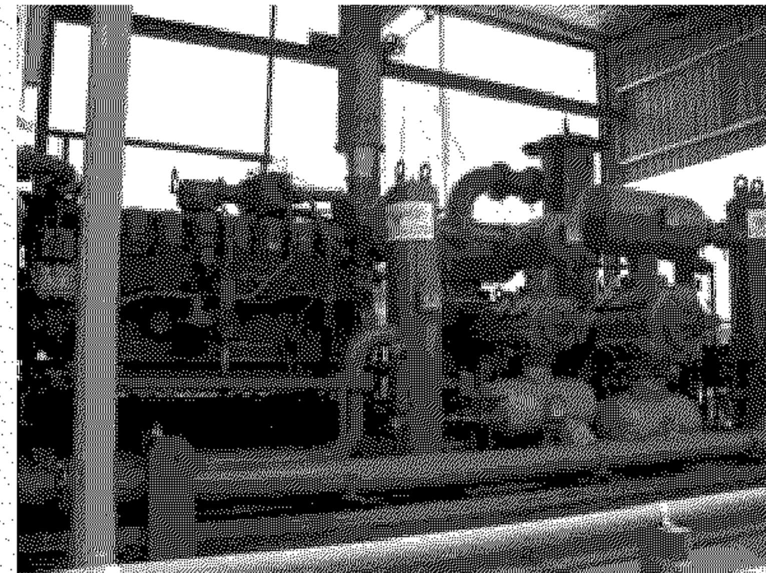
Electricity Assets – VIC/SA

- **Murraylink**
  - Acquired for $153 million
    - two converter stations
    - two buried, high voltage Direct Current cables (c. 180km),
  - Links Berri, SA with Red Cliffs, near Mildura, Vic
  - Low risk asset with fixed revenues to 2013 and beyond
  - Expertise in managing gas pipelines transferable to underground electricity cables
  - Consistent with core strategy of investing in quality energy transmission assets to grow distributions



Gas Facility Assets - QLD

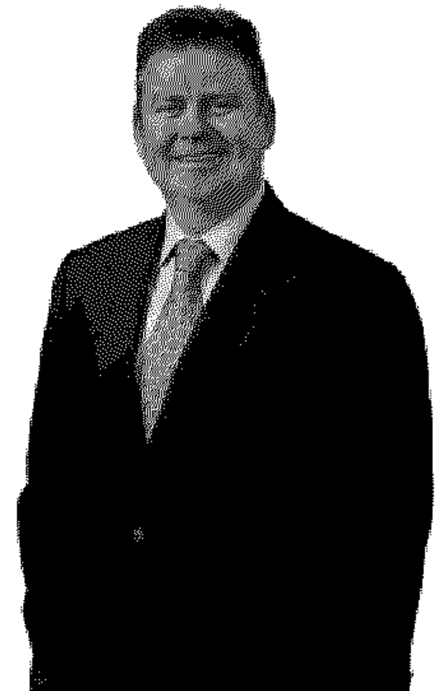
- Kogan North
  - Construction completed of $13 million coal seam gas processing facility
  - First gas delivered into the RBP in Jan 2006
  - Volumes steadily increasing
    - 15 year life
    - capacity of 4 petajoules/annum



- Daandine Gas-Fired Power Station
  - Agreements signed to build, own and operate $29 million gas-fired power station at Kogan
  - Electricity generated will feed into southern Queensland grid
  - Gas tolling revenue over 15 years

Presentation

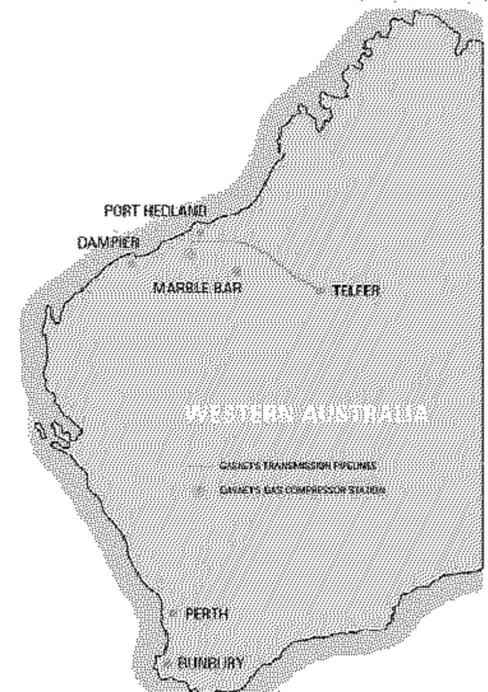
- Corporate Update
  - GasNet
  - Alinta/AGL
  - Northern Gas
- Strategic Focus
- Business Model
- Outlook for 2007
- Summary

