Australian Pipeline Trust

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Dear Unitholder

Australian Pipeline Trust – Security Purchase Plan

On behalf of the Board of Australian Pipeline Trust (APA), I am pleased to advise you of the opportunity to participate in a Security Purchase Plan (SPP), which will allow you to buy additional APA Securities at a discount to the market price and without brokerage or transaction costs.

The Board believes it is important to offer all our unitholders, where commercially practical, the opportunity to take part in equity raisings undertaken by APA, which is why we are sending you details of the SPP.

The SPP is one part of APA's plans to raise approximately $200 million in new capital to reduce gearing, to partly restore financing flexibility and to partly fund development and acquisition opportunities.

The other part of the capital raising plan is an institutional placement of new APA units which was successfully completed on 1 September, raising $190 million through the placement of new APA units at $4.55 per unit. We were very pleased with the level of interest we received both from local and international institutions.

Under the SPP, APA unitholders are entitled to apply for a parcel of New APA Securities valued at either $1,000, $3,000 or $5,000. The offer is non-renounceable, meaning that the New APA Securities may only be allotted to the original offeree. Please note that only one application per registered unitholder is permitted.

Participation in the SPP is entirely voluntary and is subject to the Terms and Conditions enclosed. If you wish to participate in the SPP, please read the instructions included on the Application Form and the accompanying Terms and Conditions carefully. **Applications must be received prior to the close of the offer at 5.00pm on 29 September 2006**.

Participation in the SPP is open to Unitholders registered on APA's security register at 5.00pm on 5 September 2006 (the Record Date) residing in Australia or New Zealand. The offer opens on 12 September 2006 and closes on 29 September 2006. New Securities are expected to be issued on 10 October 2006. New APA Securities will be entitled to the interim distribution payable for the quarter ending 30 September 2006.

The Issue Price for the New APA Securities will be the lower of the institutional placement price of $4.55 and a 2.5% discount to the average of the daily volume weighted average price of APA securities traded during the 5 trading days immediately following the offer close on 29 September 2006.

You should be aware that the market price of APA securities may rise or fall between the date of the offer and the date when the New APA Securities are issued, so at the time of issue the Issue Price of the New APA Securities may exceed or be less than the price of APA securities trading on the ASX.

If you have any questions in relation to the SPP, please contact Link Market Services Limited on +61 2 8280 7132.

We welcome your participation in the SPP and thank you for your continued support of APA.

Yours sincerely

G H Bennett
Chairman