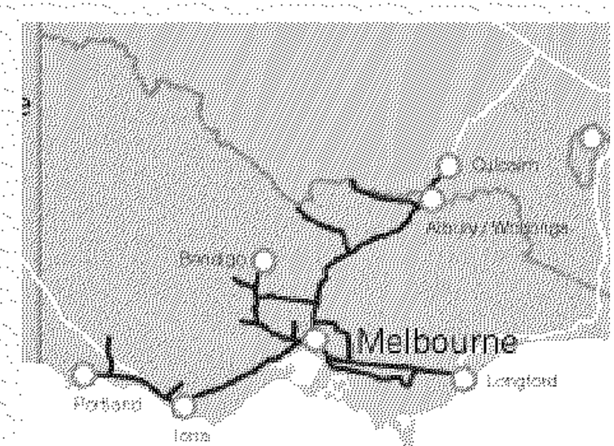


Mick McCormack
Managing Director

GasNet

- Joint bid with B&B Group lapsed
- APA bid for GasNet at $3.10 per security ($452 million)
- Offer has limited conditions including 50.1% minimum acceptance
  - APA holds 19.9%
- Update on status of bid
- Improves utilisation of the Interconnect and MSP. Enhances competition with Eastern Gas Pipeline
- Increased opportunities in WA
- Meets investment criteria





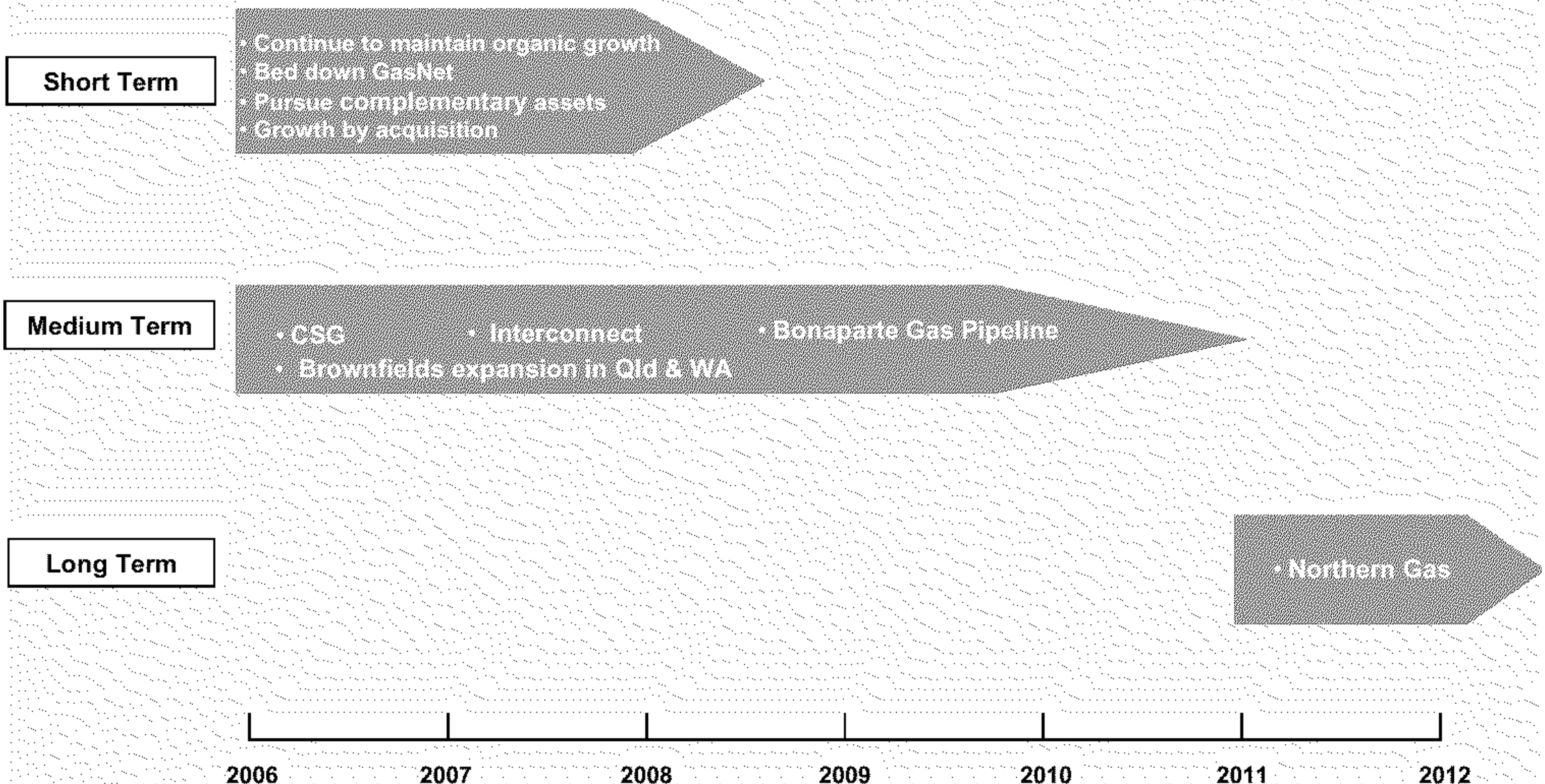
Alinta/AGL

- AGL's 30% interest to transfer to Alinta as part of AGL/Alinta merger:
  - merger requires shareholder approval
- Alinta bought 10.5% of APA units recently
- Alinta undertaking to ACCC:
  - to divest its entire holding in APA and APL in a specified period after Scheme approval
  - ensures independence of APA Board and management
  - preserves competition between MSP & EGP, Parmelia & DBP
- There are restrictions on what Alinta can do with the 10.5%

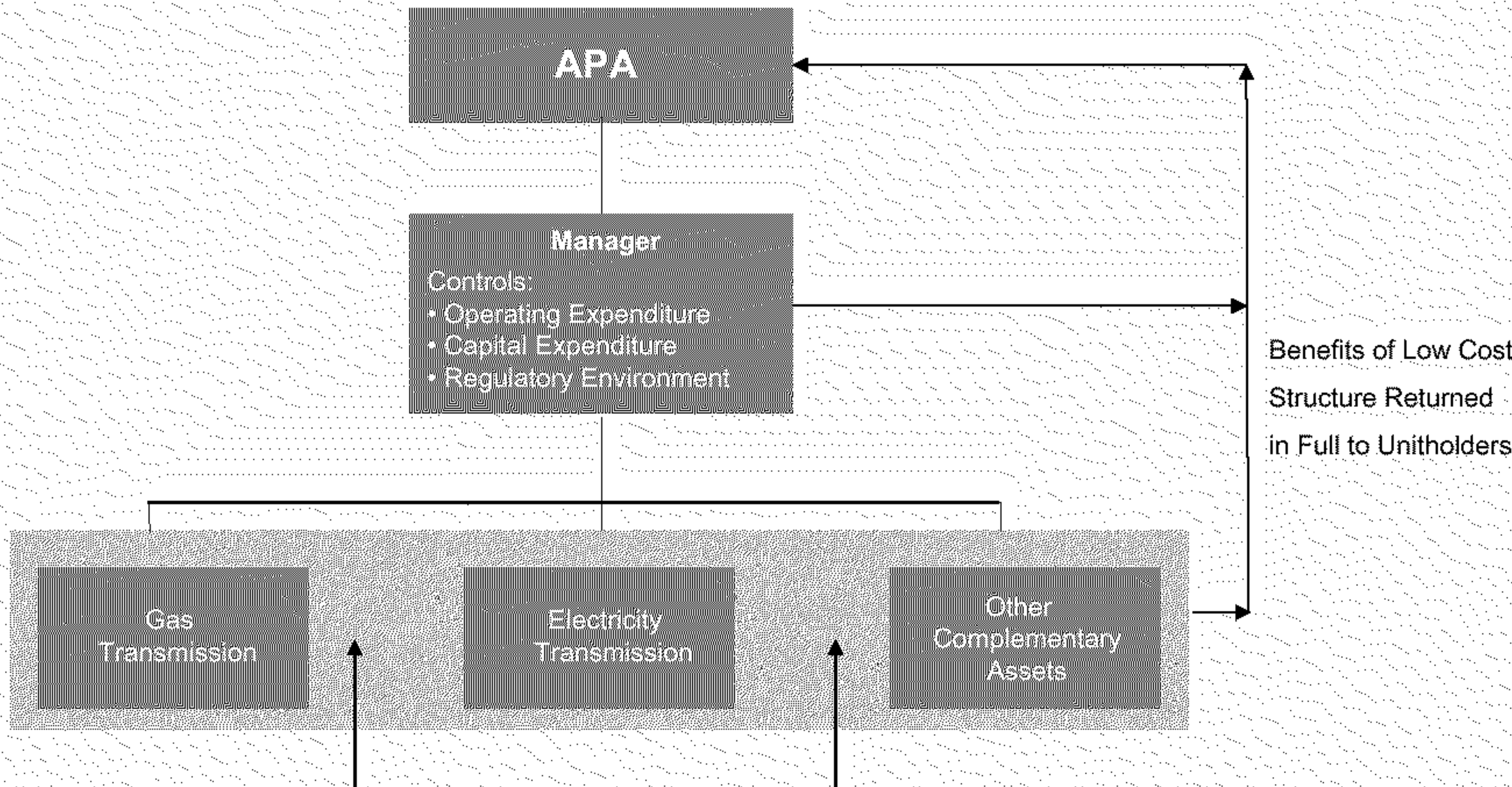
Northern Gas

- Gas supply to eastern Australia remains a critical issue in the next decade
- PNG Project
  - FEED activities relating to the PNG Pipeline Project being scaled back
  - APA remains committed to taking a significant and increased ownership in the pipeline when the project resumes
- CSG is a significant and developing supply option for eastern Australia
- Queensland to NSW interconnect - a vital and compelling project

Strategic Focus



Business Model



O&M expenditure established on a commercial, robust basis

The only fees paid relate to the operational and direct management of the assets

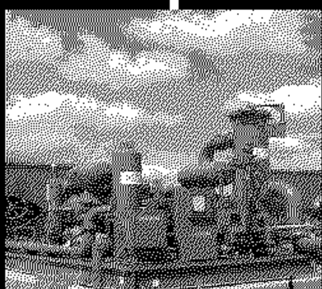
"APA delivers because it has a lean, low-cost business model which maximises returns for unitholders"

Outlook for 2007

- Takeover and integration of GasNet business
- Review capital management plan
- Further opportunity to expand the business across Australia
- QLD/NSW Interconnect
- Taking a leading role in industry consolidation
- Impact of return tariff and GTD on NPAT
- Guidance on earnings – 25 cents distribution

Summary

- 2006 has been an exceptional year
- Abundance of opportunities existing and ahead
- Right business model to deliver growing returns to unitholders
- Delivering on our promise to increase distributions annually by at least CPI



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- The information contained in this Presentation should not be relied upon as financial product advice. It does not take into account the investment objectives, financial situation and particular needs of the investor. No part of this presentation is intended as a recommendation to take any particular course of action in respect to any securities or financial products. In this regard, individuals should seek their own professional advice prior to making any decision.

- Further information about APA, GasNet and their respective businesses and operations are contained in their annual reports and other reports which can be accessed on their websites at www.pipelinetrust.com.au, www.gasnet.com.au. APA does not undertake any obligation to revise the information in this Presentation to reflect any future events or circumstances.

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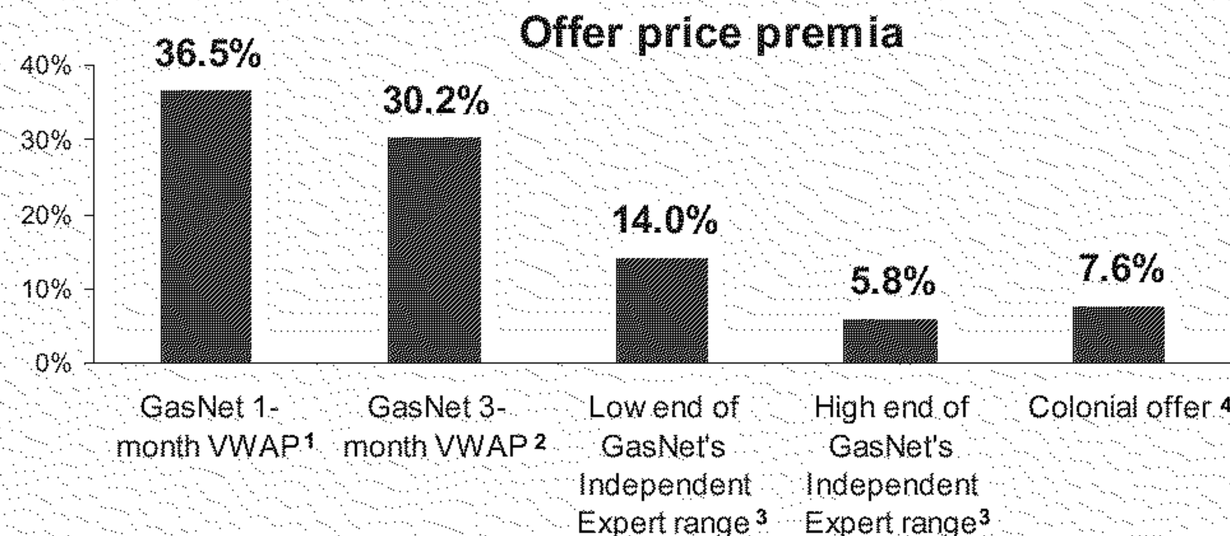
The offer

- 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

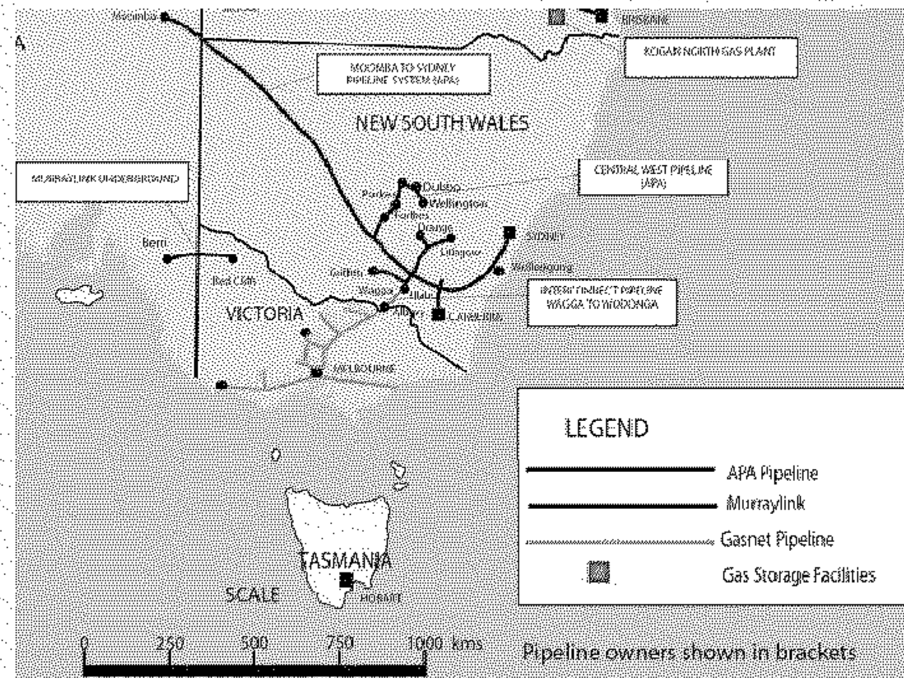
1. $2.27 VWAP from 17 May to 16 June 2006 (source: Bloomberg), being the day prior to the announcement of APA initial joint bid with BBI
2. $2.38 VWAP from 20 March to 16 June 2006 (source: Bloomberg), being the day prior to the announcement of APA initial joint bid with BBI
3. GasNet's Independent Expert 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